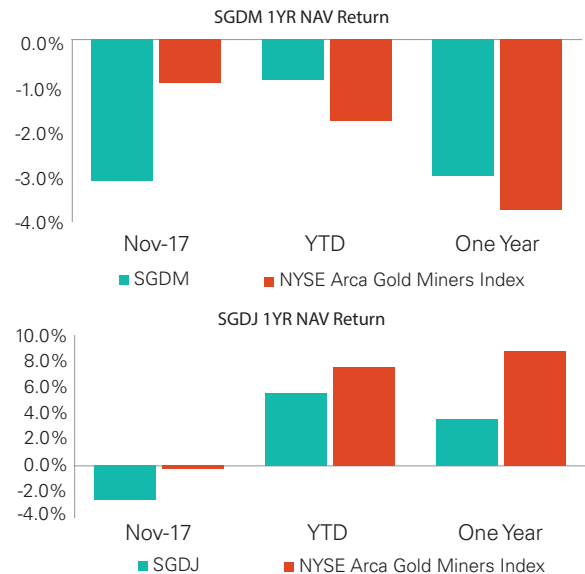


## Key Takeaways

- SGDM and SGDJ underperformed the broad based miner benchmark during the month of November.
- Gold added 76 basis points (bps) during the month of November and is now on pace to have its highest yearly gain since 2010.
- Year to date (YTD) flows suggest a tactical usage for the space vs alternative investment

The month of November was hard on miners across the board, with the juniors bearing the brunt of the decline. Weaker than expected Q3 results and lower guidance caused the largest weightings in each portfolio to decline the most. The Sprott Gold Miners Fund (SGDM) lost -2.58%, driven lower by Rangold Resources LTD-ADR (GOLD) (16.39% average weight for the month) while the Sprott Junior Miners Fund (SGDJ) was down -3.14% for the month, with Centerra Gold Inc (CG CN) (average weight 7.32%) leading the decline. The SPDR Gold Shares Fund (GLD), which aims to track the performance of physical gold, finished the month up 76 bps. With physical gold up about 10% YTD, the PSE Gold and Silver index has uncharacteristically underperformed precious metals during 2017. While YTD flows are net negative in the precious metals mining space through November, The Sprott Goldminers fund (SGDM) and The Sprott Junior Goldminers fund (SGDJ) are both positive.



*Source: ALPS, as of 11/30/2017 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](http://www.alpsfunds.com). Standardized performance, please see page 3.*

## Mining in the current environment: Whats your grade?

With the yellow metal down from its \$1900 top seen in 2011, miners have struggled to keep up with operating costs. Mines have become more expensive to excavate and less gold is being pulled out of the ground profitably. In a recent article, Mark Bristow, CEO of Rangold Resources Ltd, stated that somewhere around half of the gold coming out of the ground is not profitable based on true extraction costs. Mr. Bristow went on to discuss the issues of “high-grading” or focusing on the most profitable and highest quality parts of a mine, which has become a popular practice within the industry. High-grading allows companies to extract more gold with less cost, however, at the expense of degrading and damaging the mine. With only so much high grade gold to mine and prices staying low, supply will start to diminish in the coming years as companies will have to use the rest of the mine not excavated in the high grade search. This could cause gold prices to increase, and companies that have diversified how they pull gold out of the ground stand to benefit as they will get more bang for their buck (still have high grade left to mine). Companies who strictly mine high-grade may render their mines less operable and more expensive to reach lower grade ore in the future.

## A Couple of Nuggets

### SENIOR

#### AngloGold Ashanti-SPON ADR (AU)

- Up 12.37% during the month of November after reporting stellar Q3 numbers
- Production rose in the third quarter putting AU on track to meet full year guidance
- AU is the 3rd largest gold mining company in the world as measured by production

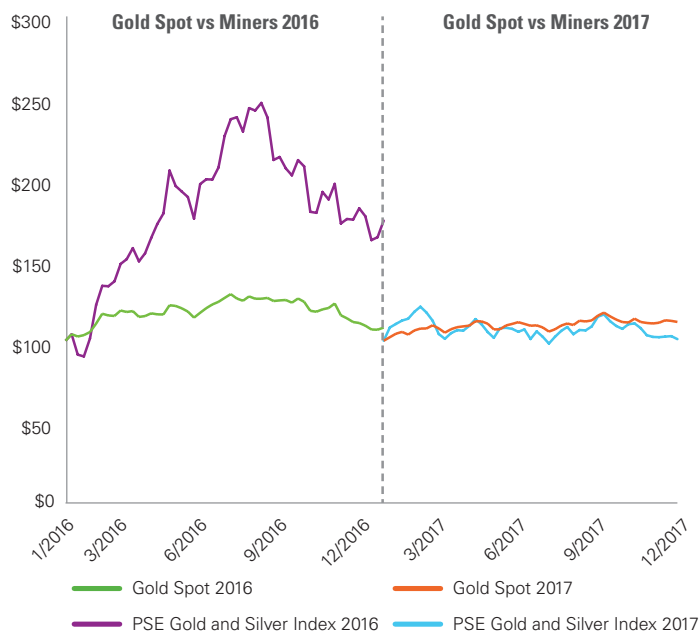
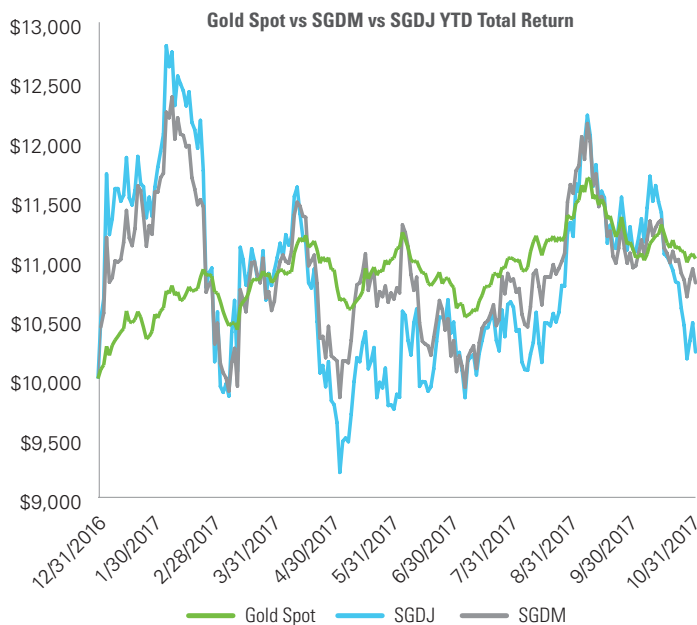
### JUNIOR

