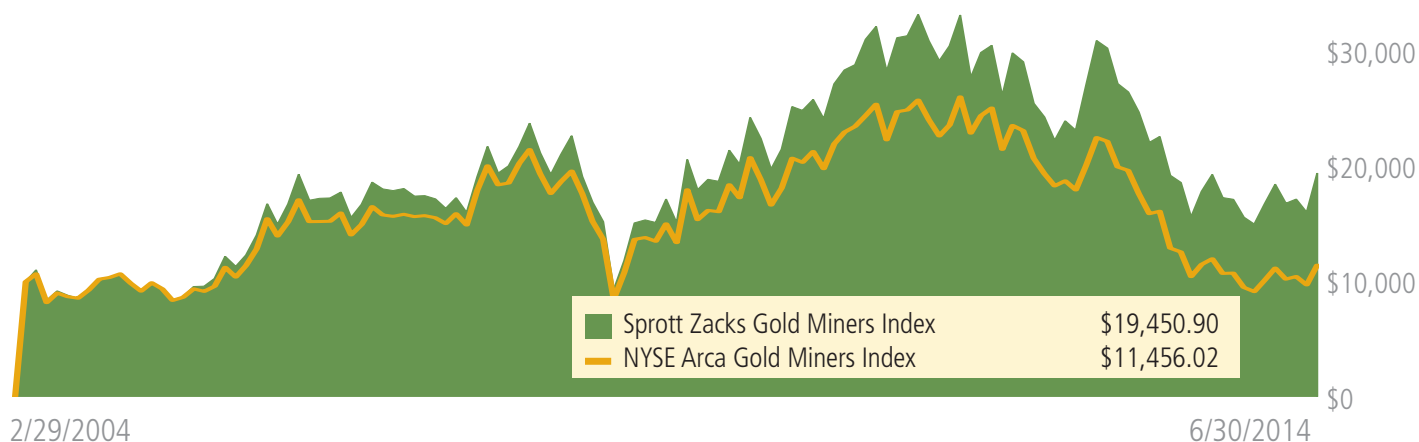


## Sprott Zacks Gold Miners Index

### DESCRIPTION:

The Sprott Zacks Gold Miners Index aims to track the performance of gold and silver mining companies. Each company must be U.S. listed and derive a majority of its revenues from gold and/or silver mining activities. The Index constituent selection methodology utilizes multi-factor selection rules to identify the mining stocks that offer the greatest potential from a risk/return perspective. The Index methodology represents an opportunistic investment strategy by specifically targeting companies that are more responsive to spot gold price movement. The methodology uses a modified market capitalization weighting scheme and the selection process is repeated quarterly.

### Hypothetical Growth of \$10,000 Invested in Sprott Zacks Gold Miners Index and the NYSE Arca Gold Miners Index



The chart illustrates the performance of a hypothetical \$10,000 investment made in the Sprott Zacks Gold Miners Index and the NYSE Arca Gold Miners Index as of the market close on 2/29/2004. Assumes reinvestment of dividends and capital gains, but does not reflect the effect of any applicable sales charges. This chart does not imply any future performance. You cannot invest directly in the index.

### Performance as of 6/30/2014

|                                | YTD<br>(as of 6/30/14) | 1 Year<br>(Annualized) | 3 Year<br>(Annualized) | 5 Year<br>(Annualized) | Since Inception<br>(Annualized) | Since Inception<br>(Cumulative) |
|--------------------------------|------------------------|------------------------|------------------------|------------------------|---------------------------------|---------------------------------|
| Sprott Zacks Gold Miners Index | 29.49%                 | 24.38%                 | -12.71%                | 1.55%                  | 6.65%                           | 94.51%                          |
| NYSE Arca Gold Miners Index    | 25.28%                 | 9.63%                  | -20.39%                | -5.76%                 | 1.32%                           | 14.56%                          |

|      | Sprott Zacks<br>Gold Miners<br>Index | NYSE Arca<br>Gold Miners<br>Index |      | Sprott Zacks<br>Gold Miners<br>Index | NYSE Arca<br>Gold Miners<br>Index |       | Sprott Zacks<br>Gold Miners<br>Index | NYSE Arca<br>Gold Miners<br>Index |
|------|--------------------------------------|-----------------------------------|------|--------------------------------------|-----------------------------------|-------|--------------------------------------|-----------------------------------|
| 2013 | -43.42%                              | -53.60%                           | 2009 | 48.48%                               | 37.97%                            | 2005  | 42.89%                               | 30.42%                            |
| 2012 | 1.37%                                | -8.47%                            | 2008 | -24.72%                              | -26.36%                           | 2004* | -1.54%                               | -1.31%                            |
| 2011 | -18.76%                              | -15.47%                           | 2007 | 11.15%                               | 17.57%                            |       |                                      |                                   |
| 2010 | 43.40%                               | 34.75%                            | 2006 | 28.60%                               | 22.93%                            |       |                                      |                                   |

