

Sprott Asset Management LP

March 28, 2024

This brochure provides information about the qualifications and business practices of Sprott Asset Management LP (“SAM” or the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact Lara Misner, Chief Compliance Officer, at LMisner@sprott.com or (416) 275-5589. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about the Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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Item 2. Material Changes

This brochure updates the previous SAM brochure dated March 31, 2023. Since the last annual update of this brochure, SAM has made updates to reflect the transition of certain strategies and products to its affiliate, Sprott Asset Management USA Inc. ("Sprott USA"), and to remove certain strategies that are not investment advisory clients within the meaning of the U.S Investment Advisers Act of 1940, as amended (the "Advisers Act").

Other than the aforementioned changes, SAM has not made any material changes to this brochure. However, this annual update includes certain clarifying changes as SAM routinely makes changes throughout its brochure in an effort to improve and clarify the descriptions of its and its affiliates' business practices and compliance policies and procedures or in response to evolving industry and firm practices.

Except as otherwise specified, all information set forth or referenced in this brochure is as of the date hereof. Subject to the requirements of the Advisers Act, and other applicable laws, SAM is under no obligation to update any such information.

The Adviser encourages all recipients to read this brochure carefully and in its entirety.

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Item 4. Advisory Business

The Adviser is an investment adviser with its principal place of business in Toronto, Ontario, Canada. The Adviser commenced operations as an investment adviser on November 20, 2002. The Adviser is a wholly-owned subsidiary of Sprott Inc. (Ticker: SII), a public company whose securities are listed on the Toronto Stock Exchange and the New York Stock Exchange. The Adviser's investment advisory business in the United States consists of (i) providing impersonal investment advice in the form of model portfolios (the "Sprott Model Portfolios") to an affiliated investment adviser registered under the Advisers Act; and (ii) certain of the Adviser's personnel serve as portfolio managers to a fund registered under the U.S. Investment Company Act of 1940, as amended ("1940 Act").

The Adviser provides the Sprott Model Portfolios to Sprott USA, and Sprott USA in turn makes the Sprott Model Portfolios available to its clients as it deems appropriate and exercises its own judgment in deciding whether a particular Sprott Model Portfolio is suitable for a particular client account. The primary objective of the Sprott Model Portfolios is to provide long-term capital growth. The Sprott Model Portfolios investment strategies focus primarily on equities that are directly or indirectly involved in the exploration, mining, production or distribution of precious metals and minerals. Additionally, some assets could be allocated into bullion, cash, exchange-traded funds ("ETFs").

The Adviser creates, tracks and updates the Sprott Model Portfolios without regard to the specific investment objectives and strategies of the Sprott USA clients. Sprott USA monitors the model performance and is responsible for implementing trades on behalf of its client accounts. In addition, Sprott USA has the discretion to adjust the Sprott Model Portfolios or otherwise implement the Sprott Model Portfolios as it determines appropriate for its clients. The Adviser updates the Sprott Model Portfolios periodically. The Adviser does not have discretion over client assets with respect to the Sprott Model Portfolios.

The Adviser provides investment advisory services to Sprott Gold Equity Fund, an open-end mutual fund whose Investor Class A and Institutional Class I shares are listed and traded on the Nasdaq National Market (collectively with Sprott USA, "SAM Clients"), through the participation of the Adviser's employees, Maria Smirnova and Shree Kargutkar (the "Canadian PMs"), as portfolio managers to Sprott Gold Equity Fund. Sprott Gold Equity Fund's investment goal is long-term capital appreciation, which it seeks by investing at least 80% of its net assets, plus borrowings for investment purposes, in gold and other precious metals and securities of companies located throughout the world that are engaged in mining or processing gold. Sprott USA is the primary investment adviser of Sprott Gold Equity Fund.

The Adviser provides tailored advice to Sprott Gold Equity Fund based on its specific investment objectives and strategies.

The principal place of business of the Adviser is outside of the United States. Thus, consistent with SEC statements, the substantive provisions of the Advisers Act generally do not apply to clients of the Adviser that are not U.S. persons, including non-U.S. private funds.¹

As of December 31, 2023, the Adviser had approximately \$792,126,223 in regulatory assets under management, all of which are managed on a non-discretionary basis.

¹ See, e.g., Private Fund Advisers; Documentation of Registered Investment Adviser Compliance Reviews, Investment Advisers Act Release No. 6383 (Aug. 23, 2023) [88 FR 63206 (Sept 14, 2023)].

Item 5. Fees and Compensation

Asset-Based Compensation

Model Portfolios:

Sprott USA pays the Adviser a monthly advisory fee equal to 50 basis points of the amount of the aggregate net management fee received by Sprott USA with respect to each account that utilizes a Sprott Model Portfolio, such net management fee calculated based on the net asset value of the applicable Sprott USA account.

Registered Investment Companies:

Sprott Gold Equity Fund pays an investment advisory fee at an annual rate of 1.00% on the first \$500 million of average daily net assets, 0.75% of average daily net assets in excess of \$500 million but not exceeding \$1 billion, and 0.65% of average daily net assets in excess of \$1 billion to the Adviser or Sprott USA. The Adviser and Sprott USA split the remaining portion of the management fee after applicable costs and expenses have been deducted, applying the “profit split method” (as defined by the Organisation for Economic Co-operation and Development). Under the profit split method, the share of residual profit allocated to the Adviser is determined based on the relative compensation of the Canadian PMs as compared to the relative compensation of the U.S.-based portfolio managers with respect to Sprott Gold Equity Fund.

In addition, the Canadian PMs receive compensation indirectly for the portfolio management services they provide to Sprott Gold Equity Fund.

Performance-Based Compensation

The Adviser does not currently receive performance-based compensation for the investment advisory services it provides to SAM Clients.

Other Compensation

Sprott Gold Equity Fund pays an administration fee at an annual rate of 0.15% on the first \$400 million of average daily net assets, 0.13% on the next \$600 million of average daily net assets, and 0.12% on the average daily net assets in excess of \$1 billion.

The Adviser receives compensation from its other business activities and operations, including with respect to its non-U.S. clients and certain physical trusts that are not investment advisory clients. No such compensation will offset any management fee or other compensation received from a SAM Client.

The Adviser is permitted from time to time to enter into arrangements with service providers that provide fee discounts for services rendered to SAM Clients or the Adviser. For example, certain law firms retained could discount their legal fees for advice in connection with certain matters. In some cases, discounts could be based on volume and so the Adviser or certain SAM Clients could receive a greater discount than others depending on the timing of their transactions (e.g., if a transaction occurs early in a year it is possible that the transaction does not receive the same discount as a transaction that occurs later in the year).

