



## Description

The Fund seeks to deliver exposure to the Sprott Zacks Gold Miners Index (NYSE: ZAXSGDM). The Index aims to track the performance of large to mid- capitalization gold companies whose stocks are listed on major U.S. exchanges.

The Index uses a transparent, rules-based methodology that is designed to identify 25 gold stocks with the highest beta\* to the spot price of gold, with each stock's weighting in the index adjusted based on its quarterly revenue growth on a year-over-year basis and the quality of its balance sheet, as measured by long-term debt to equity. The Index is rebalanced on a quarterly basis to incorporate the latest financial data into the screening process. The Index can also invest to a lesser degree in silver companies that meet the above criteria.

## Why Sprott Zacks Gold Miners Index?

- The Index seeks to outperform a purely passive representation of the gold and silver mining industry
- Transparent, rules-based methodology designed to overweight gold stocks with attractive investment merits relative to the other stocks in the index
- Weighting methodology seeks to emphasize gold stocks with the highest quarterly revenue growth measured on a year-over-year basis and stronger relative balance sheets as measured by long-term debt to equity
- The stock selection and index weighting criteria co-developed by Sprott Asset management, a leading, long-time gold sector investor, and Zacks Index Services
- Quarterly rebalancing seeks to ensure that the latest company results are reflected in the composition and weighting of the index

## Why Gold Miners?

- Low to negative global bond yields are positive for gold, creating renewed interest in the metal<sup>1</sup>
- In a rising gold price environment, gold miners have the potential to outperform gold because:
  - The value of unmined gold reserves increases, making gold companies more valuable
  - The profitability of gold companies can rise exponentially relative to the price increase for gold<sup>2</sup>
- Low historical correlation to traditional asset classes

## ETF Details

Ticker:	SGDM
Underlying Index:	ZAXSGDM
Listing Exchange:	NYSE Arca
CUSIP:	00162Q 643
Fund Inception:	July 15, 2014
Total Expense Ratio:	<b>0.57%</b>

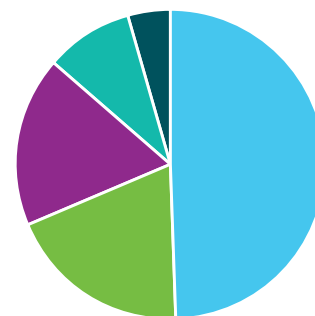
## Index Portfolio Characteristics

as of 9/30/16

Number of companies:	25
Market cap (millions):	\$97,311
Largest market cap (millions):	\$20,638
Smallest market cap (millions):	\$597
Weighted avg. company market cap (millions):	\$6,387
Market cap breakdown:	
Large (>\$5B)	56.58%
Medium (\$1 -\$5B)	38.18%
Small (<\$1B)	5.24%
Industry weighting:	
Gold	83.58%
Silver	16.42%

## Company Domicile Breakdown

as of 9/30/16



Canada - 49.64%
Jersey- 19.20%
U.S. - 17.55%
South Africa - 9.41%
Peru - 4.20%

## Performance as of 9/30/16

TOTAL RETURNS	Cumulative		Annualized	
	3 Month	YTD	1 Year	Since Inception
Sprott Gold Miners ETF (Net Asset Value)	-7.17%	89.39%	93.54%	-0.89%
Sprott Gold Miners ETF (Market Price) <sup>†</sup>	-7.05%	89.69%	93.85%	-0.86%
Sprott Zacks Gold Miners Index (Benchmark)	-6.99%	90.58%	95.17%	-0.13%

**Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be higher or lower than actual data quoted. Call 1.855.215.1425 or visit [www.sprottets.com](http://www.sprottets.com) for current month end performance.** The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

<sup>†</sup> Market Price is based on the midpoint of the bid/ask spread at 4 p.m. ET and does not represent the returns an investor would receive if shares were traded at other times.



## Index Holdings – Sprott Zacks Gold Miners Index as of 9/30/16

COMPANY	TICKER	WEIGHT (%)^
Randgold Resources Ltd	GOLD US	19.20%
Agnico Eagle Mines Ltd	AEM US	12.97%
Royal Gold Inc	RGLD US	12.66%
Pan American Silver Corp	PAAS US	4.48%
Barrick Gold Corp	ABX US	4.43%
B2Gold Corp	BTG US	4.25%
Cia de Minas Buenaventura SAA	BVN US	4.20%
AngloGold Ashanti Ltd	AU US	4.16%
First Majestic Silver Corp	AG US	3.22%
Kinross Gold Corp	KGC US	3.16%
New Gold Inc	NGD US	2.62%
Hecla Mining Co	HL US	2.60%
Yamana Gold Inc	AUY US	2.51%
Gold Fields Ltd	GFI US	2.39%
Coeur Mining Inc	CDE US	2.29%
McEwen Mining Inc	MUX US	2.09%
Fortuna Silver Mines Inc	FSM US	1.94%
Asanko Gold Inc	AKG US	1.93%
Sibanye Gold Ltd	SBGL US	1.92%
Endeavour Silver Corp	EXK US	1.89%
Silver Standard Resources Inc	SSRI US	1.72%
IAMGOLD Corp	IAG US	1.01%
Harmony Gold Mining Co Ltd	HMY US	0.95%
Sandstorm Gold Ltd	SAND US	0.92%
Seabridge Gold Inc	SA US	0.50%

^ Weightings subject to change.

## About Sprott Asset Management LP

Sprott Asset Management LP (“Sprott”) is an alternative investment manager that specializes in precious metals and natural resource investing. Headquartered in Toronto, Canada, the mining finance center of the world, Sprott manages several billion dollars in precious metals investments, including the Sprott Physical Bullion Trusts which trade on the NYSE Arca.

Sprott ETFs provide investors with access to innovative and unique indexes that are designed to outperform passive market cap-weighted offerings.

Sprott Asset Management leverages its expertise as an active money manager in precious metals and other natural resource sectors to co-develop each Index with its partners. Each index is designed using specific **Factors that Matter™** for a particular sector. These customized factors are selected because they have historically proven to be strong predictors of long term stock performance.

## 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 Gold Miners ETF shares are not individually redeemable. Investors buy and sell shares of the Sprott Gold Miners 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 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.**

The Fund will be concentrated in the gold and silver mining industry. As a result, the Fund will be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the gold and silver mining industry. Also, gold and silver mining companies are highly dependent on the price of gold and silver bullion. These prices may fluctuate substantially over short periods of time so the Fund’s Share price may be more volatile than other types of investments.

Funds that emphasize investments in small/mid cap companies will generally experience greater price volatility.

Funds investing in foreign and emerging markets will also generally experience greater price volatility.

There are risks involved with investing in ETFs including the loss of money.

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.

ALPS Portfolio Solutions Distributor, Inc. is the Distributor for the Sprott Gold Miners ETF.

An investor cannot invest directly in an index.

\*Beta is defined as a sensitivity measure based on regression against the spot gold price movement during the trailing 36 months. <sup>1</sup>Bloomberg June 30, 2016.

<sup>2</sup>Gold price is a key factor driving the overall profitability of gold mining companies, and their stock price. Assuming that in the short term mining company’s expenses are constant, an increase in the price of gold contributes directly to the profitability of the company.