

Sprott Small Cap Hedge Fund



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Benchmark 1: S&P/TSX SmallCap Total Return Index
Benchmark 2: Credit Suisse/Tremont HFI L/S Equity

Monthly Performance (%) Net of Fees													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008	-8.76%	8.12%	-5.77%	1.05%	13.96%	0.58%	-8.39%	-3.01%					-4.33%
2007		7.53%	1.17%	9.14%	3.48%	-0.40%	1.07%	-9.20%	6.48%	7.07%	-7.89%	4.00%	22.65%

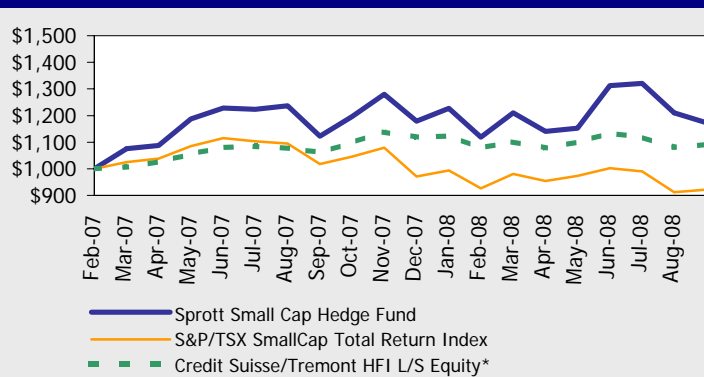
Fund Description

The Sprott Small Cap Hedge Fund's investment objective is to provide unitholders with long-term capital growth. The Fund invests primarily in Canadian equity securities, with a significant bias toward small to medium capitalization stocks where the pricing of securities is less efficient. The Manager uses a variety of tools in order to assess a security before it enters the portfolio. The tools include quantitative and qualitative factors. The Manager uses a database of over 700 small and medium size securities to screen for those with strong earnings growth, high returns on equity, reasonable valuations and strong balance sheets. The Manager meets with over 500 management teams a year in order to qualitatively assess their investment merit. Preference is given to those companies that fit the Manager's "growth at a reasonable price" criteria. The above-mentioned factors form the basis of the Manager's decision making process to select those stocks which should be purchased and those which should be shorted.

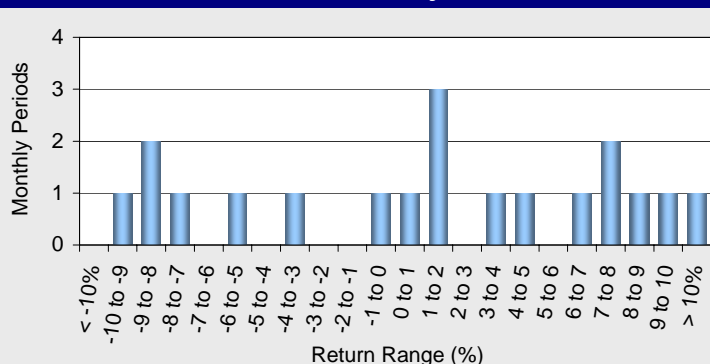
Statistical Analysis

Compound Rate of Return (Monthly)	0.84%	Total Positive Months	12
Cumulative Return (Since Inception)	17.33%	Total Down Months	7
Cumulative VAMI (Growth of \$1,000)	\$1,173	Largest Monthly Gain	13.96%
Standard Deviation	23.66%	Largest Monthly Loss	-9.20%
Downside Deviation (10.0%)	15.35%		

Growth of Initial Investment (\$1,000)



Distribution of Monthly Returns



Comparative Analytics vs. Benchmarks	Sprott Small Cap Hedge Fund	S&P/TSX SmallCap Total Return Index	Credit Suisse/Tremont HFI L/S Equity*	Fund Information	
Compound Rate of Return (Annualized)	10.64%	-5.01%	5.26%	Lead Portfolio Manager	Sprott Asset Management
Performance (YTD)	-4.33%	-7.24%	-3.89%	Fund Status	OPEN
Sharpe Ratio (5.0%)	0.33	-0.56	0.23	Fund Code	SPM 400
Sortino Ratio (10.0%)	0.04	-1.01	-0.51	Launch Date	January 31, 2007
Alpha		1.50%	2.56%	Fund Assets Under Management	\$47 million
Annualized Alpha		19.56%	35.41%	Management Fee / Incentive Fee	2% / 20%
Beta		1.34	1.33	Minimum Initial Subscription	\$150,000*
Correlation		0.89	0.50	Term	1 Year hold period (or 5% penalty)
R-squared		0.80	0.25	Net Asset Value Per Unit	\$11.73
				Redemptions	Monthly (30 Day Notice Period)
				Prime Broker	Scotia Capital Inc.
				Fund Valuation	SGGG Fund Services Inc.
				Legal Counsel	Heenan Blaikie LLP
				Auditors	PricewaterhouseCoopers LLP

* Figures updated as at July 31, 2008

* \$25,000 minimum available to accredited investors (see applicable provincial regulations)

Notes

The Sprott Small Cap Hedge Fund is offered by Offering Memorandum only, only to investors who meet certain eligibility or minimum purchase requirements in jurisdictions of Canada. The Offering Memorandum contains important information about the Fund, including management fees, other charges and expenses and should be read carefully before investing. Performance data represents past performance and is not indicative of future performance. This document should not be construed as a solicitation. **DUE TO THE LIMITED LIFE OF THE FUND, ALL STATISTICS LISTED ABOVE ARE STATISTICALLY INSIGNIFICANT. DO NOT DUPLICATE OR REDISTRIBUTE UNDER ANY CIRCUMSTANCE.**