

INVESTMENT TEAM

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STRATEGY OBJECTIVE

The primary objective is to provide long-term capital growth. In order to achieve its investment objective, the Investment Team aims to invest primarily in equities that are directly or indirectly involved in the exploration, mining, production or distribution of precious metals and minerals. Additionally, some assets may be allocated into bullion, cash, ETFs, debt securities and derivatives.

PORTFOLIO COMPOSITION

As of June 30, 2025

Equities	93.69%
Cash and Cash Equivalents	6.31%
Total	100.00%

EQUITIES GEOGRAPHIC ALLOCATION

As of June 30, 2025

North America	88.37%
United Kingdom	3.46%
Australia	1.86%
Total	93.69%

Performance Summary

The Sprott Silver Strategy (the "Strategy") gained 49.19% for the six months ending June 30, 2025. By comparison, silver bullion appreciated 24.94% in the first half, while silver mining equities outperformed the physical metal, rising 54.13% as measured by the MSCI ACWI Select Silver Miners IMI Net Total Return Index (IMI). Several key factors bolstered silver's performance, including strong industrial demand in the face of persistent supply deficits and increased investment interest amid extreme market volatility.

Total Returns* (Net of Fees %)

As of 6/30/2025	YTD	Q2 2025	Q1 2025	1 YR	3 YR	Cumulative Since Inception (January 29, 2021)
Sprott Silver Strategy	49.19	22.08	22.21	42.46	20.33	10.69
IMI ¹	54.13	19.28	29.22	56.04	22.74	14.39

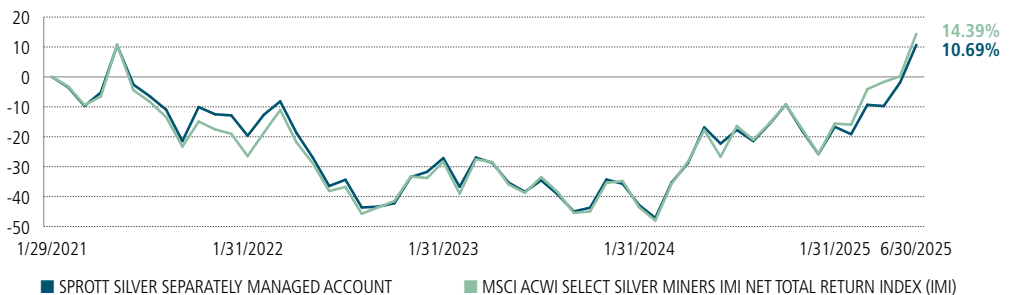
Performance data quoted represents past performance. Past performance does not guarantee future results.

The performance results do not reflect trading in any client's account but reflect solely a composite of all open accounts for the prior 12 months. The Sprott Asset Management USA, Inc. performance team created an actual composite of all open accounts for the above performance reported. As your adviser, we are responsible for the trading of the separately managed account program.

* Returns less than one year are not annualized.

¹ The MSCI ACWI Select Silver Miners IMI Net Total Return Index (IMI) focuses on companies in the silver mining industry primarily engaged in silver mining, exploration, and production.

Cumulative Daily Performance (%) (1/29/2021 – 6/30/2025)



Past performance is not indicative of future results.

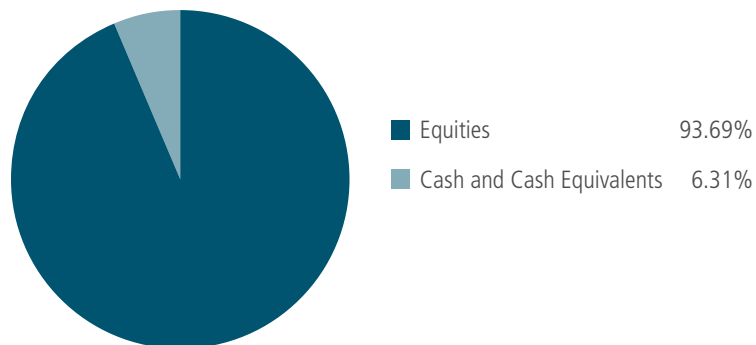
Sprott Silver Strategy Separately Managed Account

Q2 2025 Quarterly Commentary

Portfolio Composition

At the end of Q2 2025, the Strategy was 93.69% invested in equities and the remaining 6.31% in cash. The equity portion of the portfolio is tilted toward North American markets (88.37%) with the remainder allocated to the UK (3.46%) and Australian (1.86%) markets.

As of 6/30/2025



Precious Metals Markets Review

Despite the ongoing strength in precious metals, most analysts on the sell-side have maintained conservative gold and silver price assumptions in their equity models, creating a meaningful gap between current market realities and consensus earnings expectations for mining companies. We believe this disconnect sets the stage for a potentially powerful wave of upward earnings revisions throughout the remainder of 2025 as analysts revise forecasts to reflect the new pricing regime.

