



<b>EDGA &amp; EDGX STOCK EXCHANGES</b>			
Regulatory Information Circular			
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**Subject: Sprott Physical Platinum and Palladium Trust**

**Background Information on the Trust**

As more fully explained in the [Registration Statement](#) (No. 333-179017) for Sprott Physical Platinum and Palladium Trust (the “Trust”), the Trust is a closed-end mutual fund trust organized under the laws of the Province of Ontario, Canada.

The Trust is not registered as an investment company under the Investment Company Act of 1940, as amended, and is not required to register under such act. The Trust will not hold or trade in commodity futures contracts regulated by the Commodity Exchange Act of 1936 (“Commodity Exchange Act”), as administered by the U.S. Commodity Futures Trading Commission (the “CFTC”). Furthermore, the Trust is not a commodity pool for purposes of the Commodity Exchange Act, and none of the Manager, the Trustee or the underwriters is subject to regulation by the CFTC as a commodity pool operator or a commodity trading advisor in connection with the transferrable, redeemable units (“Units”). References to a holder of Units or Unitholder means, unless the context otherwise requires, the owner of the beneficial interest in such Units (“Unitholder”).

Sprott Asset Management LP is the manager of the Trust (the “Manager”). RBC Investor Services Trust is the trustee (the “Trustee”) and the valuation agent (the “Valuation Agent”) of the Trust. Equity Financial Trust Company is the registrar and transfer agent (the “Registrar and Transfer Agent”).

<b>Ticker</b>	<b>Trust Name</b>	<b>CUSIP</b>
SPPP	Sprott Physical Platinum and Palladium Trust	85207Q104

**Description of the Trust**

The Trust was created to invest and hold substantially all of its assets in physical platinum and palladium bullion. The Trust seeks to provide a convenient and exchange-traded investment alternative for investors interested in holding physical platinum and palladium bullion without the inconvenience that is typical of a direct investment in physical platinum and palladium bullion.

The Trust intends to invest primarily in long-term holdings of unencumbered, fully allocated, physical platinum and palladium bullion and will not speculate with regard to short-term changes in platinum and palladium prices. The Trust does not anticipate making regular cash distributions to Unitholders.

Subject to the terms of the Trust Agreement, a Unitholder may redeem Units for physical platinum and palladium bullion, provided the redemption request is for a minimum of 25,000 Units. Units redeemed for physical platinum and palladium bullion will have a redemption value equal to the aggregate value of the NAV per Unit of the redeemed Units on the last day of the month on which EDGA Exchange, Inc. and EDGX Exchange, Inc. (together the “Exchanges”) are open for trading in the month during which the redemption request is processed. Certain expenses described below will be subtracted from the value of the redeemed Units and the resulting amount the Unitholder will receive will be referred to as the Redemption Amount. The amount of physical platinum and palladium bullion a redeeming Unitholder is entitled to receive will be determined by the Manager, who will allocate the Redemption Amount to physical platinum and palladium bullion in direct proportion to the value of physical platinum and palladium bullion held by the Trust at the time of redemption. Such amount will be referred to as the Bullion Redemption Amount. The quantity of each particular metal delivered to a redeeming Unitholder will be dependent on the applicable Bullion Redemption Amount and the sizes of plates and ingots of that metal that are held by the Trust on the redemption date. A redeeming Unitholder may not receive physical platinum and palladium bullion in the proportions then held by the Trust and, if the Trust does not have a Good Delivery plate or ingot, as the case may be, of a particular metal in inventory of a value equal to or less than the applicable Bullion Redemption Amount, the redeeming Unitholder will not receive any of that metal.

Physical platinum and palladium bullion received by a Unitholder as a result of a redemption of Units will be transported by armored transportation service carrier pursuant to instructions provided by the Unitholder to the Manager, provided that the instructions are acceptable to the armored transportation service carrier. Physical platinum and palladium bullion transported to an account established by the redeeming Unitholder at an institution authorized to accept and hold Good Delivery plates or ingots by certain armored transportation service carriers will likely retain its Good Delivery status while in the custody of such institution. Physical platinum and palladium bullion transported pursuant to a redeeming Unitholder's instruction to a destination other than such an authorized institution will no longer be deemed Good Delivery once received by such Unitholder. The armored transportation service carrier will receive the appropriate amount of physical platinum and palladium bullion for delivery in connection with a redemption of Units approximately 21 Business Days after the end of the month in which the redemption notice is processed.

Additional information regarding redemption of Units is available in the Trust's Registration Statement.

