

Sprott ETFs – Monthly Miners Insights

Factors *that* Matter™

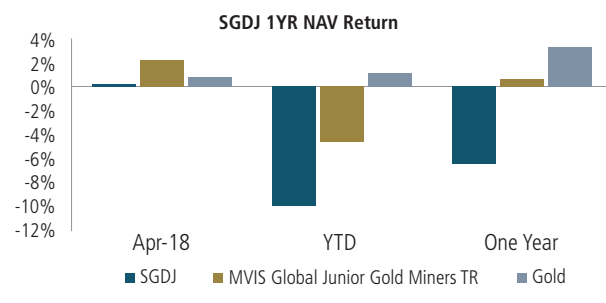
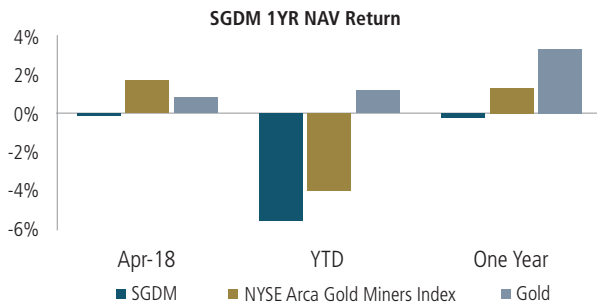
Key Takeaways

- The Sprott Gold Miners ETF (SGDM) declined modestly in April, losing 0.15%, while the Sprott Junior Gold Miners ETF (SGDJ) added 0.17%. For the month, the NYSE Arca Gold Miners Net Total Return Index and the MVIS Global Junior Gold Miners Index gained 1.69% and 1.83%, respectively.
- Spot gold lost 80 basis points (bps) last month, allowing miners to close the gap on the yellow metal, but miners remain down year-to-date.
- Headlines out of South Africa, one of the world's largest precious metals producers, indicate thieves stole 12 kilos of gold from a Harmony Gold AMG – ADR (HMY) mine there.
- Senior miners trade below their 3-year averages while junior miners are slightly above those levels.

Miners April Performance

Performance Notes

- SGDM traded slightly lower last month while its junior counterpart, SGDJ, eked out a small April gain. Year-to-date, both funds are trading lower as investors remain apprehensive about embracing gold equities even as the yellow metal has traded slightly higher in the spot market.
- Miners can be viewed as a levered play on gold prices. Although bullion prices surged in 2017, shares of miners faltered. April brought a slight reversal of that trend. We'll see if miners can close the gap on physical gold as 2018 moves along.



Source: ALPS, as of 4/30/2018. Past performance is not indicative of future results. Please see standardized performance on page 3.

Refresher

SGDM and SGDJ are factor-based or smart beta avenues to investing in gold miners. SGDM selects components with high betas relative to gold, weighting those names based on revenue growth and long-term debt-to-equity. SGDJ, the junior fund, only holds miners with market values of \$250 million to \$2 billion and weights member firms based on revenue growth and price momentum.

Gold vs Gold Miners



Source: Bloomberg as of 4/30/2018. Past performance is not indicative of future results. Please see standardized performance on page 3.

Attribution Notes

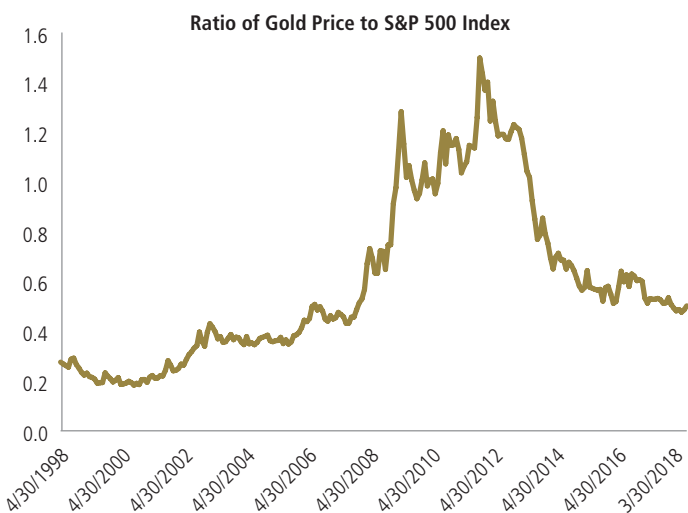
SGDM

- While SGDM is not heavily allocated to small-caps, smaller miners were the biggest detractors to the fund's April performance. The aforementioned Harmony Gold was one of the worst-performing names on SGDM's roster last month.
- Large-cap names were again positive in April as Barrick Gold Corp. (ABX), one of the world's largest gold miners, returned 8.19% on a monthly basis.

SGDJ

- Mid-cap names helped SGDJ notch a slightly positive performance in April. Canada contributed the most to the fund's April returns, but smaller U.S. miners delivered the best performances. Golden Star Resources Ltd. (GSS) stood out as its shares surged 20.70% in April.

