



Value Stocks: 1 Cheap Asset Manager to Buy Now

Description

Sprott ([TSX:SII](#)) is recognized internationally for [expertise in resource investing](#), particularly in the precious metals area. The importance of this brand recognition resides primarily in the role it plays in attracting new investors and employees to the company. Sprott recognizes that protection of this brand is important to the continued success of the company's business.

Recurring revenue sources

Sprott derives revenues principally from management fees earned from the management of the company's investment products and from performance fees earned from the investment of the assets under management (AUM) of the company's investment products. Accordingly, growth in the company's carried interest and performance fees is based on both the growth in AUM and the return earned by the company's investment products. In addition, the company derives revenues from commissions earned on advisory fees and finance income from co-investments in lending funds.

Experts in precious metals investing

The company offers investors access to best-in-class precious metals and real asset strategies. Sprott's team of portfolio managers have a [deep understanding of precious metals](#) and natural resource investments and a long track record investing in the sector. By taking a consistent, disciplined approach to investing, based on sound fundamental analysis and independent research, Sprott's investment management team carefully assembles a portfolio of holdings to meet the client's investment objectives.

Sprott takes a team-based approach to the investment decision-making process. Themes and opportunities are discussed daily among the company's investment team. Further, Sprott's resource lending division is focused on providing financing to companies within the natural resource sector, primarily through the lending funds.

Robust product pricing structure

All of the company's products have a fee structure that consists of both a management fee component and a performance fee component. Sprott collects management fees calculated as a percentage of AUM and earns performance fees as a percentage of excess performance over the relevant benchmark and the increase in net asset value over a predetermined hurdle.

Superior marketing strategy

The company focuses distribution efforts primarily in the United States through Sprott's family of exchange-traded products. Exchange-traded products also provide broader distribution to investors in many countries including Canada, the United Kingdom, as well as countries in Europe and Asia. The company actively promotes product offerings through a sales team, public and investor relations, marketing, and social and traditional media platforms.

Profitable services divisions

Through the merchant banking division, Sprott generates investment ideas within the company's core areas of expertise and provides focused advice and capital raising services to corporate clients. The merchant banking division is led by a team of seasoned resource banking professionals and benefits from the company's deal-flow and brand recognition in the natural resource sector.

The company's advisory services division focuses on providing a high level of service to Sprott's direct private clients. Whether dealing with high-net-worth individuals or institutional investors, the advisory services division attempts to inform clients of Sprott's market outlook. The advisory services division also provides investors with monthly reports, email updates, and web postings.

Overall, Sprott's current stock market valuation looks enticing for long-term investors in the precious metals sector.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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1. canada

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