Services Provided by Affiliates of the Adviser

In addition to the investment advisory services provided by the Adviser, the Adviser and certain of its affiliates or related persons (each an “Affiliate Service Provider”) have provided, and intend in the future to provide, operations-related consulting and other support services, including, without limitation, fund operations, accounting, tax, finance, ESG (as defined below) and information technology services, to SAM Clients that would otherwise be performed by third parties. Affiliate Service Providers or their affiliates have

received, and will in the future receive, compensation for such services, including, without limitation, consultant fees, retainer fees, success fees and other fees, salary, promotes, profit sharing, incentive equity, stock options, stock awards, co-investment rights and other non-cash compensation, benefits and incentives, and reimbursement of expenses (including internally allocated overhead), from SAM Clients at rates which are intended to be at or below market rates, or, if no such market rates are available, at rates that the Adviser believes to be commercially reasonable. Determining whether a particular rate or expense is at or below market rates is difficult and depends on a number of factors and considerations. Where the Adviser, an Affiliate Service Provider or an affiliate thereof has determined to provide services at or below market rates, they will do so in their sole discretion and apply rates that they determine in their sole discretion to reflect a range of rates they believe to be commercially reasonable in the relevant market. None of the Adviser, an Affiliate Service Provider or any affiliate thereof commits to conduct any particular form of benchmarking in connection with determining the rates at which it provides its services. Investors should be aware that it can be difficult to identify comparable operating companies or other service providers that provide services of a similar scope and scale, which could impact any benchmarking analysis. Any amounts received in connection with such support services, including any amounts received in connection with particular transactions or investments, will not reduce or off-set any management fees. The compensation received by the Affiliate Service Providers or the Adviser in connection with these services creates a conflict of interest with respect to the investment advisory services provided to SAM Clients. The Adviser is incentivized to provide investment advice that will increase a SAM Client's utilization of such services provided by the Adviser or Affiliate Service Providers.

Item 6. Performance-Based Fees and Side-by-Side Management

As discussed in Item 5 above, the Adviser does not currently receive performance-based compensation for the investment advisory services it provides to SAM Clients.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with different fee arrangements, and the allocation of investment opportunities, including with respect to the Adviser's non-U.S. clients and certain physical trusts that are not investment advisory clients. In particular, the Adviser reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly-situated managed accounts is also periodically compared to determine whether there are any unexplained significant discrepancies.

Item 7. Types of Clients

As described in Item 4, the Adviser's clients with respect to its investment advisory business in the United States consist of (i) Sprott Gold Equity Fund and (ii) Sprott USA to which it provides the Sprott Model Portfolios.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

The Adviser utilizes a variety of methods and strategies to determine the Sprott Model Portfolios and make investment recommendations to Sprott Gold Equity Fund. The methods of analysis include fundamental research. Specifically, the Adviser employs one or more the following strategies on behalf of SAM Clients from time-to-time:

Equity. The Adviser's equity strategies focus on a broad range of equity investment styles, including growth, core, and value, as well as blended portfolios. Many such strategies focus on specific ranges on the capitalization scale, from micro-capitalization, through small-capitalization and large-capitalization. Others focus on investment opportunities in more than one capitalization category or across all capitalization levels. In addition, certain strategies are global, multi-national, or focused on particular geographic regions or specific countries.

Buy and Hold. The Adviser applies buy and hold investment strategies wherein the Adviser's recommendations can include buying securities and holding them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

Fundamental Value. The Adviser applies fundamental value investment strategies wherein the Adviser's recommendations can include investing in asset-oriented securities the Adviser believes are undervalued by the market.

Global Macro. The Adviser applies global macro investing strategies wherein the Adviser's recommendations can include attempts to anticipate global macroeconomic events using discretionary selection.

Growth. The Adviser applies capital growth investment strategies wherein the Adviser's recommendations can include attempts to select securities of a company whose earnings the Adviser expects to grow at an above-average rate compared to the company's specific industry or the overall market.

These methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

The following are certain risks of investment:

Natural Resources and Related Industries. Investments in natural resources and related industries are affected by business, financial market or legal uncertainties. The production and marketing of natural resource assets could be affected by actions and changes in governments. In addition, natural resource assets and natural resource asset securities have the potential to be cyclical in nature. During periods of economic or financial instability, natural resource asset securities could be subject to broad price fluctuations, reflecting volatility of energy, basic materials and precious metals prices and possible instability of supply of various natural resource assets. In addition, natural resource asset companies could also be subject to the risks associated with extraction of natural resources as well as the risks of the hazards associated with natural resources, such as fire, drought, and increased regulatory and environmental costs. Natural resource asset securities could also experience greater price fluctuations than the relevant natural resource asset. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on underlying natural resource investments.

Lack of Diversification. Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, the portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments.

Emerging Markets. The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries could be less established and could change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that could be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

Equity Securities. The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in

the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and could in the future lead, to increased short-term market volatility and have the potential to cause adverse long-term effects on world economies and markets generally.

Non-U.S. Securities. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks not typically involved in investing in securities of companies domiciled and operating in the United States relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad); a lack of uniform accounting, auditing and financial reporting standards; the potential difficulties in enforcing contractual obligations; changed circumstances in dealings between nations; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividend, interest or other payments) or confiscatory taxation could also affect investments in non-U.S. securities. Higher expenses could result from investment in non-U.S. securities than would from investment in U.S. securities because of the costs that must be incurred in connection with conversions between various currencies and foreign brokerage commissions that could be higher than the United States. Non-U.S. securities markets also could be less liquid, more volatile and less subject to governmental supervision than in the United States. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

Valuation. The valuation of a SAM Client's investments or the Sprott Model Portfolios, which will affect performance results, involves uncertainties and subjective determinations. As a result, there is no assurance that the valuation of an investment reflects the price at which a SAM Client could dispose of its interests in a particular investment at any given time. The process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values could differ from values that would have been determined had a ready market existed for such securities and could differ from the prices at which such securities are ultimately sold. Because the Adviser determines in its discretion the value of the Sprott Model Portfolios and SAM Clients' assets, a potential conflict of interest exists in making valuation determinations given the potential impact of such valuations on the performance of a Sprott Model Portfolio or a SAM Client. There can be no assurance that SAM Clients will be able to realize their investments at prices that are commensurate with the value at which such investments have been carried on the SAM Clients' books and the difference between carrying value and the ultimate sale price could be material. The fair value of all investments or of property received in exchange for any investments will be determined by the Adviser in accordance with the Adviser's valuation policies. The exercise of discretion in valuation by the Adviser presents a conflict of interest. Notwithstanding the terms of the applicable Advisory Agreement, the Adviser could have an incentive to adjust valuation determinations upward (or to avoid reductions) in order to enhance performance reporting with the effect of receiving higher management fees where applicable. Further, in connection with the Adviser's discretion in valuing certain assets, the Adviser maintains discretion to determine whether certain assets have experienced a permanent and significant decline in value. A permanent and significant decline in the value of an investment would generally reduce the basis from which management fees are calculated where applicable. The Adviser therefore could have an incentive with respect to certain SAM Clients to hold onto assets or other investments that have poor prospects for improvement or to avoid or otherwise delay determining that an investment has been subject to a permanent and significant decline in value. Investors will generally not have access to detailed valuation calculations and methodologies or to the underlying information utilized for a particular valuation or investment.

