

Sprott ETFs – Monthly Miners Insights

Factors *that* Matter™

Key Takeaways

- Gold (spot) started the year off in the green, returning 3.21%. Gold Mining stocks acted as a levered play on the metal, tripling the return for the month.
- The Sprott Gold Miners ETF (SGDM) returned 9.47%, slightly underperforming the Sprott Junior Gold Miners ETF (SGDJ), which returned 10.89% for the month.
- Mergers and Acquisitions continue in the space, as Newmont Mining Corporation (NEM; not held in either fund) put in a bid for Goldcorp Inc (GG; 11.25% weighting in SGDM)

Performance

- Goldminers outperformed during the month of January, as M&A, increase in spot gold, and favorable production announcements helped boost the sector.
- The two Sprott miner ETF's both outperformed industry wide benchmarks during the month of January, driven higher by Canadian based holdings.

Total Return – January	1M	3M	1YR
Sprott Gold Miners ETF (SGDM)	9.47%	24.03%	-9.92%
Sprott Junior Gold Miners ETF (SGDJ)	10.89%	18.87%	-12.19%
NYSE Arca Gold Miners Index	7.48%	20.58%	-3.43%
Philadelphia Stock Exchange Gold and Silver	8.03%	19.01%	-12.17%
Nyse Arca Gold BUGS Index	6.11%	19.61%	-12.49%
GOLD (spot)	3.21%	8.81%	-2.01%

Source: Bloomberg as of 1/31/2019

Performance data quoted represent 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. For the most current month-end performance data please call 844.234.5852. Performance includes reinvested distributions and capital gains.

For Standard performance, please see page 3.

Strategy

- 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.

Attribution Notes

SGDM:

- Canadian mid cap miners outperformed during the month, lead higher by the recent M&A and positive production news from the top performing constituents.
- South African holdings contributed to returns, as the entire allocation posted double digits increases for the month.

Country of Risk	Sprott Gold Miners ETF (SGDM)		
	Average Weight for January (%)	Contribution to Return (%)	Total Return (%)
Canada	68.66	7.31	10.66
United States	14.78	0.35	2.53
South Africa	8.81	1.33	15.25
Peru	4.35	-0.17	-3.51
Brazil	3.41	0.65	19.92

Source: Bloomberg as of 1/31/2019

Past performance is not indicative of future results.

SGDJ:

- Canadian small cap holdings led the charge in January, as record production for Q4 and 2018 boosted the top contributor higher. This narrative was consistent amongst numerous Canadian companies, with 23 out of 25 holdings in the green for the month.

Sprott Junior Gold Miners ETF (SGDJ)

Country of Risk	Average Weight for January (%)	Contribution to Return (%)	Total Return (%)
Canada	62.17	7.65	12.55
South Africa	10.78	1.74	17.20
United States	9.96	1.32	15.39
Australia	8.47	-0.22	-2.25
Ivory Coast	7.22	0.30	5.19
China	1.40	0.10	7.74

Source: Bloomberg as of 1/31/2019

Past performance is not indicative of future results.

Valuations

- Both ZAXSGDM and ZAXSGDJ continue to trade at depressed valuations relative to their three-year averages.

	Sprott Zacks Gold Miners Index (ZAXSGDM)		NYSE Arca Gold Miners Index (GDM)	
	Current	3 Year Average	Current	3 Year Average
Price/Earnings Ratio (x)	29.63	40.11	28.34	32.81
Price/Book Ratio (x)	0.98	1.36	1.27	1.48
Price/Cash Flow Ratio (x)	7.29	9.15	8.22	8.88
Price/Sales Ratio (x)	2.13	2.72	2.31	2.71
Trailing 12 Month Yield (x)	0.90	0.76	1.10	0.78

BB Data as of 1/31/19

	Sprott Zacks Junior Gold Miners (ZAXSGDJ)		MVIS Global Junior Gold Miners Index (MVISGDXJ)	
	Current	3 Year Average	Current	3 Year Average
Price/Earnings Ratio (x)	21.78	27.31	23.08	22.47
Price/Book Ratio (x)	0.92	1.16	1.21	1.25
Price/Cash Flow Ratio (x)	7.46	8.37	1.65	7.93
Price/Sales Ratio (x)	1.65	2.38	1.94	2.28
Trailing 12 Month Yield (x)	0.19	0.55	0.76	0.67

BB Data as of 1/31/19

Source: Bloomberg as of 1/31/2019

Past performance is not indicative of future results.

