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Performance

Returns for the period ending May 31, 2008

	1 Month	3 Month	YTD	1 Year	Since Inception*
Sprott Global Equity Fund (Series A)	2.70%	4.97%	-2.52%	-7.19%	-7.12%
MSCI World Index (CAD)	0.16%	6.83%	-2.83%	-10.53%	-11.16%

* Annualized

Inception Date: April 25, 2007

As of May 31, 2008, the Sprott Global Equity Fund's (the "Fund") 1-year return ranks it amongst the top 25% of all Global Equity funds according to www.globefund.com.

Comment

The strategy of the Fund has been proven successful, as we have surpassed our goal by outperforming the MSCI World Index by over 4% (net of fees) since inception. From the low in the market in mid-march, the Fund is up by more than 9.5 %.

For the most part, we have been overweight the energy sector since inception, and it remains a significant weighting within the Fund. We believe this sector demonstrates high profitability, strong earnings growth, and momentum. Furthermore, considering our view that these names are not reflecting the actual price level of the underlying commodities, the energy sector is also currently exhibiting exceptional value. Although trading activity within the energy sector is having an impact on the level and volatility of the price of crude oil, we strongly believe that the recent surge in its price is based on supply and demand dynamics. For the same reasons, we are still overweight materials, in both the agricultural and base metals space.

We remain underweight the financial sector, as lower stock prices in this sector are a reflection of a value trap. The process of recapitalizing banks' balance sheets is still continuing and will have positive effects on the sector over the long-term. However, this ongoing process is revealing that much more capital will be required to achieve this goal.

Although we anticipate more volatility during the bottoming process, it is likely that the market lows of March will prove to be the bottom of this cycle. It is our view that better times are ahead for US and global equities, as they revert back to their long-term positive trends.

Our disciplined approach in the implementation of our strategy and long-term philosophy in the management of the Fund has remained intact. We continue to focus on identifying the best 60 to 80 global names, on a fundamental basis, creating a unique and diversified portfolio composed of 20 to 30 countries across all 10 sectors. Finally, we are actively pursuing companies that exhibit high and growing profitability, reasonable valuations and relative momentum.

Sylvain Ratelle, CFA, MBA
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