Possibility of Fraud or Other Misconduct of Employees and Service Providers. Misconduct by employees of the Adviser, portfolio company officers or employees, service providers to the foregoing or their respective affiliates could cause significant losses to the Adviser or SAM Clients. Misconduct could include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered for a SAM Client, misappropriation of assets, or the improper use or disclosure of confidential or material non-public

information, any of which could result in litigation or serious financial harm. The Adviser has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurance can be given that the Adviser will be able to identify or prevent all such misconduct. Where such misconduct occurs, the Adviser could still have indemnification obligations to such employees and service providers and have limited remedies for such misconduct.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) could have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally could reduce the availability of attractive investment opportunities for SAM Client accounts and could affect the ability of SAM Clients to make investments recommended by the Adviser. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) could also increase the risks inherent in SAM Client accounts' investments and could have a negative impact on the performance of SAM Client accounts' investments. Movements in foreign exchange rates could adversely affect the value of SAM Client accounts' investments and their overall performance. These developments, and the potential consequences of them, have had and could continue to have, a material adverse effect upon global economic conditions and the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings have been and could continue to be subject to increased market volatility.

Uncertain Economic, Social and Geopolitical Environment. SAM, SAM Client accounts and the issuers in which they invest could be adversely affected by economic, social and geopolitical developments in the countries in which they are invested and more broadly. The global economic and geopolitical climate is uncertain, as acts of war, acts of terrorism, the threat of future acts of war or terrorism, growing social and political discord in the United States and elsewhere, economic sanctions, tariffs and other trade disputes, evolving international political developments, changes in government policies and taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken. This could have an adverse effect on the economy generally and on the ability of SAM Client accounts to execute their respective strategies. A climate of uncertainty could reduce the availability of potential investment opportunities and increases the difficulty of modeling market conditions. SAM Client accounts could be adversely affected by abrogation of international agreements and national laws which have created the market instruments in which SAM Client accounts could invest, failure of the designated national and international authorities to enforce compliance with the same laws and agreements, failure of local, national and international organization to carry out the duties prescribed to them under the relevant agreements, revisions of these laws and agreements which dilute their effectiveness or conflicting interpretation of provisions of the same laws and agreements. Global developments related to international policy and trade have fueled doubts about the future of global free trade. The U.S. government, along with other governments, have indicated their intent to alter their approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto. U.S. and global market and economic conditions could decrease the demand for consumer products and could materially and adversely affect (i) the ability of SAM Clients, their portfolio companies or their respective affiliates to access credit markets on favorable terms or at all in connection with the financing or refinancing of investments, (ii) the ability or willingness of certain counterparties to do business with SAM Clients or their affiliates, (iii) SAM Clients' exposure to the credit risk of others in its dealings with various counterparties (for example, in connection with joint ventures or the maintenance with financial institutions of reserves in cash or cash equivalents), (iv) consumer spending and demand for the products and services offered by SAM Clients' portfolio companies, (v) growth opportunity for SAM Clients' investments, (vi) SAM Clients' ability to exit investments at desired times, on favorable terms, or at all, and (vii) availability of reliable insurance on favorable terms or at all. There can be no assurance as to the future direction of national and global market and economic conditions. The market outlook, trends, opportunities and other matters are based on various estimates and assumptions,

including about future events. There can be no assurance that such market outlook, trends, opportunities and other matters will materialize.

Inflation. Certain countries, including the U.S., have experienced and could in the future experience substantial, and in some periods extremely high, rates of inflation. Inflation and rapid fluctuations in inflation rates have had and could continue to have very negative effects on the economies and securities markets (both public and private) of certain countries in which SAM Clients could invest. There can be no assurance that high rates of inflation will not have a material adverse effect on the investments of SAM Clients.

Benchmark Risk. The London Interbank Offered Rate (“LIBOR”) and certain other “benchmarks” have been the subject of national, international and other regulatory guidance and reform. As of February 2024, only the synthetic 1-month, 3-month and 6-month US dollar LIBOR settings, and the synthetic 3-month sterling LIBOR setting remain with the USD expected to cease permanently at the end of March 2024. The current phasing out and discontinuation of the remaining LIBOR settings, or the replacement of the remaining LIBOR settings with an alternative reference rate such as the Security Overnight Financing Rate (“SOFR”), has the potential to adversely affect the Adviser’s credit arrangements and negatively impact the expected return on a SAM Client’s portfolio and/or the availability of instruments designed to hedge a SAM Client’s exposure to the remaining LIBOR settings, and such impacts could be material.

Although it is expected that certain loan obligations that bear interest based on the remaining LIBOR settings will have migrated to a new benchmark, there is no guarantee that (i) such transition will occur, and if it occurs, when such transition has occurred or will occur, (ii) any particular alternative rate will replace the remaining LIBOR settings as the benchmark for such loan obligations and (iii) any spread adjustment adopted in connection with such transition will be representative of LIBOR as of the date of determination of such benchmark. The discontinuation of the remaining LIBOR settings could cause an increase in the volatility of the remaining LIBOR settings and SOFR or any other relevant alternative rate prior to the consummation of any such change. There is no certainty as to how the emerging market-accepted alternatives to the remaining LIBOR settings will impact investment returns. It is possible that no alternative benchmark will reflect the composition and characteristics of the remaining LIBOR settings, and dramatic shifts in debt investments and the debt markets generally could occur, which has the potential to negatively impact the expected return on the Adviser’s portfolios. As a result of the expected transition, interest rates on loans, deposits, derivatives, and other financial instruments tied to the remaining LIBOR settings, as well as the revenue and expenses associated with those financial instruments, could be adversely affected. There is no guarantee that a transition from the remaining LIBOR settings to an alternative will not result in financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which has the potential to have a material adverse effect on the Adviser’s business, result of operations, and financial condition.

Withdrawal of the United Kingdom from the European Union. The United Kingdom (“UK”) withdrew from the European Union (“EU”) on January 31, 2020 (“Brexit”). In connection with Brexit the UK and the EU agreed the Trade and Cooperation Agreement (“TCA”) which took effect on January 1, 2021, that governs the future trading relationship between the UK and the EU in specified areas. On June 27, 2023, the UK signed a Memorandum of Understanding with the European Union to increase co-operation on financial services. The Memorandum of Understanding does not represent an agreement or roadmap towards reconstituting any of the mutual freedoms prior to Brexit; rather, it represents an arrangement to cooperate around shared objectives and establishes a “forum” mechanism to facilitate discussion. The Memorandum of Understanding sets out a shared objective of preserving financial stability, market integrity and the protection of investors and consumers. Brexit continues to lead to changes to the regulatory environment and regulatory divergence between the UK and EU. In particular, in the UK the Financial Services and Markets Act 2023, which received Royal Assent on June 29, 2023, made provision for all retained EU legislation (known as “assimilated law” from January 1, 2024) to be repealed and replaced with UK-specific legislation and regulatory rules. While this will not necessarily result in policy changes to all regimes inherited from the EU, it does afford policymakers with the opportunity to make such changes and will result in divergence in certain areas. Further, the EU is also working on legislative changes as part of scheduled reviews of various regulatory regimes; such changes will not be reflected in the UK equivalent regimes. There can be no assurance that any negotiated laws, taxation and/or regulations will not have an adverse

impact on the Adviser, SAM Clients and their investments, including the ability of SAM Clients to achieve their investment objectives. The ongoing effects of Brexit have the potential to result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management (due in part to redenomination of financial assets and liabilities), an adverse effect on the Adviser and increased legal, regulatory or compliance burden for the Adviser, each of which has the potential to negatively impact on the financial condition, returns or prospects of SAM Clients.

