

Sprott Silver Bullion Fund

MUTUAL FUNDS

Fund Objective

The investment objective of Sprott Silver Bullion Fund is to seek to provide a secure, convenient alternative for investors seeking to hold silver. The Fund will invest primarily in unencumbered, fully allocated silver bullion and silver certificates. The Fund may also invest a portion of its assets in cash, money market instruments and/or treasury bills.

Lead Manager

Sprott Asset Management LP

Fund Details

Portfolio Managers	Sprott Asset Management LP
Type	Precious Metals Fund
Launch Date	May 9, 2011
Launch NAV	\$10.00 per Unit
Registered Tax Plan Status	Expected to be 100% Eligible
Min. Initial Investment	\$1,000 CDN
Min. Subsequent Investment	\$100 CDN
Valuations	Daily
Management Fee	1.30% Annual – (Series A) 0.85% Annual – (Series F)
Performance Fee	None
Min. Investment Term	60 Days (1.5% Penalty)
Risk Tolerance	Low – Medium
Service Fee (Trailer):	0.45% per Annum Paid Monthly – (A), No Trailer Fee Paid – (F)

Fund Codes

Code	
Series A	SPR 316
Series F	SPR 326
Series I	SPR 336

"ALL THAT GLITTERS IS GOLD WAS WRITTEN WHEN GOLD WAS STILL CONSIDERED A RELIC IN FINANCIAL CIRCLES. WE BELIEVE SILVER WILL BE THIS DECADE'S GOLD, AND JUDGING BY THE RECENT PRICE ACTION, IT'S ALREADY OFF TO A GREAT START."

–Eric Sprott, *Markets at a Glance, All That Glitters is Silver, November 2010.*

Why Invest in Silver?

Silver bullion may assist in protecting a portfolio from currency devaluation and inflation. Silver has been used throughout human history as a store of monetary value, and as such enjoys investment demand for its monetary utility. Silver's unique qualities also make it considerably useful in a large number of industrial applications, thus making it one of the few monetary metals that also enjoy a commodity-driven demand profile.

- Increasing instability in the U.S. dollar
- Disproportionate silver investment in relation to gold
- Significant short positions
- Limited physical supply
- Increasing investment demand for physical silver
- Silver's unique fundamentals

Investment Strategy

To achieve the Fund's investment objectives, the Portfolio Adviser will invest the Fund's assets primarily in unencumbered silver bullion. In addition, the Fund's assets may be invested in silver certificates.

All silver bullion purchased by the Fund is certified "London Good Delivery", and is insured by the Bullion Custodian or any sub-subcustodian to the full market value against physical loss of, or damage to, bullion stored in the Bullion Custodian's or such sub-subcustodian's vaults except for loss of, or damage to, bullion caused by war, nuclear incident, terrorism events or government confiscation. The Bullion Custodian will at all times record and identify in the books and records maintained by the Bullion Custodian that such bullion is being held on behalf of the Custodian.

All silver certificates are: (i) available for delivery in Canada, free of charge, to or to the order of the holder of the certificate; (ii) of minimum fineness of 999 parts per 1,000; (iii) held in Canada; (iv) in the form of either bars or wafers; and (v) if not purchased from a bank listed in Schedule I, II or III of the Bank Act (Canada), fully insured against loss and bankruptcy by an insurance company licensed under the laws of Canada or a jurisdiction.

The Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest up to 100% of its net asset value, taken at the market value at the time of investment, in silver and/or silver certificates. The Fund will not invest in securities of issuers that produce silver.

The Fund may also choose to invest a portion of its assets in cash, money market instruments and/or treasury bills.

The Fund may also use derivatives. In particular, the Fund may enter into currency forward contracts to hedge against losses from exposure to foreign currencies.

Sprott Silver Bullion Fund

Please visit www.sprott.com.

Sprott Asset Management LP is the investment manager to the Sprott Funds, (collectively, the "Funds").

Important information about these Funds, including their investment objectives and strategies, purchase options, and applicable management fees, performance fees (if any), and expenses, is contained in their prospectus or offering memorandum. Please read these documents carefully before investing. Commissions, trailing commissions, management fees, performance fees, other charges and expenses all may be associated with investing in the Funds. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. This communication does not constitute an offer to sell or solicitation to purchase securities of the Funds.

The information contained herein does not constitute an offer or solicitation by anyone in the United States or in any other jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Prospective investors who are not resident in Canada should contact their financial advisor to determine whether securities of the Funds may be lawfully sold in their jurisdiction.

Views expressed regarding a particular company, security, industry or market sector should not be considered an indication of trading intent of any investment funds managed by Sprott Asset Management LP. These views are not to be considered as investment advice nor should they be considered a recommendation to buy or sell.



Sprott Asset Management LP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2700
Toronto, ON M5J 2J1
Toll Free: 1.866.299.9906
Facsimile: 416.943.6497
Web: www.sprott.com
Email: invest@sprott.com
Hours: 8am – 8pm EST

DEALER SERVICES
RBC Dexia Investor Services Trust
Tel: 416.955.6003
Toll Free: 1.877.408.7895
Fax: 416.955.7769