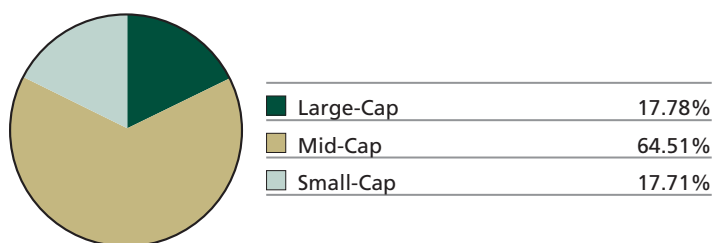
\* Inception date of the Index is 2/29/2004

All data as of 6/30/2014

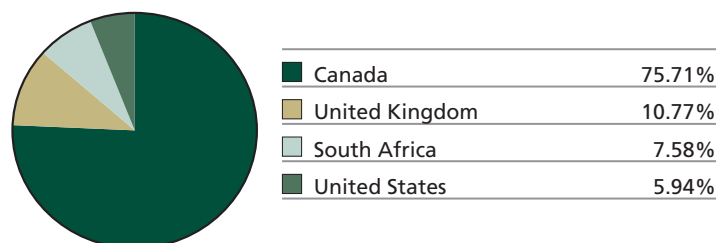
## Index Construction

1. Potential Index constituents include all common stocks and American Depository Receipts involved in the business of gold mining and silver mining, as identified by the sector classification of Zacks Investment Research, and listed on a major U.S. exchange.
2. Those stocks with market capitalization of \$1 billion or over are selected. Those stocks whose market capitalization is over \$400 million with an average daily price volume of at least \$800,000 will also be considered for selection.
3. Individual stock's sensitivity to spot gold price movement is calculated, and the 25 stocks with the highest sensitivity are selected.
4. Each of the 25 stocks are then assigned scores based on a two-factor model which employs: (1) revenue growth and (2) long-term debt-to-equity.
5. The 25 stocks are then weighted using a modified market capitalization weighting scheme. Those stocks with a high long-term debt-to-equity score and/or a low revenue growth score are penalized by losing half of their respective weight under the market capitalization weighting scenario. The excess weights garnered in this way are redistributed among the top stocks with the best high revenue growth scores and/or long-term debt-to-equity scores.

## Market Capitalization



## Index Domicile Breakdown



## Top 10 Index Holdings

| Company Name           | Ticker | Weight |
|------------------------|--------|--------|
| Franco-Nevada Corp     | FNV    | 16.68% |
| Randgold Resources Ltd | GOLD   | 15.62% |
| Goldcorp Inc           | GG     | 13.61% |
| Eldorado Gold Corp     | EGO    | 5.03%  |
| Silver Wheaton Corp    | SLW    | 5.02%  |
| Royal Gold Inc         | RGLD   | 4.71%  |
| Agnico Eagle Mines Ltd | AEM    | 4.59%  |
| Barrick Gold Corp      | ABX    | 4.17%  |
| B2Gold Corp            | BTG    | 3.43%  |
| New Gold Inc           | NGD    | 3.42%  |

\* Index holdings and sector allocations are subject to change and are not recommendations to buy or sell any security

## Index Characteristics

|   |                 |
|---|-----------------|
| Number of positions   | 25              |
| Largest Market Capitalization                                 | \$22.46 billion |
| Smallest Market Capitalization                                | \$535 million   |
| Weighted Avg Market Capitalization                            | \$8.59 billion  |
| Dividend Yield  | 1.00%           |
| Beta vs. NYSE ARCA Gold Miners Index (since inception)        | 1.04            |
| Correlation vs. NYSE ARCA Gold Miners Index (since inception) | 0.99            |

## Industry Weightings

|               |        |
|---------------|--------|
| Gold-mining   | 89.38% |
| Silver-mining | 10.62% |

### Disclosure:

ZAXSGDM Index (inception 2/29/2004) is comprised of 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.

Past performance is no guarantee of future results. All investments involve risk including the loss of principal. The returns provided for each Zacks Index include hypothetical, back-tested data for periods prior to when the Index came to be in live production. Hypothetical returns for Zacks Indexes prior to the live production date are calculated using the same Zacks methodology; however, there are frequently significant differences between hypothetical performance results subsequently achieved by following a particular strategy. One of the limitations of hypothetical performance results is that they are prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk, and no hypothetical investment record can completely account for the impact of risks associated with actual investing. There are numerous other factors related to the markets in general or to the implementation of any specific investment strategy which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results. The hypothetical performance results include the reinvestment of all dividends, interest, and capital gains.

**INDEPENDENT**

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