Data Privacy and Cybersecurity Laws and Requirements. The Adviser, each SAM Client, their respective affiliates, portfolio companies, and, on their behalf, third-party vendors, collect, use, handle and otherwise process information related to individuals (“personal information”), including information concerning actual and prospective individual investors (and the beneficial owners of investors) and representatives of institutional investors, as well as employees, job applicants, representatives of companies the Adviser, a portfolio company or an affiliate thereof do business with, and others, which subjects the Adviser, portfolio companies or their affiliates to certain foreign, federal and state laws, regulations, rules and other requirements related to the privacy, security and processing of personal information.

These requirements, and their application and interpretation, are constantly evolving and increase the potential exposure to regulatory enforcement or litigation. In particular, the SEC has proposed new cybersecurity risk management rules intended to enhance cybersecurity preparedness and resilience, which would impose further requirements on the Adviser if the new rules were to come into effect. Compliance with such emerging requirements will likely result in increased compliance costs and have the potential to lead to changes in the Adviser’s business practices.

The General Data Protection Regulation and equivalent legislation in the UK impose comprehensive data privacy compliance obligations in relation to the processing of personal information which are actively enforced (the “GDPR”). The GDPR also regulates the international transfer of personal information from the European Economic Area (“EEA”) and UK. Following development of regulatory guidance and enforcement action in this area, the Adviser expects legal complexity and uncertainty regarding data transfers to continue. To the extent that the Adviser actively offers investment opportunities to natural persons located in the EEA and the UK, the Adviser will be subject to the GDPR.

In addition, the Adviser, SAM Clients, and their respective affiliates receive, store, handle, transmit, use and otherwise process information related to the SAM Clients’ portfolio companies and prospective portfolio companies, including from and about actual and prospective investors (and the beneficial owners of investors), as well as the Adviser’s employees, job applicants, contractors and representatives of companies the Adviser does business with (collectively, “confidential information”). As a result, each Adviser, each SAM Client and each of their respective affiliates is, and could in the future become subject to further U.S. federal and state laws, rules and regulations related to data privacy, data protection and information security which could apply to personal information provided by, or on behalf of, any investor. For instance, in the United States, the federal Gramm-Leach-Bliley Act of 1999 (“GLBA”) and Regulation S-P adopted by the SEC pursuant to the GLBA, imposes certain privacy obligations on covered financial institutions that offer financial products or services, including to notify customers of their privacy policies and establish sufficient safeguards of its confidential information. Additionally, many states are currently reviewing or proposing the need for greater regulation of the collection, sharing, use and other processing of information about individuals and there remains increased interest at the federal level.

The Adviser could be required to modify its data collection or processing practices and policies and incur substantial costs and expenses in an effort to comply with such laws, and increase their potential exposure to regulatory enforcement and/or litigation. Additionally, these requirements, and their application, interpretation and amendment are constantly evolving and developing. Compliance with existing and emerging data privacy and security laws, regulations and industry standards could result in increased compliance costs and/or lead to changes in business practices and policies. Any actual or perceived failure to protect the confidentiality of client or other personal information could adversely affect the Adviser’s reputation, result in legal claims or proceedings (including class actions), regulatory investigations or enforcement actions, fines or other financial loss, require the Adviser to incur significant costs or investment

in resources, and impact strategies, any of which could materially and adversely affect the Adviser's and SAM Clients' business, results of operations and financial condition.

Alternative Data. The Adviser is permitted to obtain and use alternative data in its investment process. Alternative data could consist of datasets that have been culled from a variety of sources, such as internet usage, payment records, financial transactions, weather and other physical phenomena sensors, applications and devices (such as smartphones) that generate location and mobility data, data gathered by satellites, and government and other public records databases (this data is sometimes referred to as "big data" or "alternative data"). The Adviser reserves the right to apply this alternative data to better anticipate micro- and macroeconomic trends and otherwise to develop or improve trading or investment themes. No assurance can be given that the Adviser will be successful in utilizing alternative data in its investment process.

Use of alternative data presents certain conflicts of interest to the Adviser and risks to SAM Clients. For example, conflicts of interest can arise from the data utilized (including investor data). Use of these data has the potential to increase the risk that certain conflicts of interest remain unidentified or unaddressed, while also potentially increasing the scalability of the transmission of such conflicts of interest.

Moreover, there has been increased scrutiny from a variety of regulators regarding the use of alternative data, and the use or misuse of such data under current or future laws and regulations could create liability for the Adviser and SAM Clients in numerous jurisdictions. The Adviser cannot predict what, if any, regulatory or other actions could be asserted with regard to its use of alternative data, but any adverse inquiries or formal actions could cause reputational, financial, or other harm to the Adviser or to SAM Clients. Conversely, future limitations on the use of alternative data have the potential to materially adversely impact the performance of SAM Clients.

Disease and Epidemics. The impact of disease and epidemics could have a negative impact on the Adviser's business, SAM Clients and their investments, each of their respective affiliates and the performance and financial position of each of the foregoing. Renewed outbreaks of existing pandemics or the outbreak of new epidemics or pandemics (or variants thereof) have or could result in health or other government authorities requiring the closure of offices or other businesses and have or could result in general economic decline. For example, such events could adversely impact economic activity through disruption in supply and delivery chains. Moreover, the operations of any of the foregoing persons could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses could have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence could negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on any of the foregoing persons.

The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated.

Environmental, Social & Governance ("ESG") Matters. ESG matters have been the subject of increased stakeholder and regulatory focus. This can result in increased costs and risks associated with the Adviser's activities. While the Adviser strives to implement appropriate ESG practices, expectations and standards regarding ESG matters continue to evolve rapidly, and there can be no assurance that the Adviser will be able to identify all ESG matters that impact investments or that any measures adopted will successfully manage the matters that are identified. ESG-related practices differ by region, industry, and issue; as such, an investment or potential investment's ESG profile and practices, or the Adviser's assessment of such profile and practices, change over time. Methodologies regarding ESG matters continue to evolve and, in many cases, the assessment of ESG matters entails a substantial degree of subjectivity, including on the appropriate metrics or other information to use. As such, there is no guarantee that the Adviser will be able to measure the ESG risks and /or performance of investments or potential investments of a SAM Client in a manner that is accurate or in keeping with the values and preferences of a particular investor. In evaluating an investment's ESG characteristics, the Adviser expects to also rely on information and data from various

third parties, which could be incomplete, inaccurate, produced using different or divergent methodologies, or unavailable. As a result, there is a risk that the Adviser could incorrectly assess the ESG profile of an investment or potential investment, including the feasibility of improving such profile or the costs associated therewith. There is also a risk that the Adviser's application of ESG criteria is not done correctly or with a focus on particular risks, either in relation to individual criteria or in the aggregate. Even where ESG matters are assessed, a portfolio could have indirect exposure to companies that do not meet the relevant ESG criteria used by such a portfolio.