How inexpensive is gold relative to U.S. equities right now?



Source: Bloomberg as of 4/30/2018.

Past performance is not indicative of future results.

Attribution

| | AVG Weight During April | Contribution to Return | Total Return |
|---|-------------------------|------------------------|--------------|
| Sprott Gold Miners ETF (SGDM US) | 100.00 | -0.13 | -0.13 |
| MKT CAP lrg | 35.07 | 0.33 | 0.30 |
| MKT CAP med | 48.67 | -0.13 | 0.29 |
| MKT CAP small | 16.27 | -0.33 | -2.31 |
| Sprott Gold Miners ETF (SGDM US) | 100.00 | -0.13 | -0.13 |
| Canada | 53.45 | 0.58 | 1.11 |
| Peru | 4.75 | 0.22 | 4.92 |
| United States | 20.27 | 0.22 | 1.11 |
| Jersey | 11.97 | -0.32 | -2.57 |
| South Africa | 9.56 | -0.83 | -8.22 |
| Sprott Junior Gold Miners ETF (SGDJ US) | 100.00 | 0.24 | 0.24 |
| MKT CAP med | 5.28 | 0.44 | 8.39 |
| MKT CAP small | 94.72 | -0.19 | -0.04 |
| Sprott Junior Gold Miners ETF (SGDJ US) | 100.00 | 0.24 | 0.24 |
| Canada | 68.12 | 0.95 | 1.45 |
| United States | 14.91 | 0.41 | 2.99 |
| Australia | 2.56 | 0.01 | 0.14 |
| China | 3.49 | -0.05 | -1.46 |
| South Africa | 2.73 | -0.45 | -15.06 |
| Monaco | 8.18 | -0.63 | -7.43 |

Bloomberg data as of 4/30/18

| | SGDM | | NYSE Arca Gold Miners Index | |
|-------------------------|---------|----------------|-----------------------------|----------------|
| | Current | 3 Year Average | Current | 3 Year Average |
| Price/Earnings Ratio | 33.18 | 45.01 | 28.18 | 31.99 |
| Price/Book Ratio | 1.29 | 1.35 | 1.46 | 1.37 |
| Price/Cash Flow Ratio | 9.06 | 9.2 | 9.22 | 8.3 |
| Price/Sales Ratio | 2.53 | 2.73 | 2.65 | 2.53 |
| Trailing 12 Month Yield | 0.77 | 0.83 | 0.88 | 0.77 |

| | SGDJ | | MVIS Global Junior Gold Miners Index | |
|-------------------------|---------|----------------|--------------------------------------|----------------|
| | Current | 3 Year Average | Current | 3 Year Average |
| Price/Earnings Ratio | 33.18 | 27.07 | 28.18 | 20.58 |
| Price/Book Ratio | 1.29 | 1.12 | 1.46 | 1.14 |
| Price/Cash Flow Ratio | 9.06 | 8.11 | 9.22 | 7.52 |
| Price/Sales Ratio | 2.51 | 2.36 | 2.65 | 2.16 |
| Trailing 12 Month Yield | 0.77 | 0.72 | 0.88 | 0.81 |

Bloomberg data as of 4/30/18

Company Snapshot: Golden Star Resources Ltd. (GSS)

Toronto-based Golden Star Resources has mining operations in Brazil and Ghana. Last month, the company revealed first-quarter production of 57,616 ounces of gold, down slightly from the 57,795 ounces in the year-earlier period. The company said it is on track to meet its 2018 consolidated production guidance. First-quarter production at its Wassa Underground Gold Mine was stronger than expected.

"At Prestea Underground, we remain confident in our chosen mining method and in our ability to deliver high grade production to plan," said Golden Star President and CEO Sam Coetzer in a statement. "The mining sequence continues to improve and we expect that by the middle of the second quarter of 2018, production will have begun to ramp up."¹

The company added that it expects operations at Prestea Underground to "strengthen significantly" in the current quarter.

For the first quarter, Golden Star reported cash operating cost per ounce of \$909 and All-In Sustaining Cost (AISC) of \$1,171 per ounce. The company said it expects costs will decrease in the second half of this year as production ramps up at Prestea and Wassa.

At the end of the first quarter, Golden Star had a consolidated cash balance of \$26.2 million.

