In our mid-April report, we highlighted ten market variables we view as bullish for the gold price. During the intervening month, these factors have remained generally supportive, yet spot gold has traced out a 6.28% correction (from an intraday high of $1,295.61 on 4/17 to an intraday low of $1,214.26 on 5/9). More than anything else, we view gold's pullback as a reflection of persistent strength in U.S. equity markets. It is no coincidence that as gold marked its 5/9 trading low, the S&P 500 Index surpassed the 2,400 level for the first time. Simultaneously, the VIX volatility index declined to rarified single-digits (9.56), approaching lows last recorded in December 2006. In short, equity markets, to gold's reflexive challenge, have rarely been so complacent. What is fueling this record-breaking investor complacency? We would suggest market perceptions of risk have been all but extinguished by relentless provision of central bank liquidity.

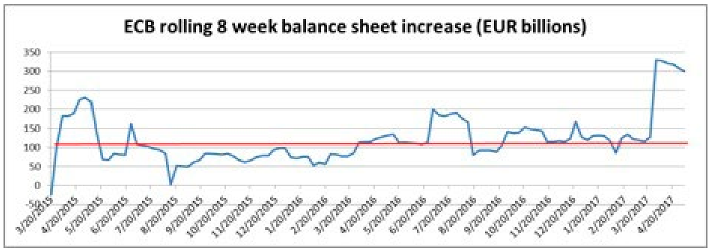
Since the final taper of QE3 in November 2014, the Fed has passed the baton of global liquidity-creation to central banks around the world. Somewhat surprisingly, aggregate asset-purchases by the Fed's global colleagues have exceeded the scale of QE3 by an accelerating margin. Throughout 2016, monthly asset-purchases by the European Central Bank (ECB), the Bank of Japan (BOJ) and the Bank of England (BOE) totaled $185 billion, or more than twice the rate of QE3 liquidity. Year-to-date in 2017, Bank of America (Michael Hartnett) calculates the annualized growth-rate of asset-purchases by the Fed, ECB, BOJ, BOE and the Swiss National Bank (SNB) totaled $3.6 trillion through 4/19, dwarfing all prior rates of central bank balance-sheet expansion. To lend perspective to the scale of ongoing global QE, we plot in Figure 1, growth in the balance sheets of the Fed, the ECB and the BOJ. While the occasion received little fanfare in financial media, the size of the Fed's balance sheet at month-end April had actually been surpassed by both the ECB and the BOJ.

Figure 1: Balance Sheets of the Federal Reserve, European Central Bank and Bank of Japan (Total Assets Measured in U.S. Dollars) (12/30/94-4/30/17)

Source: Bloomberg.

Zeroing in on recent developments in the Eurozone, the ECB expanded its balance sheet by 465 billion euros during the first four months of 2017. Figure 2 demonstrates this growth was heavily concentrated in the month of April. Obviously, the ECB was showering the continent with liquidity in concerted effort to cushion the Eurozone from potential shocks emanating from French presidential elections on 4/23 and 5/7. Perhaps the SNB was displaying similar trepidation in boosting its total equity holdings to $80.4 billion during Q1, up a record $17 billion during the three months. (If the Swiss National Bank prints money to boost its AAPL stake from 15 to 18.9 million shares during a quarter, why should equity investors feel anything but complacent?)

Figure 2: U.S. Growth in Total Assets on ECB Balance Sheet (Trailing 8-Week Increase) (3/20/15-4/20/17)



Source: ECB; MacroStrategy Partnership.

Lest financial markets might have missed the message in the ECB's furious springtime pump-priming, Eurozone central bank stewards unleashed on the eve of first-round voting in France a spirited barrage of we-have-your-back jawboning:

The central bank should be ready for any shocks that should materialize [after the French election]. Intervening very quickly is really very easy now given the instruments we have. But as we have seen in similar cases, no need has really been observed. And the reason is that all market participants know that these instruments are there to be used.

–Ignazio Visco, Governor, Bank of Italy, 4/22/17

If there should be problems for specific French banks liquidity-wise, then the ECB has the…ELA, Emergency Liquidity Assistance, but we don't expect of course any special movements."

–Ewald Nowotny, President,
National Bank of Austria, 4/22/17

We hope that a reasonable candidate can win – somebody who is in favor of free markets – but we cannot exclude that there will be more pressure on the Swiss franc. But as you know we also have our instruments to react to such a situation…We have more leverage on interest rates, and we of course have our willingness to intervene if necessary on the foreign-exchange market.

–Thomas Jordan, Chairman, Governing Board,
Swiss National Bank, 4/22/17

Of course, the 2017 prize for central bank self-importance was earned by the startling victory-lap declaration of ECB Governing Council member, and Central Bank of Lithuania Governor, Vitas Vasiliauskas, who remarked in a 5/11 Bloomberg interview:

Markets say the ECB is done, their box is empty. But we are magic people. Each time, we take something and give to the markets – a rabbit out of the hat!

Under the tutelage of such a determined contingent of central bankers, it would be fair to say that it has become an ill-advised endeavor to be overly bearish on any financial asset! However, we would make one observation about central bank behavior so far in 2017. If the ECB and local EU central banks became this exorcized over fallout from essentially a primary vote in the world's sixth largest economy, we are likely nearing the endgame for central bank saturation of global financial markets.

