



# Investing just got social

## SUMMARY OF CHANGES

### IN

COMPANY	TICKER
ULTA Salon, Cosmetics & Fragrance, Inc.	ULTA
Home Depot Inc.	HD
Costco Wholesale Corp.	COST
Applied Materials Inc.	AMAT
Palo Alto Networks Inc.	PANW
American Airlines Group Inc.	AAL
Southwestern Energy Co.	SWN
Las Vegas Sands Corp.	LVS
Sirius XM Holdings Inc.	SIRI
Target Corp.	TGT
Monsanto Co.	MON

### OUT

COMPANY	TICKER
Southwest Airlines Co.	LUV
Regeneron Pharmaceuticals Inc.	REGN
American Express Co.	AXP
Devon Energy Corp.	DVN
Newmont Mining Corp.	NEM
General Motors Co.	GM
Schlumberger Ltd.	SLB
McDonald's Corp.	MCD
Incyte Corp.	INCY
Verizon Communications Inc.	VZ
Alcoa Corp.	AA

## SECTOR COMPARISON

SECTOR	NOVEMBER 2016 INDEX WEIGHT (%)	DECEMBER 2016 INDEX WEIGHT (%)
Consumer Discretionary	17.4	20.8
Consumer Staples	4.4	5.7
Energy	4.8	4.4
Financial Services	4.8	6.9
Health Care	24.4	23.2
Industrials	6.4	5.0
Information Technology	30.4	30.0
Materials	2.7	2.0
Telecommunication Services	4.7	2.0
Utilities	0.0	0.0

## STOCK SPOTLIGHT U.S. PRESIDENTIAL ELECTION EDITION

## Bank of America

While many accepted that Donald Trump as the U.S. president would be good for the banking sector, few could have imagined how far the financial stocks would run up. Since we highlighted the 10% surge in financials in our November index rebalance, Bank of America Corp. (NYSE: BAC) has gained another 10%. While Trump has yet to be officially sworn in and able to implement policies, it has been his choices for his cabinet that has been drawing attention. So far, the most relevant pick for Wall Street has been Trump's pick for treasury secretary, Steven Mnuchin. A former partner at Goldman Sachs and founder of several hedge funds, Mnuchin is well connected and heavily involved on Wall Street, albeit with no history in politics or public policy. Nonetheless, his appointment as treasury secretary signals Trump's intention to run a pro-Wall Street administration. Mnuchin's support for policies aimed at lending to the middle class, coupled with Trump's views on fewer regulations, have continued to propel bank stocks such as BAC to new multi-year highs, with no sign of stopping. Sentiment on social media has followed suit as bullish discussion on bank stocks continue to rise, signalling the financials rally may still have more room to go.

## Biotechnology Stocks

The post-election euphoria in biotech stocks appears to be slowing down. The initial rally which propelled the iShares Nasdaq Biotechnology ETF (NASDAQ: IBB) 17% higher following the elections, was based more so on the defeat of Hillary Clinton, who had publicly spoken out against high drug prices, rather than the victory of Donald Trump, who had been relatively quiet on the topic. Since then, IBB slowly retraced, giving back approximately 7% of its gains. On December 7<sup>th</sup>, Trump's stance became more clear when he stated his intentions to bring down drug prices, dealing another blow to the biotech rally. Although the Republican-led Congress will likely not give the government the authority to negotiate and set drug prices, Trump's views indicated he would not actively be a positive catalyst for the industry as he would be for the financial sector. The news sent IBB down over 4% on the day, and while it has stabilized since then, bullish sentiment on the sector appears to be stalling, with names such as Regeneron Pharmaceuticals (NASDAQ: REGN) among the most negatively trending stocks this month. For the most part, social sentiment on the sector remains positive; however, the waning momentum suggests more people are taking a wait-and-see approach on the sector.