While the Adviser views ESG considerations as having the potential to contribute to a portfolio's long-term performance, there is no guarantee that any particular results will be achieved, either over a particular timeframe or at all. Relatedly, there is no guarantee that any investment or potential investment will achieve ESG targets or, whether or not such targets are met, have a particular impact, either on particular ESG matters or as a whole. Further, the application of ESG considerations in the discovering, developing, negotiating, evaluating, acquiring, structuring, holding, carrying, monitoring, managing and disposing of a SAM Client's investment could result in higher ESG compliance expenses or costs. The use of ESG criteria could affect a SAM Client's investment performance and, as such, any given SAM Client account is expected to perform differently compared to similar accounts that either do not use such criteria or use such criteria in a different manner.

Additionally, it should not be assumed that any ESG practices or standards will apply, or will not apply, to every investment recommended by the Adviser, or that they have applied, or have not applied, to all such prior recommendations. ESG is only one set of many considerations that the Adviser takes into account when making investment decisions and when seeking to maximize risk-adjusted investment returns, and other considerations can be expected in certain circumstances to outweigh ESG considerations. Accordingly, certain investments exhibit characteristics that are inconsistent with ESG standards.

The impact following the occurrence of an ESG event could vary depending on the nature of the event, asset class, the region and applicable regulatory regime(s). Where such an event occurs, there could be a negative impact on the value of an underlying asset or other adverse impacts for the underlying asset, the Adviser or SAM Clients, including as a result of reputational harm. Any ESG information provided is intended solely to provide an indication of ESG initiatives and standards that the Adviser applies when seeking to evaluate or improve the ESG characteristics of an investment as part of the larger goal of maximizing financial returns on investments. Accordingly, certain investments will, from time to time, exhibit characteristics that are inconsistent with the practices or standards described herein.

ESG Regulation. Various policymakers, including in the U.S., UK and EU, among other jurisdictions, have adopted, or are considering adopting, laws or regulations regarding the consideration of various ESG matters. Under certain such requirements, the Adviser could be required to classify itself or individual investments or potential investments against certain criteria, which are open to subjective interpretation in certain circumstances. The Adviser's view on the appropriate classification is expected to develop over time, including in response to statutory or regulatory guidance or changes in industry practices or approaches to classification. A change to the relevant classification would require further actions to be taken, such as requiring further disclosures by impacted SAM Clients or new processes to be set up to capture data about relevant investments, which can lead to additional costs. In addition, there is a risk that a classification of the Adviser or any individual investments or potential investments as considering or not considering certain ESG matters results in the Adviser or any such investments being targeted by certain policymakers or other stakeholders for activism or pushback. Policymakers have increased the level of scrutiny on ESG disclosures, and the Adviser could in the future be required to incur costs or expend substantial time and resources in responding to such policymakers' inquiries.

Additionally, there is increasing fragmentation in the ESG expectations of various jurisdictions. This could in the future require the Adviser to prepare disclosures under various different methodologies that do not align with the methodologies the Adviser uses in its assessment of ESG criteria, and to incur additional costs. Moreover, several jurisdictions, including various U.S. states, have adopted or proposed legislation or other policies to require relevant state entities or the administrators of state investments to take certain prescriptive steps regarding their investment decisions. Certain of these jurisdictions require the

consideration of certain ESG matters, whereas others require investment decisions to be made solely on financial factors or investment returns without consideration of certain ESG matters. In addition, other potential investors could voluntarily implement strategies regarding their investments in funds dependent on their use or eschewal of ESG factors. To the extent such state laws apply to prospective investors in SAM Clients or their clients or a significant number of such prospective investors adopt strategies regarding investment in funds based on ESG factors, the Adviser could in the future be required to modify, augment, or eliminate its ESG policies to the extent the Adviser targets particular investors for investment in SAM Clients or their clients. In addition, the evolving nature of ESG and sustainability-related regulations and practices means that there is likely to be a degree of divergence as to the regulatory and market meaning of such terms, as well as the divergent views on the degrees to which such matters contribute to long-term performance.

Competition for ESG and Climate-Related Investments. Due to increasing market interest in ESG and climate-related investing, there is likely to be competition from other entities having a similar focus on these areas. The Adviser expects that competition for appropriate investment opportunities in these areas will increase, which could increase the difficulty of finding investments at attractive prices or at all, increase the pressure to seek investments that are perhaps more vulnerable to greenwashing claims or allegations, increase the likelihood of paying higher prices for investments, conduct less due diligence or provide certain seller favorable terms in transactions, or decrease the likelihood of obtaining buyer favorable terms in transactions.

Risk Management Failures. Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior could be entirely different and, accordingly, the risk management techniques employed on behalf of clients have the potential to be incomplete or altogether ineffective. Similarly, the Adviser could be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to clients.

Business Continuity Plans. In the event of unforeseen catastrophic events such as natural disasters, terrorist attacks and epidemics, the Adviser will initiate the business continuity plan to safeguard employee access to the resources and technology necessary to continue their responsibilities and meet portfolio company and investor needs. The business continuity plan is tested to help ensure that appropriate measures are put in place to manage any such catastrophic events. However, the Adviser is not able to predict the level of disruption that such catastrophic events could have on its operation or the ability of the plan to succeed in a time of crisis; as a result, its business continuity plan could be insufficient to continue operating the Adviser's business as usual. The failure of the business continuity plan for any reason could cause significant interruptions in the operations of the Adviser or SAM Clients. Similar types of operational risks are also present for the companies in which SAM Clients or their clients invest, which could have material adverse consequences for such companies and could cause investments to lose value.

The Adviser initiated the business continuity plan in response to the spread of the coronavirus. While the implementation of the business continuity plan has not impaired operations to date, the ongoing implementation of the business continuity plan could affect the future ability of the Adviser to operate effectively, including the ability of personnel to function, communicate and carry out its investment strategies and objectives.

Regulatory Changes. Currently, both the asset management industry and the natural resources industry are subject to enhanced governmental scrutiny and increased regulatory activity. There can be no assurance that any such scrutiny or regulatory activity will not have an adverse impact on SAM's or SAM Client accounts' activities, including the ability of SAM to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategies or achieve their investment objectives. For example, environmental laws regulating infrastructure projects could become more restrictive, as governments aim to limit the impact of infrastructure on the environment, wildlife and natural resources and reduce the emissions of greenhouse gases. Changes in laws and regulations could

result in increased compliance costs, additional capital expenditures or unanticipated liabilities. In particular, a company could be required to incur additional costs and expenses in implementing structural changes in the conduct of its business, including to establish greater substance in certain jurisdictions in which SAM proposes to invest, and could also become directly or indirectly subject to additional tax liabilities (for example through restrictions on or denial of the deductibility of interest expenses against taxable profits). Additionally, such additional scrutiny could divert the Adviser's time, attention and resources from investment advisory activities.