In our view, the Fed's recent willingness to raise rates has been enabled as much by accelerating global central bank liquidity as by any tangible improvement in domestic economic performance. Indeed, the May FOMC statement reflected a notable uptick in nothing-to-see-here insincerity in the Fed's contention that "the fundamentals underpinning the continued growth of consumption remained solid." The facts are that Q1 GDP of 0.7% marked the weakest GDP growth in any quarter in which the FOMC has hiked rates since Chairman Volcker did so in February 1980. To VIX-hugging optimists, allured by trendy dismissal of first quarter "seasonals," we offer Figure 3 as food for thought. After tracking the S&P 500 Index higher in tight lockstep since election-day, the Citi Economic Surprise Index has utterly collapsed since mid-March.

Figure 3: S&P 500 Index versus Citi Economic Surprise Index (5/11/16-5/15/17)

Source: Citibank; Bloomberg.

We recognize that new all-time highs for the S&P 500 foster an environment of investor security unlikely to fuel urgency in precious-metal markets. If stocks rally every week, who needs gold? On the other hand, one could make the case that year-to-date (5/12) gains for spot gold (6.58%) and the NYSE Arca Gold Miners Index (8.23%) are comparatively solid in the context of year-to date gains for the S&P 500 (6.79%).

Perhaps gold's relative stability belies a degree of incipient investor apprehension. Whatever the motivating factors may be, the suppression of volatility in equity markets is currently being reflected in equivalent suppression of volatility in gold bullion. Indeed, as shown in our addenda graph, implied volatility for spot gold currently stands at a 10-year low. The insurance value of a portfolio commitment to gold is always cheapest before the onset of market volatility against which gold provides protection. For this reason, historic complacency in equity markets may actually be signaling growing urgency for a commitment to precious metals.

Sincerely,

Trey Reik
Senior Portfolio Manager
Sprott Asset Management USA, Inc.
203.656.2400

ADDENDA

Figure 4: Spot Gold Historical Implied Volatility
(11/16/07-5/16/17)

Source: Bloomberg "GV" Function.

SPROTT ETFs

Sprott ETFs provide investors with access to innovative and unique indexes that seek to outperform passive market cap-weighted offerings. Each Index is designed using specific **FACTORS** *that* **MATTER**™ for a particular strategy. These customized factors are selected because they have historically shown correlation to stock performance.

Each Index:

- Seeks to outperform purely passive representations of the gold and silver mining industry
- Uses transparent, rules-based methodology designed to overweight gold stocks with attractive investment merits relative to the other stocks in the index
- The stock selection and index weighting criteria were co-developed by Sprott Asset Management, a leading, long-time gold sector investor, and Zacks Index Services

SGDM
NYSE ARCA
Sprott Gold Miners ETF

- Reconstituted quarterly
- Stocks weighted in the index based on quarterly revenue growth and long-term debt to equity
- The Fund seeks investment results that correspond (before fees and expenses) generally to the performance of its underlying index, the Sprott Zacks Gold Miners Index (ticker symbol ZAXSGDM) (the "Underlying Index").

SGDJ
NYSE ARCA
Sprott Junior Gold Miners ETF

- Reconstituted semi-annually
- Stocks weighted in the index based on revenue growth and price momentum
- The Fund seeks investment results that correspond (before fees and expenses) generally to the performance of its underlying index, the Sprott Zacks Junior Gold Miners Index (ticker symbol ZAXSGDJ) (the "Underlying Index").

Performance as of March 31, 2017

FUND	CUMULATIVE				ANNUALIZED	
	1 Month	3 Months	YTD	Since Inception[2]	1 Year	Since Inception[2]
Sprott Gold Miners ETF (Net Asset Value)	-1.57%	6.76%	6.76%	-18.39%	7.82%	-7.22%
Sprott Gold Miners ETF (Market Price)[1]	-1.38%	6.64%	6.64%	-18.27%	7.92%	-7.17%
Sprott Zacks Gold Miners Index (Benchmark)[3]	-1.54%	-6.93%	6.93%	-16.74%	8.59%	-6.53%

Total Expense Ratio of Sprott Gold Miners ETF is 0.57%.

TOTAL EXPENSE RATIO OF SPROTT GOLD MINERS ETF IS 0.57%

Performance data quoted represents past performance. Past performance is no guarantee of future results so that shares, when redeemed may be worth more or less than their original cost. The investment return and principal value will fluctuate. Current performance may be higher or lower than the performance quoted. Call 866.675.2639 for current month end performance.

A fund's performance for very short time periods may not be indicative of future performance. The recent growth in the stock market has helped to produce short-term returns for some asset classes that are not typical and may not continue in the future.

[1] 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.

[2] Inception date of 07/15/2014

[3] The Underlying Index was created by Zacks Index Services ("Index Provider") to provide a means of generally tracking the performance of gold and silver mining companies whose stocks are traded on major U.S. exchanges. An investor cannot invest directly in an index.

[4] The NYSE Arca Gold Miners Index (GDM) is a modified market capitalization weighted index comprised of publicly traded companies primarily involved in the mining of gold and silver in locations around the world. An investor cannot invest directly in an index.

SPROTT ETFs
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IMPORTANT DISCLOSURES & DEFINITIONS

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

Micro-cap stocks involve substantially greater risks of loss and price fluctuations because their earnings and revenues tend to be less predictable. These companies may be newly formed or in the early stages of development, with limited product lines, markets or financial resources and may lack management depth.

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.

The Sprott Gold Miners ETF and the Sprott Junior Gold Miners ETF are new products with a limited operating history.

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

The underlying index for the Sprott Gold Miners ETF is rebalanced on a quarterly basis and a higher portfolio turnover will cause the Fund to incur additional transaction costs.

The underlying index for the Sprott Junior Gold Miners ETF is rebalanced on a semi-annual basis and a higher turnover will cause the Fund to incur additional transaction costs.

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