## INDEX FUNDAMENTALS

1.4%

Dividend Yield

18.3

P/E Ratio

\$141.4B

Average Market Cap

\$4.8B

Smallest Market Cap

\$618.4B

Largest Market Cap

**INDEX HOLDINGS**

COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)
Advanced Micro Devices Inc.	3.00	Home Depot Inc.	0.93
Alphabet Inc.	3.00	General Electric Co.	0.90
Apple Inc.	3.00	Wal-Mart Stores Inc.	0.86
Twitter Inc.	3.00	Wynn Resorts Ltd.	0.85
Facebook Inc.	3.00	Goldman Sachs Group Inc.	0.83
Walt Disney Co.	3.00	Marathon Oil Corp.	0.80
Microsoft Corp.	3.00	Kinder Morgan Inc.	0.77
Bank of America Corp.	3.00	Starbucks Corp.	0.74
Valeant Pharmaceuticals International	3.00	Costco Wholesale Corp.	0.72
Amazon.com Inc.	3.00	Applied Materials Inc.	0.70
Gilead Sciences Inc.	3.00	Lockheed Martin Corp.	0.69
Under Armour Inc.	3.00	International Business Machine	0.68
Tesla Motors Inc.	3.00	PayPal Holdings Inc.	0.67
NVIDIA Corp.	2.96	AT&T Inc.	0.67
AbbVie Inc.	2.91	Palo Alto Networks Inc.	0.65
Celgene Corp.	2.30	Biogen Inc.	0.63
OPKO Health Inc.	2.25	American Airlines Group Inc.	0.62
Allergan PLC	2.04	Procter & Gamble Co.	0.58
Ford Motor Co.	1.84	QUALCOMM Inc.	0.57
Mallinckrodt PLC	1.74	Exxon Mobil Corp.	0.55
NIKE Inc.	1.74	Southwestern Energy Co.	0.54
Intel Corp.	1.69	Merck & Co. Inc.	0.54
Freeport-McMoRan Inc.	1.65	Morgan Stanley	0.52
Activision Blizzard Inc.	1.61	Las Vegas Sands Corp.	0.51
JetBlue Airways Corp.	1.51	JPMorgan Chase & Co.	0.49
Bristol-Myers Squibb Co.	1.41	MGM Resorts International	0.48
Energy Transfer Equity LP	1.37	Visa Inc.	0.48
Sprint Corp.	1.35	Kroger Co.	0.48
Johnson & Johnson	1.31	salesforce.com Inc.	0.47
Micron Technology Inc.	1.16	Boeing Co.	0.46
Amgen Inc.	1.11	Delta Air Lines Inc.	0.42
Coca-Cola Co.	1.07	Sirius XM Holdings Inc.	0.39
Blackstone Group LP	1.04	Target Corp.	0.38
CVS Health Corp.	1.01	Chevron Corp.	0.37
Altria Group Inc.	0.99	Western Digital Corp.	0.37
Citigroup Inc.	0.99	United Technologies Corp.	0.35
Pfizer Inc.	0.98	Monsanto Co.	0.34
ULTA Salon, Cosmetics & Fragrance, Inc.	0.95	<b>Total:</b>	<b>100.00</b>

**TOP U.S. STOCKS DISCUSSED ON SOCIAL MEDIA**



**TOP FIVE POSITIVELY TRENDING STOCKS IN THE INDEX**

- AMD
- BAC
- MNK
- AGN
- ULTA

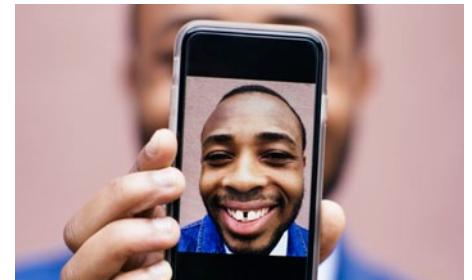
**BOTTOM FIVE NEGATIVELY TRENDING STOCKS NOT IN THE INDEX**

- NEM
- DVN
- AXP
- REGN
- LUV

**Sprott Buzz Social Media Insights Exchange Traded Fund ('Buzz ETF')** tracks the BUZZ Social Media Insights Index, which identifies the 75 most bullish U.S. stocks based on investment insights derived from the Social Media's Big Data.