SEC Regulation. Changes in law or regulations could adversely affect the value of investments held (directly or indirectly) by SAM Clients, affect the ability of SAM Clients to pursue their respective investment strategies, restrict the Adviser's ability to operate as it has in the past, and increase the amount of fees or expenses borne by SAM Clients and their clients and investors. The time and attention as well as the financial costs associated with compliance with these rules, or other rules adopted in the future, could divert the Adviser's resources away from managing its investment programs, which could adversely affect SAM Clients. Further, the impact of these rules is uncertain and could become subject to increased uncertainty in the event the rules are challenged in court by industry groups or other market participants. Any legal or regulatory uncertainty with respect to these rules is likely to result in a diversion of the Adviser's time and resources as well as expose the Adviser to regulatory risk, all of which in turn could negatively impact SAM Clients and their investments.

Cybersecurity Incidents and Risk. The Adviser, each SAM Client, portfolio companies and service providers to the Adviser, rely on the Internet, computer networks, and various software and hardware (collectively, "IT Systems") for current and planned and internal and external-facing operations. IT Systems and the confidential information, personal information, financial information, and other proprietary or nonpublic information the Adviser, SAM Clients, portfolio companies or third-party vendors store, transmit, and otherwise process (collectively, the "Information") are subject to cybersecurity threats, risks and vulnerabilities, including through social engineering/phishing, malware (including ransomware), malfeasance by insiders, human or technological error, and vulnerabilities in software (including malicious code) that is integrated into IT Systems, products or services. While the Adviser has taken steps to protect its IT Systems and Information, threat actors are increasingly sophisticated and using advanced tools and techniques (including artificial intelligence) to circumvent security controls, evade detection and delete forensic evidence, which impacts the Adviser's ability to timely and effectively detect, investigate, mitigate and recover from attacks and incidents. The Adviser also engages third parties to perform various functions, and the Adviser cannot control their actions entirely.

While the Adviser has not suffered any cybersecurity incidents that have resulted in, or are expected to result in, a material impact to the Adviser's operations or financial results, the Adviser, SAM Clients or a portfolio company could experience cybersecurity incidents in the future that have a material adverse impact on its business or operations. A security incident has the potential to result in significant costs and liability, including legal claims or proceedings, regulatory investigations and enforcement actions, fines and penalties, increased preventative and protective costs, significant incident response, system restoration or remediation and compliance costs, reputational or brand damage, loss of investors, and the loss of liquidity. Any of the foregoing has the potential to materially impact the Adviser's business prospects or financial position, as well as each SAM Client's ability to achieve its investment objectives or conduct its operations. Finally, there is no guarantee that any costs and liabilities will be covered by the Adviser's existing insurance policies or that applicable insurance will be available to the Adviser in the future on economically reasonable terms or at all.

Russia-Ukraine Conflict. The Russian Federation invaded Ukraine on February 24, 2022. Geopolitical tensions have mounted in response and the U.S., the UK, EU member states, and other countries have imposed economic sanctions on the Russian Federation, parts of Ukraine, as well as various designated parties. These sanctions have impacted the Russian economy. As further military conflicts and economic sanctions continue to evolve, it has become increasingly difficult to predict the effect of these events or how long they will last. Depending on direction and timing, the Russian Federation-Ukraine conflict could significantly exacerbate the normal risks associated with the Adviser's investment recommendations and lead to adverse changes to, among other things: (i) general economic and market conditions; (ii) shipping,

energy and transportation costs and supply chain constraints; (iii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iv) demand for investments; (v) available credit in certain markets; (vi) import and export activity from certain markets; and (vii) laws, regulations, treaties, pacts, accords and governmental policies. Economic and military sanctions related to the Russian Federation-Ukraine conflict, or other conflicts, could affect markets, global supply and demand, import/export policies, and the availability of labor in certain markets. There is no guarantee that such sanctions and economic actions will abate or that more restrictive measures will not be put in place in the near term. It is also expected that the Russian Federation-Ukraine conflict could spark further sanctions or military conflicts which will impact other regions. The foregoing could seriously impact each SAM Client's investments and its ability to realize its investment objectives in a timely manner.

Israel Conflict. Following the invasion of Israel on October 7, 2023 by certain organizations residing in territories and countries adjacent to Israel, military activities conducted immediately thereafter by many of the parties involved or indirectly involved have significantly increased the risks related to the conduct of international policy and trade in the area. The foregoing could seriously impact the investments of SAM Clients and their ability to realize investment objectives in a timely manner.

Volatility of Commodity Prices. The performance of investments recommended by the Adviser could be substantially dependent upon prevailing prices of gold, silver, copper, oil, uranium and other commodities. Commodity prices have been, and are likely to continue to be, volatile and subject to wide fluctuations in response to any of the following factors: (i) relatively minor changes in the supply of and demand for each commodity; (ii) market uncertainty; (iii) political conditions in international commodity producing regions; (iv) the extent of domestic production and importation of oil, gas, coal or metals in certain relevant markets; (v) the foreign supply of precious, base and industrial metals; (vi) the price of foreign imports; (vii) the price and availability of alternative fuels; (viii) the level of consumer demand; (ix) weather conditions; (x) the effect of regulation on the production, transportation and sale of commodities; (xi) overall economic conditions; and (xii) a variety of additional factors that are beyond the control of SAM.

Precious Metal-Related Securities. The Adviser could recommend investment in the equity securities of companies that explore for, extract, process or deal in precious metals (e.g., gold and silver), and in asset-based securities indexed to the value of such metals. It is possible that such securities could be purchased when they are believed to be attractively priced in relation to the value of a company's precious metal-related assets or when the values of precious metals are expected to benefit from inflationary pressure or other economic, political or financial uncertainty or instability. Based on historical experience, during periods of economic or financial instability the securities of companies involved in precious metals could be subject to extreme price fluctuations, reflecting the high volatility of precious metal prices during such periods. In addition, the instability of precious metal prices could result in volatile earnings of precious metal-related companies, which could, in turn, adversely affect the financial condition of such companies.

Use of Derivatives and Other Specialized Techniques. Companies in the natural resources sector often engage in derivatives transactions to insulate against changes in commodities prices, and SAM Clients or the companies in which they invest could engage in derivative or similar transactions. These transactions could involve the purchase and sale of commodities or commodity futures, the use of forward contracts, swap agreements, put and call options, floors, collars, bilateral agreements or other arrangements. Such instruments could be difficult to value, could be illiquid and could be subject to wide swings in valuation caused by changes in the price of commodities or other underlying assets. Derivative instruments could trade on markets organized outside the United States, markets for such instruments could be illiquid, highly-volatile and subject to interruption and there is no assurance that suitable hedging instruments will continue to be available at reasonable cost.