The first half of 2025 has marked a continuation of the bull market in the precious metals sector, with gold and silver both posting strong gains. Gold has surged by nearly 26% or \$680 per ounce year-to-date, including a robust \$180 rally in the second quarter alone. Silver followed suit, climbing \$7.20 per ounce in the first half, an increase of 25%. Notably, at the time of writing, silver has outpaced gold's gains thus far in 2025. This is remarkable given the still nascent investor demand for the white metal and underscores silver's strong supply-demand dynamics.

The precious metals rally reflects not only a flight to traditional safe havens but also growing concerns about persistent inflation, currency debasement and central banks approaching the limits of policy normalization amid burgeoning levels of debt both domestically and globally. With real interest rates stabilizing and fiat currency credibility under pressure, investor appetite for hard assets likely has further room to grow. We remain bullish on gold and silver as fundamentals continue to strengthen, and even more bullish on precious metal equities. As we've highlighted previously, Wall Street continues to model lower gold and silver prices compared to the spot market. The table below illustrates the difference between consensus gold and silver price forecasts against the forward curve as of June 30, 2025.

Figure 1. Consensus Commodity Price Forecast

	Spot	Q2 25	Q3 25	Q4 25	Q1 26	2025	2026	2027	2028
Precious									
1) Gold \$/t oz	3303	3317	3279	3323	3367	3215	3421	3562	3712
Forecast (Median)		3200	3200	3260	3280	3100	3079	2900	2850
Diff (Median - Curr)		-117	-79	-63	-87	-115	-342	-662	-862
2) Silver \$/t oz	36.11	34.24	35.84	36.55	36.94	34.89	37.65	39.15	40.36
Forecast (Median)		32.92	34.23	35.25	35.37	33.73	35.06	33.50	35.33
Diff (Median - Curr)		-1.32	-1.61	-1.30	-1.57	-1.16	-2.59	-5.65	-5.03

Source: Bloomberg. Data as of 6/30/2025.

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This resulting discrepancy between realized and forecast prices has created an interesting backdrop for precious metal equities. Earnings estimates are based off of forecast metal prices, however, as noted earlier we have seen the price of gold and silver rally by \$180 and \$2 per ounce, respectively. The difference typically flows to the earnings line after accounting for taxes and royalties. The resulting scramble to update earnings and free cash flow expectations has led to massive revisions to the upside for virtually every producer we track. The large-cap precious metal index that is used to represent the VanEck Gold Miners ETF (GDX) for instance has seen its earnings estimate rise by a truly astounding 80% through 2025. We posit that a further rise in earnings is possible if the bullish underpinnings for gold and silver continue.

Figure 2. Precious Metal Miners Have Seen Their Earnings Estimate Surge



Source: Bloomberg. Data as of July 29, 2025.

Even if precious metals consolidate around current levels after a strong run, equity valuations appear shockingly undervalued. However, if we enter an environment of weaker economic growth and continued headwinds from global trade disruptions, there is a case for even higher precious metal prices in the second half of 2025. This would likely result from central banks leaning dovish in an environment where inflation remains sticky. A potentially stagflationary backdrop could catalyze a stronger move toward gold by both investors and central banks.

Perhaps the most perplexing development has been the lack of investor flows into precious metal equities. Since the beginning of 2025, the VanEck Gold Miners ETF (GDX) has seen a decline of over 20% in outstanding units, while its cousin, GDXJ (focused on smaller-cap miners) has lost nearly 22% of its outstanding units.

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Figure 3. Shares Outstanding for GDX and GDXJ Continue to Decline Despite Stronger Fundamentals



Source: Bloomberg. Data as of July 29, 2025.

While puzzling today, this mirrors the earlier behavior seen in gold and silver bullion ETFs prior to 2025, where outflows persisted even as prices rose. The opportunity presented to astute equity investors is compelling: the ability to acquire companies experiencing strong earnings growth trading at depressed valuations. Despite this strong start to 2025, the precious metals bull market appears to still be in its early innings.

Authored by Shree Kargutkar, Senior Portfolio Manager,
Sprott Asset Management LP
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Relative to other sectors, precious metals and natural resources investments have higher headline risk and are more sensitive to changes in economic data, political or regulatory events, and underlying commodity price fluctuations. Risks related to extraction, storage and liquidity should also be considered.

Gold and precious metals are referred to with terms of art like store of value, safe haven and safe asset. These terms should not be construed to guarantee any form of investment safety. While “safe” assets like gold, Treasuries, money market funds and cash generally do not carry a high risk of loss relative to other asset classes, any asset may lose value, which may involve the complete loss of invested principal.

The Investment Team responsible for the strategy are employees of Sprott Asset Management LP (“Sprott Toronto”), a Toronto affiliate of Sprott Asset Management USA, Inc. (“Sprott USA”). Sprott USA is responsible for the execution of the strategy in connection with the separately managed account program. The performance results shown do not reflect trading in any client’s account, but reflect solely the management of internal Sprott assets, are net of advisory fees, and reflect performance of the Sprott Silver Strategy commencing as of January 29, 2021, although the actual trading in internal accounts to execute the strategy commenced on February 1, 2021.

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