The NAV and the NAV per Unit of the Trust, will be determined daily as of 4:00 p.m., Toronto time,(or 4:00 p.m. Eastern Time (“ET”)) on each day that the Exchanges are open for business) on each Business Day by the Trust's Valuation Agent. The Net Asset Value on any such day will be equal to the aggregate fair market value of the assets of the Trust as of such

date, less an amount equal to the fair value of the liabilities of the Trust (excluding all liabilities represented by outstanding Units) as of such date. The valuation agent will calculate the NAV per Unit by dividing the value of the net assets of the class of the Trust represented by the Units offered hereby on that day by the total number of Units of that class then outstanding on such day. RBC Investor Services will use the Bloomberg Composite Rate to determine spot prices for physical platinum and physical palladium bullion.

For more information on how the Bloomberg Composite Rate is determined, refer to the “Computation of Net Asset Value” of the Trust’s [Prospectus](#).

Registration of interests in, and transfers of, the Units will be made through Clearing and Depository Services Inc. (“CDS”) and includes any successor corporation or any other depository subsequently appointed by the Trust as a depository in respect of the Units or The Depository Trust Company (“DTC”) and includes any successor corporation or any other depository subsequently appointed by the Trust as a depository in respect of the Units, each of whom hold the Units on behalf of its participants (i.e., brokers), which in turn may hold the Units on behalf of their customers. On the Closing Date, the Trust will deliver to CDS or DTC, as applicable, certificate(s) evidencing the aggregate Units subscribed for under the offering. All rights of a holder of Units must be exercised through, and all payments or other property to which such holder is entitled will be made or delivered by, CDS or DTC, as applicable, or the CDS or DTC participant through which the holder holds such Units. Upon purchase of any Units, the holder will receive only the customary confirmation.

The Trust, the Manager, and the underwriters will not have any liability for: (i) records maintained by a depository relating to the beneficial interests in the Units or the book-entry accounts maintained by such depository; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by a depository and made or given with respect to the rules and regulations of the depository or any action taken by a depository or at the direction of the depository’s participants.

The registration statement for the Trust describes the various fees and expenses for the Trust’s Units. For a more complete description of the Trust, visit the Trust’s website at <http://sprottphysicalbullion.com>.

### **Principal Risks and Disadvantages**

There are risks associated with an investment in Units that should be considered by prospective purchasers, including risks associated with: (i) the price of physical platinum and palladium bullion and volatility of such prices; (ii) the Net Asset Value and the market price of the Units; (iii) the NAV per Unit; (iv) the purchase, transport, insurance and storage of physical platinum and palladium bullion; (v) liabilities of the Trust; (vi) redemptions of Units; (vii) operations of the Trust; and (viii) the offering.

The Trust believes that the most significant disadvantages of investing in Units as compared to investing in physical platinum and palladium bullion include, but are not limited to, (i) in the event of a redemption for bullion, not being able to choose the ratio of physical

platinum and palladium bullion held by an investor; (ii) the delay of approximately 21 Business Days after the end of the month in which the redemption request is submitted by a holder of Units, provided such request was made on or before the 15th day of such month, and the receipt of physical platinum and palladium bullion by the redeeming holder of Units; (iii) in the event of a redemption for bullion, receiving cash instead of physical platinum or palladium bullion if the Trust does not have a plate or ingot of a particular metal in the appropriate size; and (iv) the minimum redemption amount of 25,000 Units required to redeem Units for physical platinum and palladium bullion.

Additional risks are described in the Prospectus for the Trust.

### **Exchange Rules Applicable to Trading in the Units**

The Units are considered equity securities, thus rendering trading in the Units subject to the Exchange's existing rules governing the trading of equity securities.

### **Trading Hours**

Trading in the Units on the Exchanges is on a UTP basis and is subject to the Exchanges' equity trading rules. The Units will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the Units during the Extended Market Sessions (Preopening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

### **Trading Halts**

The Exchanges will halt trading in the Units of a Trust in accordance with Exchange Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Units and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Units of a Trust if the primary market de-lists the Units.

### **Suitability**

Trading in the Units on the Exchanges will be subject to the provisions of Exchange Rules 3.7. Members recommending transactions in the Units to customers should make a determination that the recommendation is suitable for the customer. In addition, Members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in Exchange Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading

these products. The Notice reminds Members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

### **Delivery of a Prospectus**

Pursuant to federal securities laws, investors purchasing Units must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Units directly from the Trust (by delivery of the Deposit Amount) must also receive a prospectus. Prospectuses may be obtained through the Distributor or on the Trust's website. The Prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Trust, please refer to the Trust's registration statement.

**This Regulatory Information Circular is not a statutory prospectus. Members should consult the Trust's [Registration Statement](#), SAI, [Prospectus](#) and the Trust's [website](#) for relevant information.**