The investment techniques related to derivative instruments are highly specialized and could be considered speculative. Such techniques often involve forecasts and complex judgments regarding relative price movements and other economic developments. The success or failure of these investment techniques could turn on small changes in exogenous factors not within the control of SAM. Moreover, derivative agreements and contracts entered into by companies could be subject to the risk that one or more counterparties thereto would default on their payment obligations to the companies, due to such

counterparty's insolvency, bankruptcy or other factors that are outside of the control of the Adviser, SAM Clients, or the companies in which they invest. For all the foregoing reasons, the use of derivatives and related techniques can expose a SAM Client and its investments to significant risk of loss.

Uncertainty of Estimates. Estimates of natural resources reserves by qualified engineers are often key factors in valuing certain natural resource companies. The process of making these estimates is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir or reserve. These estimates are subject to wide variances based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such estimates to be significantly revised from time to time, creating significant changes in the value of the company owning such reserves.

Cyclicalities of Natural Resource Markets. The markets for natural resources and entities whose businesses are dependent on natural resources and related activities are cyclical and, in many circumstances, dependent upon a variety of macroeconomic and political factors, some or all of which will be beyond the control of the managers of the companies in which SAM Clients could invest, especially recessionary or inflationary economies and inflationary expectations in the United States and other countries. The values of mining and mining-related businesses are affected by changes in the supply and demand of the markets, both domestic and international. Supply and demand can fluctuate significantly over a short period of time due to changes in, for example, weather, international politics (including developments in Russia and surrounding areas and the Middle East), the rate of economic growth in the Pacific Rim (particularly in China and India), conservation, the regulatory environment, governmental tax policies and the economic growth and stability of countries that consume or produce large amounts of energy resources. Interest rates, currency fluctuations, real or perceived market shortages, global conflicts, acts of terrorism, overproduction or overcapacity are additional factors that could result in price distortions. Such distortions could last for extended periods, thereby limiting investment opportunities as well as opportunities to exit previously consummated Investments at reasonable valuations.

Short Sales. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on a portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There is a risk that a SAM Client engaging in a short sale would have to return the securities it borrows in connection with a short sale to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the SAM Client could be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

Special Situations. The Adviser could recommend investing in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the SAM Client of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the SAM Client could be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which a SAM Client invests, there is a potential risk of material loss to the SAM Client.

Currency Risks. Investments in securities or other instruments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that could affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

Metals and Minerals. SAM could recommend investing in securities that have exposure to precious metals and minerals. Prices of metals and minerals are affected by factors such as cyclical economic conditions, political events and monetary policies of various countries. Therefore, prices of gold and other precious or base metals and minerals could fluctuate sharply over short periods of time due to changes in inflation or expectations regarding inflation in various countries, the availability of supplies of metals and minerals, changes in industrial and commercial demand, metal and mineral sales by governments, central banks or international agencies, investment speculation, monetary and other economic policies of various governments and government restrictions on private ownership of certain metals and minerals. The volatility in the price of metals and minerals has a direct effect on the companies that mine and process metals and minerals, including companies that provide services to such companies, as the prices of their securities will be affected by the volatility of the prices of metals and minerals.

High-Yield Securities. SAM could recommend investing in bonds, loans, or other fixed income securities, including without limitation, commercial paper and “higher yielding” (and, therefore, higher risk) debt securities, when the Adviser believes that such securities offer opportunities for profit. Such securities could be below “investment grade” and face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher rated securities. It is likely that a major economic recession or an environment characterized by a shortage of liquidity could disrupt severely the market for such securities and could have an adverse impact on their value or liquidity. Moreover, it is likely that any such economic downturn or liquidity squeeze could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, could be a contributing factor in a decrease in the value and liquidity of such lower-rated securities. The market for lower-rated securities is often less liquid than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold.

Investments in Undervalued Securities. The identification of investment opportunities in undervalued securities is a difficult task and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. There is no assurance that returns generated from a SAM Client's investments will adequately compensate for the business and financial risks assumed. Further, there are no assurances that the securities purchased will in fact be undervalued or that undervalued securities will ever cease to be undervalued. A SAM Client could be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the SAM Client's capital would be committed to the securities purchased, thus possibly preventing the SAM Client from investing in other opportunities. In addition, the SAM Client could finance such purchase with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Distressed Securities. The Adviser could recommend investing in “distressed securities”—securities, private claims and obligations of entities that are experiencing significant financial or business difficulties or have filed for chapter 11 protection under the U.S. Bankruptcy Code. Investments could include bonds, loans, commercial paper, loan participations, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts and options or participations therein not publicly traded.

Distressed securities could result in significant returns to a SAM Client, but also involve a substantial degree of risk. A SAM Client could lose a substantial portion or all of its investment in a distressed environment or could be required to accept cash or securities with a value less than the SAM Client's investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently could be difficult to obtain information as to the true condition of such issuers. Such investments also could be adversely affected by state and federal laws

relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the "bid" and "ask" prices of such instruments could be greater than normally expected. In trading distressed securities, litigation is sometimes required. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses.

Moreover, to the extent that a SAM Client invests in "distressed" sovereign debt obligations, they will be subject to additional risks and considerations not present in private distressed securities, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which might be affected by world events, changes in U.S. foreign policy, and other factors outside the control of the Adviser. The market for distressed securities and instruments often has limited liquidity, which can adversely affect the prices at which distressed securities can be sold.

Interest Rate Risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The value of equity securities is also affected by changes in interest rates. The Adviser could attempt to minimize the exposure of the portfolio to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. Even if the Adviser does attempt to do so, there can be no guarantee that it will be successful in mitigating the impact of interest rate changes.

Concentrated Portfolio. At times, a SAM Client could have a highly concentrated portfolio and, as a result, could not be diversified among a wide range of issuers, geographic areas, capitalizations or types of securities and could have significant, concentrated positions. As a result, a SAM Client's investments could be subject to more rapid change in value than might be the case if the SAM Client maintained a wide diversification among issuers, industries, geographic areas, capitalizations or types of securities.

Item 9. Disciplinary Information

The Adviser and its management persons have not been subject to any material legal or disciplinary events.

Item 10. Other Financial Industry Activities and Affiliations

The sole limited partner of the Adviser is Sprott Inc. (Ticker: SII), a Canadian public company and independent asset manager. The general partner of the Adviser is a wholly-owned subsidiary of Sprott Inc.

