

A Less Taxing Way to Own Precious Metals

The **Sprott Physical Gold and Silver Trust, Sprott Physical Gold Trust, Sprott Physical Silver Trust and Sprott Physical Platinum and Palladium Trust (NYSE ARCA: CEF, PHYS, PSLV and SPPP)** let you own physical precious metals in a convenient and secure way that has potentially favorable tax advantages versus owning the metals directly or ETFs.

	Sprott Physical Bullion Trusts [†]	Precious Metals: Coins, Bullion and ETFs
Tax Treatment if held over 1 year	15%* or 20%** Taxed at Capital Gains Tax Rate	28% Taxed at Collectibles Tax Rate

[†] Requires the timely filing of a QEF form with your tax return.

* 15% long-term capital gains tax rate for single filers earning between \$40,000 to \$441,450 per year.

** 20% long-term capital gains tax rate for married filers earning over \$496,600 per year.

How are precious metals taxed? The IRS considers precious metals to be collectibles like art, rare books and fine wine. Provided you hold it for more than 1 year, the capital gains tax on your net gain from selling a collectible is 28%. This level of tax is considerably higher than the tax rate on most net capital gains, which is an average of 15% for most taxpayers, according to the IRS¹. If you sell a collectible in less than one year, the proceeds will be taxed as ordinary income.

Special U.S. federal income tax rules apply to holders of the Sprott Physical Bullion Trusts because they are classified as Passive Foreign Investment Corporations (PFICs) by the IRS. If a U.S. non-corporate holder makes a timely QEF election each year by filing IRS form 8621 with his or her federal income tax return, it will generally mitigate the otherwise adverse U.S. federal income tax consequences of owning precious metals via coins, bullion or ETFs. Capital gains will be taxed at either 15% or 20% depending on the holder's specific personal situation.

Sprott

CEF

PHYS

PSLV

SPPP

For more information, please contact us at 1.888.622.1813 or visit sprott.com

¹ Source: How Are Collectibles Taxed? | Investopedia <http://www.investopedia.com/articles/personal-finance/061715/how-are-collectibles-taxed.asp#ixzz4NN4psnC7>

Sprott Asset Management LP is the investment manager to the Sprott Physical Gold and Silver Trust, Sprott Physical Gold Trust and Sprott Physical Silver Trust (the "Trusts"). Important information about the Trusts, including the investment objectives and strategies, applicable management fees, and expenses, is contained in the prospectus. Please read the document carefully before investing. There are ongoing fees and expenses associated with owning units of a Trust. The Trusts must prepare disclosure documents that contain key information about the Trusts. You can find more detailed information about the Trusts in these documents. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. 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. For more information, please see "Tax Considerations-U.S. Federal Income Tax Considerations" in the Prospectus and always consult your tax accountant regarding your particular situation.