- Over 50 million unique stock-specific data points from Social Media comments, news articles and blog posts are processed on a monthly basis.
- The data is filtered through an analytics model which utilizes Natural Language Processing Algorithms and Artificial Intelligence applications.

**HOW IT WORKS:**



**1. Where's the BUZZ?**

First, from a defined investment universe of U.S. stocks, the BUZZ Index targets the most mentioned stocks across the Social Media landscape.

**2. What's the BUZZ?**

The BUZZ Index looks at what the Social community is saying about these most-mentioned and whether the sentiment is positive, negative or neutral on a collective basis.

**3. Who is creating the BUZZ?**

The BUZZ Index then measures the influence within the social media community of those individuals who are discussing each stock and their historical accuracy.

## IMPORTANT DISCLOSURES & DEFINITIONS

**An investor should consider the investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus, which contain this and other information please contact your financial professional or call 1.855.215.1425. Read the prospectus carefully before investing.**

Sprott Buzz Social Media Insights ETF shares are not individually redeemable. Investors buy and sell shares of the Sprott Buzz Social Media Insights ETF on a secondary market. Only market makers or “authorized participants” may trade directly with the Fund, typically in blocks of 50,000 shares.

The Fund is new with a limited operating History.

The ability to invest based on social media analytics is relatively new and untested. The Fund may invest a significant portion of its assets in securities issued by companies in the information technology sector in order to track the Underlying Index's allocation to that sector.

These types of funds typically have a high portfolio turnover that could increase transaction costs and cause short-term capital gains to be realized.

The Fund is not suitable for all investors. There are risks involved with investing in ETFs including the loss of money. The Fund is considered non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a diversified fund. Funds that emphasize investment in small/mid cap companies will generally experience greater price volatility. Diversification does not eliminate the risk of experiencing investment losses. ETFs are considered to have continuous liquidity because they allow for an individual to trade throughout the day.

Defined investment universe of US stocks – in order to be eligible for inclusion in the Underlying Index, a company's stock must be traded on one or more major U.S. exchanges, have a minimum market capitalization of at least \$5 billion, and have a 3 month minimum average daily trading volume of \$1 million.

Investing in companies based on social media analytics involves the potential for market manipulation because social media posts may be made with an intent to inflate, or otherwise manipulate, the public perception of a stock or other investment.

Text and sentiment analysis of social media postings may prove inaccurate; that is, high positive sentiment may not correlate with negative change in the value of a company's stock.

Natural language processing (NLP) deals with the application of computational models to text or speech data. NLP algorithms can be used in Sentiment analysis to identify and extract subjective information in source materials. Sentiment analysis is widely applied to reviews and social media for a variety of applications, ranging from marketing to customer service.

Artificial intelligence (AI) is the intelligence exhibited by machines or software. One of the central problems (or goals) of AI research include natural language processing (communication).

<sup>1</sup>Big Data is a term for data sets that are so large or complex that traditional data processing applications are inadequate.

Social media, as it relates to the ETF, refers to social media sites.

Some examples of social media sites may include, but are not limited to, the following: Facebook, Twitter, LinkedIn, Digg, Reddit, RSS, blogs, Investopedia, stock forums, etc.

Social community refers to the users of the social media sites.

Hedge Funds are alternative investments using pooled funds that may use a number of different strategies in order to earn active return, or alpha, for their investors.

Fundamental Analysis is a method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors

Relative Value is a method of determining an asset's value that takes into account the value of similar assets.

Technical Indicator is any class of metrics whose value is derived from generic price activity in a stock or asset.

Capital Asset Theory is a model that describes the relationship between risk and expected return and that is used in the pricing of risky securities.

ALPS Portfolio Solutions Distributor, Inc. is the Distributor for the Sprott Buzz Social Media Insights ETF.