Sprott U.S. Holdings, Inc., a subsidiary of Sprott Inc., owns (i) Sprott USA, an SEC-registered investment adviser that provides investment advisory services on a discretionary basis to its clients, which include individuals and institutions with separately managed accounts as well as Sprott Gold Equity Fund; (ii) Resource Capital Investment Corporation ("RCIC"), an SEC-registered investment adviser that serves as general partner to various investment partnerships intended for sophisticated and accredited investors. In addition, Sprott U.S. Holdings, Inc. owns Rule Investments Inc., which in turn owns Sprott Global Resource Investments, Ltd. ("SGRIL"), an SEC-registered broker-dealer and a member of the Financial Industry Regulatory Authority, Inc. Certain of the Adviser's management persons are principals or registered representatives of SGRIL. SGRIL serves as the distributor for Sprott Gold Equity Fund.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its supervised persons to put the interests of the Adviser's clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. In addition to compliance with the Adviser's policies and

procedures, all of the Adviser's personnel are required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Lara Misner, Chief Compliance Officer, by email at LMisner@sprott.com, or by telephone at (416) 275-5589. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by related persons.

Confidential and Material Nonpublic Information

The Adviser or its related persons, in the course of their investment management and other activities (e.g., board or creditor committee service), could come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a SAM Client. In certain circumstances, the Adviser could possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to a SAM Client or using such information for the SAM Client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the SAM Client for not disclosing such information to the SAM Client (or the fact that the Adviser possesses such information), or not using such information for the SAM Client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

Participation or Interest in Client Transactions

The Adviser's principal and employee trades are reviewed by the Chief Compliance Officer or an employee designated by the Chief Compliance Officer. The Adviser's principals and employees are not permitted to purchase or sell the same securities for their personal accounts and accounts of their families within five days of those securities being purchased or sold by a SAM Client. Trades for portfolio manager(s) and employee personal accounts cannot be aggregated with trades for other clients.

All employees are required to comply with the Code, which imposes certain restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

Under the Code, all employees are required to pre-clear their personal securities transactions (except for transactions in registered open-end investment company securities and/or other exempt transactions). The Adviser also maintains ongoing records of all personal securities transactions, except transactions in shares of open-end investment companies (mutual funds) (other than the Trust Series) and/or other exempt transactions. Further, the Adviser's Code of Ethics contains certain policies and procedures that are designed to prevent insider trading by any officer, partner, or associated person of the Adviser.

The Adviser and/or its respective officers, directors or employees have purchased and sold, and are expected in the future to purchase and sell, for themselves the same or different securities from those that are recommended to SAM Clients.

From time to time, the Adviser, its affiliates or its non-U.S. clients trade in the same securities as those recommended in the Sprott Model Portfolios. Such trading typically occurs on different terms/timing than the trades executed by Sprott USA with respect to the accounts that utilize the Sprott Model Portfolios. Consequently, the Adviser, its affiliates or its non-U.S. clients could receive favorable execution or timing of such trades as compared to the terms obtained by Sprott USA or the timing on which its clients are able to trade. Sprott USA and its clients could be subject to price movements as a result of the trading by the Adviser, its affiliates or its non-U.S. clients which adversely affect the price at which Sprott USA and its clients can trade. Such impact on pricing could be material.

Item 12. Brokerage Practices

The Adviser does not manage any investments or hold or trade any securities in connection with the investment advisory services that it provides to SAM Clients. The Adviser also does not utilize brokerage services in connection with the investment advisory services that it provides to SAM Clients and the Adviser does not select broker-dealers on behalf of SAM Clients. However, Sprott USA engages with the Adviser's personnel to effect trades on behalf of Sprott USA's investment advisory clients. Any such trading activity is conducted pursuant to the Adviser's best execution and soft dollar policies.

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include, but are not limited to, the best net price available; the reliability, integrity and financial condition of the broker; the size and difficulty in executing the order; and the value of the expected contribution of the broker to the investment performance of the trading entity on a continuing basis. In accordance with Rule 12b-1(h) under the 1940 Act, the Adviser does not consider the promotion and sale of shares of registered funds when selecting a broker to effect portfolio transactions for such funds. In selecting brokers or dealers to execute transactions, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus the trading entity may be deemed to be paying for research and other services provided by the broker that are included in the commission rate. The Adviser's trading personnel and Chief Compliance Officer periodically evaluate the broker-dealers used by the Adviser to execute trades using the foregoing factors.

The Adviser receives research or other products or services other than execution from broker-dealers in connection with securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts, as well as discussions with research personnel; financial and industry publications; statistical and pricing services along with hardware, software, databases and other technical, technological and telecommunication services, lines and equipment utilized in the investment management process (including updates, improvements, modifications, maintenance, repairs and replacements).

The Adviser's trading personnel and Chief Compliance Officer meet periodically to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services. To address these conflicts of interest, the Adviser will execute trades through broker-dealers that provide research and brokerage products to the Adviser only if it is determined by the Adviser's trading personnel and Chief Compliance Officer that trades with such broker-dealers are otherwise consistent with seeking best execution.

The Adviser may use research services obtained by the use of commissions arising from portfolio transactions in its other investment activities, including for the benefit of other accounts. The Adviser does not seek to allocate soft dollar benefits to accounts proportionately to the soft dollar credits the accounts generate.

The Adviser may aggregate orders for trade execution and may aggregate orders for certain accounts with orders for client accounts of Sprott USA and RCIC. Securities are allocated on an average price basis to participating accounts. Brokerage commission rates are not reduced as a result of such aggregation. In some instances, average pricing may result in higher or lower execution prices than otherwise obtainable by a single trading entity. The Adviser typically aggregates trades in an effort to treat all trading entities fairly. Accounts participating in a bunched order receive the same average price and incur trading costs that are the same as would be paid if they were trading individually.

Item 13. Review of Accounts

The Adviser does not manage or take custody of SAM Client assets or manage investment advisory accounts or portfolios on behalf of any SAM Client. The Adviser reviews and monitors the Sprott Model Portfolios on a periodic basis and communicates any updates to a Sprott Model Portfolio that it deems to be appropriate to Sprott USA, which in turn will advise its clients of any changes to their accounts as a result of such updates. For the avoidance of doubt, SAM Clients are permitted to utilize the investment advice provided by the Adviser in connection with their own account monitoring activities.

Item 14. Client Referrals and Other Compensation

The Adviser does not compensate any third parties for client referrals, nor does the Adviser receive any compensation for referring any SAM Clients to any related entities or third parties. For the avoidance of doubt, the Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements in connection with (i) its management of non-U.S. clients and certain physical trusts that are not investment advisory clients, and (ii) trading activity performed on behalf of Sprott USA clients. These “soft-dollar” arrangements create an incentive for the Adviser to recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and could result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and have the potential to result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

Item 15. Custody

The Adviser does not hold, directly or indirectly, or have any authority to obtain possession of client funds or securities.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a non-discretionary basis.

Item 17. Voting Client Securities

The Adviser does not manage or hold any securities and does not vote proxies for or on behalf of any SAM Client. Clients may obtain a copy of the Adviser’s proxy voting policies and procedures and information about how the Adviser voted a client’s proxies by contacting Lara Misner, Chief Compliance Officer, by email at LMisner@sprott.com or by telephone at (416) 275-5589.

Item 18. Financial Information

The Adviser does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.