

## Management Report of Fund Performance (in U.S. dollars)

### Organization of the Trust

Sprott Physical Gold and Silver Trust (the “Trust”) is a closed-end mutual fund trust established on October 26, 2017 under the laws of the Province of Ontario, Canada. The beneficiaries of the Trust will be holders of Trust Units, which are being offered in connection with the Arrangement announced on October 2, 2017 involving Central Fund of Canada Limited (“CFCL”), the Trust, Sprott Inc., The Central Group Alberta Ltd. and its shareholders, 2070140 Alberta Ltd., the holders (the “Class A Shareholders”) of Class A shares (the “Class A Shares”) of CFCL and the holders (the “Common Shareholders”, and together with the Class A Shareholders, the “CFCL Shareholders”) of common shares (the “Common Shares”) of CFCL. The Trust is authorized to issue an unlimited number of redeemable, transferable units (“Units”). On October 26, 2017 the Trust issued one Unit for \$10.00 cash. For the period from the inception of the trust to December 31, 2017, the Trust had no operations.

### Investment and Strategies

The Trust was created to invest and hold substantially all of its assets in physical gold and silver bullion. The Trust will seek to provide a secure, convenient and exchange-traded investment alternative for investors interested in holding physical gold and silver bullion without the inconvenience that is typical of a direct investment in physical bullion. The Trust intends to achieve its objective by investing primarily in long-term holdings of unencumbered, fully allocated, physical gold and silver bullion and does not speculate with regard to short-term changes in gold and silver prices.

### Risks

The risks of investing in the Trust are detailed in the Trust’s management information circular dated October 26, 2017. For the period from the inception of the trust to December 31, 2017, the Trust had no material risk.