Performance (as of 1/31/19)

	Cumulative as of 01/31/2019				Annualized as of 12/31/2018		
	1 Month	3 Month	YTD	Since Inception	1 Year	3 Year	Since Inception
Sprott Gold Miners ETF (Net Asset Value)	9.47%	24.03%	9.47%	-21.05%	-15.01%	11.69%	-7.06%
Sprott Gold Miners ETF (Market Price) [†]	9.26%	23.27%	9.26%	-21.38%	-15.12%	11.64%	-7.10%
S&P 500 Total Return Index	8.01%	0.26%	8.01%	50.16%	-4.38%	9.26%	7.66%
Sprott Zacks Gold Miners TR	9.50%	24.26%	9.50%	-18.42%	-14.36%	12.50%	-6.38%
Sprott Junior Gold Miners ETF (Net Asset Value)	10.89%	18.87%	10.89%	17.17%	-25.66%	9.36%	1.48%
Sprott Junior Gold Miners ETF (Market Price) [†]	10.60%	18.71%	10.60%	16.96%	-25.67%	9.41%	1.50%
S&P 500 Total Return Index	8.01%	0.26%	8.01%	40.25%	-4.38%	9.26%	7.20%
Sprott Zacks Junior Gold Miners Index TR	10.92%	19.14%	10.92%	20.94%	-25.20%	10.27%	2.33%

Performance data quoted represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the performance quoted. You can obtain performance data current to the most recent month end by calling (866)759-5679 or www.alpsfunds.com. The investment return and principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost.

Gross Expense Ratio: 0.75%

Fund inception date of 4/18/16

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.

SGDM Top 10 Holdings (%)[^]

1. ROYAL GOLD INC	11.68
2. AGNICO EAGLE MINES LTD	11.56
3. GOLDCORP INC	11.24
4. WHEATON PRECIOUS MET	9.67
5. KIRKLAND LAKE GOLD LTD	6.04
6. B2GOLD CORP	4.47
7. CIA DE MINAS BUENAVENT	3.96
8. ANGLOGOLD ASHANTI-SPO	3.86
9. BARRICK GOLD CORP	3.72
10. ALAMOS GOLD INC-CLASS	3.62

SGDJ Top 10 Holdings (%)[^]

1. OCEANAGOLD CORP	7.90
2. SIBANYE GOLD LTD-SPON	7.25
3. ENDEAVOUR MINING CORP	7.08
4. DETOUR GOLD CORP	6.65
5. SSR MINING INC	5.68
6. OSISKO GOLD ROYALTIES	5.67
7. PRETIUM RESOURCES INC	5.13
8. ALAMOS GOLD INC-CLASS	5.00
9. CENTERRA GOLD INC	4.24
10. HARMONY GOLD MNG-SPO	4.02

[^]Source: Bloomberg as of 1/31/19

Holdings are subject to change.

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 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.

Smart Beta – Smart beta investing combines the benefits of passive investing and the advantages of active investing strategies.

Beta – is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the entire market or a benchmark.

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 Index is the total return index that covers the most liquid small-cap companies which are active in the gold/silver mining sector.

Philadelphia Stock Exchange Gold and Silver – The Philadelphia Stock Exchange Gold and Silver Index is a capitalization-weighted index which includes the leading companies involved in the mining of gold and silver. The index was developed with a base value of 100 as of January 1979.

NYSE Arca Exchange Gold BUGS Index – The NYSE Arca Gold BUGS Index is a modified equal-dollar weighted index of companies involved in major gold mining. The index was designed to give investors significant exposure to near term movements in gold prices by including companies that do not hedge their gold production beyond 1½ years. The index was developed with a base value of 200 as of March 15, 1996

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.

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.