



## Investment Team

Charles Oliver,  
HBSc Geology, CFA  
Senior Portfolio Manager

## Fund Objective

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

## Fund Details<sup>1</sup>

|                            |  |
|----------------------------|--|
| Portfolio Manager          | Charles Oliver                                   |
| Assets Under Management    | \$478.4 Million                                  |
| Fund Type                  | Gold and Precious Minerals Fund                  |
| Inception Date             | November 15, 2001                                |
| Unit Price                 | \$53.94  |
| Registered Tax Plan Status | 100% Eligible                                    |
| Min. Initial Investment    | \$1,000  |
| Min. Subsequent Investment | \$100  |
| Valuations                 | Daily  |
| Management Fee             | 2.50%  |
| Performance Fee            | 10% of Excess Over the S&P/TSX Global Gold Index |
| Min. Investment Term*      | 90 Days (2% Penalty)                             |
| Risk Tolerance             | High   |

## Fund Codes

| Code     | NL      | FE      | LL      |
|----------|---------|---------|---------|
| Series A |         | SPR 003 | SPR 230 |
| Series F | SPR 300 |         |         |

\*Effective May 1, 2012.

## Why Invest in this Fund?

- Managed by a proven management team with a history of outperforming both peers and benchmark.
- Benefit from Spratt's exceptional deal flow and numerous company relationships in the precious metals sector.
- Provides a potential hedge against inflation, credit and currency risks.

## Compounded Returns (%)<sup>1</sup>

| COMPOUND                  | 1 MTH | 3 MTH | 6 MTH | 1 YR  | 3 YR | 5 YR | 10 YR | INCEPTION   |
|---------------------------|-------|-------|-------|-------|------|------|-------|-------------|
| FUND                      | -10.3 | -24.5 | -25.2 | -38.4 | 21.8 | -1.8 | 11.5  | <b>17.5</b> |
| S&P/TSX GLOBAL GOLD INDEX | -7.3  | -19.8 | -22.0 | -23.1 | 3.9  | 1.3  | 5.3   | <b>8.3</b>  |

## Annual Returns (%)<sup>1</sup>

| CALENDAR                  | 2001 | 2002  | 2003 | 2004  | 2005 | 2006 | 2007  | 2008  | 2009  | 2010 | 2011  | YTD   |
|---------------------------|------|-------|------|-------|------|------|-------|-------|-------|------|-------|-------|
| FUND                      | 3.7  | 116.2 | 72.4 | -18.8 | 16.3 | 56.2 | -16.4 | -49.6 | 113.8 | 74.7 | -31.3 | -12.5 |
| S&P/TSX GLOBAL GOLD INDEX | 3.8  | 42.5  | 13.6 | -9.0  | 21.4 | 29.3 | -4.7  | 0.8   | 7.0   | 25.9 | -14.3 | -13.5 |

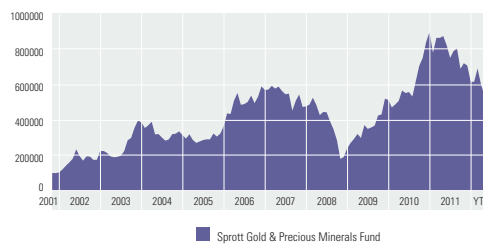
## Statistical Analysis<sup>2</sup>

| STATISTICS                          | FUND          | S&P/TSX GLOBAL GOLD INDEX |
|-------------------------------------|---------------|---------------------------|
| Cumulative Return (Since Inception) | <b>439.4%</b> | <b>130.1%</b>             |
| Standard Deviation                  | 37.5%         | 33.9%                     |
| Sharpe Ratio                        | 0.60          | 0.37                      |
| Total Positive Months               | 74            | 67                        |
| Total Down Months                   | 52            | 59                        |
| Beta                                |               | 0.92                      |

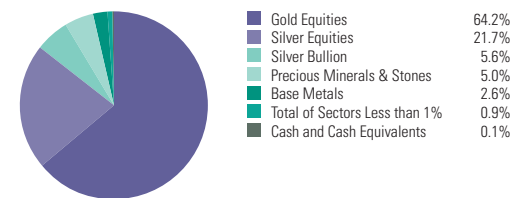
## Top Ten Holdings<sup>3</sup>

- |                                    |                                   |
|------------------------------------|-----------------------------------|
| 1. Silver Bullion                  | 6. Kirkland Lake Gold Inc.        |
| 2. Barrick Gold Corporation        | 7. Colossus Minerals Inc.         |
| 3. Silver Wheaton Corp.            | 8. Belo Sun Mining Corp.          |
| 4. Coeur d'Alene Mines Corporation | 9. Minera Andes Acquisition Corp. |
| 5. Osisko Mining Corp.             | 10. Eldorado Gold Corporation     |

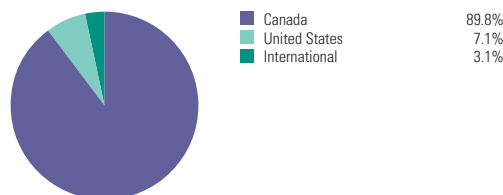
## Growth of \$100,000 Invested Nov. 15, 2001<sup>1</sup>



## Sector Allocation<sup>3</sup>



## Country Mix<sup>3</sup>



# Sprott Gold & Precious Minerals Fund

## Q1 MARKET COMMENTARY

The Sprott Gold and Precious Minerals Fund Series A (the "Fund") edged down 2.5% during the first quarter, significantly outperforming its benchmark the S&P/TSX Global Gold Index which fell 6.7% during the same period.

Gold stocks soared during January reflected by the Fund's 15.8% surge on the heels of Europe's initial round of LTRO (standing for Long-Term Refinancing Operation which is Europe's version of QE). The first LTRO in December was wildly successful, however, gold sold off dramatically on February 29<sup>th</sup> with the publication of a second round of LTRO when the amount of printing announced was at the low end of the anticipated range. Spot gold sold off approximately 5% and gold-related stocks commenced an overall price decline that lasted the remainder of the quarter. Another significant macro event of note that weighed on gold stock share prices was a coup in Mali by Tuareg rebels which resulted in a sell-off of many Canadian-listed mining and exploration gold companies situated in West Africa.

Gold and silver stocks constituted approximately 64% and 22% of the Fund, respectively, at the end of the quarter. We continue to run a diversified portfolio built around core names such as Osisko, Kirkland Lake, Eldorado Gold, Colossus Minerals and Barrick. Given our bias towards mid-small cap names, the Fund's beta to its index is naturally high and our weaker performance during March came as no surprise.

There is a glaring divergence between the performance of gold bullion and gold mining shares. The relative outperformance of gold bullion is so far above historical norms that we maintain absolute conviction that many gold stocks will deliver exceptional earnings and, accordingly, remain very optimistic on the long-term prospects for the sector.

**Please visit [www.sprott.com](http://www.sprott.com) for past commentaries.**

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**DEALER SERVICES: RBC Dexia Dealer Services  
Tel: 416.955.5885; Toll Free: 1.877.874.0899**

<sup>1</sup> All returns and fund details are a) based on Series A units; b) net of fees; c) annualized if period is greater than one year; d) as at April 30, 2012; e) 2001 annual returns are from 11/15/01 to 12/31/01.

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

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