Top 10 Equity Holdings (% of Total Portfolio)

SGDM

| | |
|----------------------------|--------|
| 1. RANDGOLD RESOURCES LTD | 12.44% |
| 2. GOLDCORP INC | 11.43% |
| 3. NEWMONT MINING CORP | 11.07% |
| 4. AGNICO EAGLE MINES LTD | 10.76% |
| 5. ROYAL GOLD INC | 4.66% |
| 6. CIA DE MINAS BUENAVENTU | 4.54% |
| 7. BARRICK GOLD CORP | 4.23% |
| 8. ALAMOS GOLD INC-CLASS A | 3.87% |
| 9. KINROSS GOLD CORP | 3.47% |
| 10. IAMGOLD CORP | 3.21% |

SGDJ

| | |
|----------------------------|-------|
| 1. ENDEAVOUR MINING CORP | 8.32% |
| 2. CENTERRA GOLD INC | 7.61% |
| 3. OSISKO GOLD ROYALTIES L | 6.73% |
| 4. DETOUR GOLD CORP | 6.11% |
| 5. PRETIUM RESOURCES INC | 6.10% |
| 6. TAHOE RESOURCES INC | 4.30% |
| 7. COEUR MINING INC | 4.30% |
| 8. NEW GOLD INC | 3.95% |
| 9. FORTUNA SILVER MINES IN | 3.64% |
| 10. SANDSTORM GOLD LTD | 3.62% |

Source: Bloomberg as of 3/31/18

Holdings are subject to change. Only long positions are listed.

ETF Stats (Bloomberg Data as of 3/31/18)

| | |
|-----------------------------|--------------|
| Ticker: | SGDM |
| CUSIP: | 00162Q643 |
| Fund Inception: | 7/15/14 |
| Dividends Paid: | Yearly |
| Most Recent Dividend*: | \$0.1194 |
| Gross Expense Ratio: | 0.57% |
| NAV**: | \$20.73 |

*Dividend paid on 12/21/17.

**As of 3/31/18.

| | |
|-----------------------------|--------------|
| Ticker: | SGDJ |
| CUSIP: | 00162Q585 |
| Fund Inception: | 3/31/15 |
| Dividends Paid: | Yearly |
| Most Recent Dividend*: | \$0.0470 |
| Gross Expense Ratio: | 0.57% |
| NAV**: | \$33.47 |

*Dividend paid on 12/21/17.

**As of 3/31/18.

Performance (as of 3/31/18)

| | 3 Month | 6 Month | YTD | 1 Year | 3 Year | Cumulative Since Inception | Annualized Since Inception |
|---|---------|---------|---------|---------|--------|----------------------------|----------------------------|
| Sprott Gold Miners ETF (Net Asset Value) | -5.35% | -4.21% | -5.35% | -1.58% | 6.01% | -19.68% | -5.73% |
| Sprott Gold Miners ETF (Market Price) [†] | -5.26% | -4.21% | -5.26% | -1.73% | 6.07% | -19.68% | -5.73% |
| S&P 500 Total Return Index | -0.76% | 5.84% | -0.76% | 13.99% | 10.78% | 44.29% | 10.38% |
| Sprott Zacks Gold Miners TR | -5.16% | -3.87% | -5.16% | -0.91% | 6.79% | -17.49% | -5.05% |
| Sprott Junior Gold Miners ETF (Net Asset Value) | -10.04% | -14.19% | -10.04% | -12.80% | 8.92% | 27.87% | 8.53% |
| Sprott Junior Gold Miners ETF (Market Price) [†] | -10.36% | -14.35% | -10.36% | -13.04% | 8.88% | 27.53% | 8.44% |
| S&P 500 Total Return Index | -0.76% | 5.84% | -0.76% | 13.99% | 10.78% | 34.77% | 10.45% |
| Sprott Zacks Junior Gold Miners Index TR | -9.95% | -13.91% | -9.95% | -12.21% | 9.87% | 31.27% | 9.49% |

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 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.

[†]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.

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 and Sprott Junior Gold Miners ETF shares are not individually redeemable. Investors buy and sell shares of the funds on a secondary market. Only market makers or "authorized participants" may trade directly with the Fund, typically in blocks of 50,000 shares.

The Funds are not suitable for all investors. There are risks involved with investing in ETFs including the loss of money. The Funds are 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 Funds will be concentrated in the gold and silver mining industry. As a result, the Funds 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.

Sprott Zacks Gold Miners Total Return Index is comprised of approximately 25 stocks selected, based on investment and other criteria, from a universe of gold and silver mining companies whose stock is listed on a major U.S. exchange. The stocks are selected using a proprietary, quantitative rules based methodology developed by Zacks Index Services.

Sprott Zacks Junior Gold Miners Total Return Index is comprised of between 30 to 40 stocks selected, based on investment and other criteria, from a universe of gold and silver mining companies whose stocks are listed on a major U.S. or Canadian exchange. The stocks are selected using a proprietary, quantitative rules-based methodology developed by Zacks Index Services.

NYSE Arca Gold Miners Index is a modified market capitalization weighted index comprised of publicly traded companies involved primarily in the mining for gold and silver.

MVIS Global Junior Gold Miners (TR NET) (Ticker: MVGDJTR) is the total return index that covers the most liquid small-cap companies which are active in the gold/silver mining sector.

S&P 500® Total Return Index is an unmanaged index that tracks the performance of 500 widely held large-capitalization U.S. stocks. The indexes are reported on a total return basis, which assumes reinvestment of any dividends and distributions realized during a given time period. The indexes are not actively managed and do not reflect any deductions for fees, expenses or taxes. One cannot invest directly in an index.

Index performance does not reflect fund performance.

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

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