



SPROTT PHYSICAL GOLD AND SILVER TRUST (CEF)

PFIC Annual Information Statement and FAQ


For the Year Ended December 31, 2024

1. This Information Statement applies to the taxable year of Spratt Physical Gold and Silver Trust commencing on January 1, 2024, and ending on December 31, 2024.
2. Your pro-rata shares of the ordinary earnings (as defined by Code Section 1293(e)) and net capital gain (as defined by Treas. Reg. Section 1.1293-1(a)(2)) of Spratt Physical Gold and Silver Trust for the period specified in paragraph (1) are:

| Ordinary Earnings (US\$) Per Unit/Day | Net Capital Gains (US\$) Per Unit/Day | Cash/Property Distributions (US\$) Per Unit/Year |
|---|---|--|
| 0.0000000000 | 0.0005094856 | 0.0000000000 |

3. No cash or other property was distributed to you by Spratt Physical Gold and Silver Trust during the year commencing on January 1, 2024, and ending on December 31, 2024.
4. Spratt Physical Gold and Silver Trust will, on receipt of request, permit U.S. shareholders to inspect and copy its permanent books of account, records, and other such document as may be maintained by Spratt Physical Gold and Silver Trust to establish that Spratt Physical Gold and Silver Trust's ordinary earnings and net capital gain are computed according to U.S. tax principles, and to verify these amounts and your pro-rata shares thereof.

Spratt Physical Gold and Silver Trust

Signature: 

Chief Financial Officer of Spratt Asset Management GP Inc.,
the general partner of the Investment Manager for the Trust,
Title: Spratt Asset Management LP

Date: 18 February 2025

Frequently Asked Questions (FAQ)

Before proceeding with the following information, we strongly recommend reading Sprott's [2024 Tax Guide for U.S. Investors](#) for a more comprehensive understanding of the tax implications and detailed guidance on Passive Foreign Investment Companies (PFICs) and Qualifying Electing Fund (QEF) elections.

What is a PFIC Annual Information Statement?

This is a statement that Sprott makes available every year to U.S. taxable investors so they may make a valid QEF election on their U.S. tax return. This PFIC Annual Information Statement is not relevant for other unitholders.

A U.S. taxable unitholder who makes a QEF election is required to include their pro rata share of ordinary and net capital gains earnings from this statement on their tax return. This statement provides the information that is used to fill out Form 8621 (*Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund*), which must be filed with your tax return.

Why was Net Capital Gain income declared in 2024?

Unitholders of Sprott's Physical Gold and Silver Trust have the right to redeem units for physical metal on a monthly basis, subject to meeting the minimum redemption amount. For PFIC reporting purposes, redemptions within the Trust are considered disposals of capital property.

The prices of gold and silver appreciated considerably in 2024. Since units were redeemed in 2024 at higher prices than the cost of what the gold and silver was originally purchased for, the Trust realized capital gains on these redemptions. This resulted in the Trust having to report a modest amount of capital gains for U.S. taxable investors who made a valid QEF election.

If I've made a valid QEF election on the units of CEF that I own, how do I report this income on my tax return?

By owning units in a PFIC, you must file a Form 8621 (*Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund*) with your tax return. The income declared on this PFIC Annual Information Statement Income is reported on your Form 8621.

On Part III, line 7a of Form 8621, you must report the net capital gains amount from the PFIC Annual Information Statement, multiplied by the number of days you held the unit during the calendar year.

On Part III, line 7c of Form 8621, the amount reported from Part III, line 7a will also be reported here. This amount is a net long-term capital gain and is to be entered in Part II of Schedule D used for your income tax return.

What level of taxable capital gains do I need to report on my tax return?

If you are a U.S. taxable individual who owned units of CEF for 365 days during 2024 and have made a valid QEF election on these units:

- You must report \$0.19 of long-term capital gains income per unit that you owned.
- Note: Each unit has appreciated by \$4.50 during 2024 in this scenario.

If you own units for less than the full calendar year, you will need to multiply the *Net Capital Gains (US\$) Per Unit/Day* listed above, by the number of days you held units during 2024.

Disclaimer: This is not tax advice but is a very basic illustration. Any tax calculations and reporting should be verified and completed by your tax advisor.