#### Kirkland Lake Gold LTD (KL CN)

- Up 16% during the month of November after reporting stellar Q3 numbers
- KL CN is up 93.13% since adding it to the portfolio during the May rebalance (5/19/2017)
- Operates in Canada and Australia

## Gold has outperformed mining companies in 2017

Below we see the diversion between physical gold and gold equities that has occurred during 2017. The year started off with the miners continuing their run through the middle of the first quarter, when physical continued to rebound and the miners began their descent. Miners usually act as a levered play on gold, benefitting when the precious metal increases in value, driving the fundamental equity value of the business.



Source: Bloomberg as of 11/30/2017

**Past performance is not indicative of future results.**

### Refresher

SGDM and SGDJ are factor based models. SGDM selects mining companies with the highest beta to gold and weights constituents based on revenue growth and long-term debt to equity. SGDJ selects mining companies with market capitalization between \$250 million to \$2 billion and weights constituents based on revenue growth and price momentum.

## Attribution to major miner benchmarks: NYSE Arca Gold Miners Index and MVIS Global Junior Gold Miners Index

November brought slight outperformance from senior miner's vs their junior counterparts as would be expected in a down month. The broad based NYSE Arca Gold Miners Index (GDM) was down 24 bps for the month led by Canadian miners. South African and Australian miners were the bright spot for the benchmark with sizeable contributions to return. The two largest relative detractors for SGDM as compared to GDM came from names selected within Canada as well as 0% allocated to Australian miners.

SGDJ had similar issues when compared to the MVIS Global Junior Gold Miners benchmark with no allocation to Australian miners who performed well for the month. Under allocation to South Africa was the second largest detractor with over allocation and selection effect being negative for Canadian holdings.

## ETF Stats Bloomberg Data as of 9/30/17

Ticker:	SGDM
CUSIP:	001620643
Fund Inception:	7/15/14
Dividends Paid:	Yearly
Most Recent Dividend*:	\$0.0037
Gross Expense Ratio:	0.57%
NAV**:	\$19.82

\*Dividend paid on 12/29/16

\*\*As of 9/30/17

Ticker:	SGDJ
CUSIP:	001620585
Fund Inception:	3/31/15
Dividends Paid:	Yearly
Most Recent Dividend*:	\$0.5621
Gross Expense Ratio:	0.57%
NAV**:	\$31.48

\*Dividend paid on 12/23/16

\*\*As of 9/30/17

## Performance as of 9/30/17

	3 Month	6 Month	YTD	1 Year	3 Year	Cumulative Since Inception	Annualized Since Inception
Sprott Gold Miners ETF (Net Asset Value)	6.02%	2.74%	9.69%	-14.47%	2.06%	-16.16%	-5.34%
Sprott Gold Miners ETF (Market Price) <sup>†</sup>	6.08%	2.59%	9.40%	-14.54%	1.99%	-16.16%	-5.34%
S&P 500 Total Return Index	4.48%	7.71%	14.24%	18.61%	10.81%	36.33%	10.12%
Sprott Zacks Gold Miners TR	6.18%	3.08%	10.23%	-13.92%	2.82%	-14.17%	-4.64%
Sprott Junior Gold Miners ETF (Net Asset Value)	-4.09%	5.56%	10.64%	-13.25%	—	49.02%	17.27%
Sprott Junior Gold Miners ETF (Market Price) <sup>†</sup>	-4.10%	5.50%	10.17%	-13.61%	—	48.90%	17.23%
S&P 500 Total Return Index	2.06%	4.48%	14.24%	18.61%	—	27.34%	10.13%
Sprott Zacks Junior Gold Miners Index TR	-4.05%	5.70%	11.10%	-12.40%	—	52.48%	18.35%

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.

## Important Disclosures & Definitions

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

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

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.

S&P 500<sup>®</sup> 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.

\*Beta is defined as a sensitivity measure based on regression against the spot gold price movement during the trailing 36 months. 1 Bloomberg June 30, 2016. 2 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.

NYSE Arca Gold Miners Index – 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.

MVIS Global Junior Gold Miners Index – The modified market cap-weighted index tracks the performance of the most liquid junior companies in the global gold and silver mining industry.

Philadelphia Gold and Silver Index: Is a capitalization weighted index of thirty precious metal mining companies that are traded on the Philadelphia Stock Exchange and represent the gold and silver mining industry.

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