

# What's the Best Way to Own Precious Metals?

Sprott investors have a number of options for gaining exposure to precious metals, via closed-end trusts and ETFs (exchange traded funds).

The **Sprott Physical Bullion Funds (NYSE Arca: PHYS, PSLV, CEF and SESG)** let you own gold and silver in a convenient, secure way that may be cost effective and potentially has favorable tax advantages. **Sprott ESG Gold ETF (SESG)** is the world's first ETF to exclusively source and refine gold from recognized ESG mining leaders.\* Sprott ESG Gold ETF addresses the growing global demand for sustainable, transparent investment strategies that align with ESG (environmental, social and governance) values and investment objectives.

| Features  | Sprott Physical Gold Trust<br>NYSE Arca: PHYS | Sprott Physical Silver Trust<br>NYSE Arca: PSLV | Sprott Physical Gold and Silver Trust<br>NYSE Arca: CEF | Sprott ESG Gold ETF<br>NYSE Arca: SESG  | Typical Gold ETFs |
|---|---|---|---|---|-------------------|
| Can redeem units for physical gold/silver bullion                             | Yes   | Yes   | Yes   | No  | No                |
| Market liquidity  | Yes   | Yes   | Yes   | Yes   | Yes               |
| Potentially preferred tax treatment for certain investors**                   | Yes   | Yes   | Yes   | No  | No                |
| Physical bullion is fully allocated   | Yes   | Yes   | Yes   | No  | No                |
| Bullion is held at a secure storage location that is independent of the banks | Yes   | Yes   | Yes   | Yes   | No                |
| Provenance of bars  | Unknown                                       | Unknown   | Unknown   | All gold is sourced exclusively from Sprott ESG Approved Miners & Mines in Canada | Unknown           |
| Bars include recycled gold  | Yes   | Yes   | Yes   | No  | Yes               |
| Sprott ESG approved miners***   | N/A   | N/A   | N/A   | Agnico Eagle and Yamana Gold  | N/A               |

\* Based on Morningstar's universe of listed commodity funds. Data as of 6/30/2022.

\*\* For U.S. non-corporate investors who hold units for one year and who file a QEF form, gains realized on the sale of the Trusts' units are currently taxed at a long-term capital gains rate with a **maximum of 15%** (20% for married filers earning over \$496,600 and single filers earning between \$40,000 to \$441,450 per year), **versus a maximum of 28%** applied against most precious metals ETFs and physical coins.

\*\*\* As of June 2022, subject to change. Agnico Eagle and Yamana Gold are not affiliated with Sprott Asset Management.

# Sprott

PHYS

PSLV

CEF

SPPP

SESG

For more information, please contact us at 1.888.622.1813 or visit [sprott.com](https://www.sprott.com)

# Ways to Invest in Precious Metals

Investors have a number of options for gaining exposure to gold, silver and other precious metals – bars and coins, ETFs, closed-end funds, precious metals certificates and digital precious metals. Sprott offers several physical bullion investment options. The Sprott Physical Bullion Trusts provide liquidity, convenience and cost efficiency of exchange-traded funds along with a number of compelling advantages which include the ability to redeem for physical metal<sup>1</sup>, the potential for more favorable tax treatment for U.S. investors<sup>2</sup> and lower counterparty risk by not storing the metals with a non-corporate U.S. bullion bank. In addition, Sprott ESG Gold ETF (SESG) is the world's first ETF to exclusively source and refine gold from recognized ESG mining leaders.<sup>3</sup>

## Sprott Physical Bullion Funds



**The Sprott Physical Bullion Trusts are generally exposed to multiple risks that have been both identified and described in the Prospectus. Please refer to the Prospectus for a description of these risks. This material must be preceded or accompanied by a prospectus. For an additional copy of the prospectus please visit <https://sprott.com/investment-strategies/physical-bullion-trusts/>.**

Precious metals investments are more volatile on a daily basis and have higher headline risk than other sectors as they tend to be more sensitive to economic data, political and regulatory events as well as underlying commodity prices. Precious metals investments have price fluctuations based on short-term dynamics partly driven by demand/supply and also by investment flows. Precious metals investments tend to react more sensitively to global events and economic data than other sectors.

**This material must be preceded or accompanied by a prospectus. For an additional copy of the Sprott ESG Gold ETF Prospectus, please visit <https://sprott.com/sesg/prospectus/>. An investor should consider the investment objectives, risks, charges and expenses carefully before investing. To obtain a Sprott ESG Gold ETF Statutory Prospectus, which contains this and other information, visit <https://sprott.com/sesg/prospectus/>, or contact your financial professional or call 888.622.1813. Read the Prospectus carefully before investing.**

There is currently no internationally accepted standard determining under what circumstances gold can be determined to be ESG. The Fund is not suitable for all investors. There are risks involved with investing in ETFs including the loss of money. There is currently no internationally accepted standard determining under what circumstances gold can be deemed to be ESG. The term "Sprott ESG Approved Gold" refers to gold that is physically indistinguishable from other gold but that has been sourced and produced in a manner consistent with the ESG standards and criteria used by the Sponsor (the "ESG Criteria"), which are designed to provide investors with an enhanced level of ESG scrutiny along with disclosure of the provenance of the metal sourced and include an evaluation mining companies and mines. Mining companies and mines that meet the ESG Criteria ("Sprott ESG Approved Mining Companies" and "Sprott ESG Approved Mines," respectively) must also comply with the Mint Responsible Sourcing Requirements.

The Fund's investments will be concentrated in the gold 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 industry. The price of gold may be affected by changes in inflation rates, interest rates, monetary policy, economic conditions, and political stability. The price of gold may fluctuate substantially over short periods of time; therefore, the Fund's share price may be more volatile than other types of investments. In addition, they may also be significantly affected by political and economic conditions in gold producing and consuming countries, and gold production levels and costs of production.

Shares are not individually redeemable. Investors buy and sell shares of the Sprott ESG Gold ETF on a secondary market. Only market makers or "authorized participants" may trade directly with the Fund, typically in blocks of 50,000 shares. Past performance is not an indication of future results.

Sprott Asset Management USA, Inc. is the Investment Adviser of Sprott ESG Gold ETF; Sprott Global Resource Investments Ltd. is the Distributor and is a registered broker-dealer and FINRA Member.

<sup>1</sup> Subject to certain minimums.

<sup>2</sup> For more information, please see "Tax Considerations-U.S. Federal Income Tax Considerations" in the Prospectus and always consult your tax accountant regarding your particular situation.

<sup>3</sup> Based on Morningstar's universe of listed commodity funds. Data as of 6/30/2022.

<sup>4</sup> The Trusts are closed-end funds established under the laws of the Province of Ontario in Canada and are available to U.S. investors by way of listings on the NYSE Arca pursuant to the U.S. Securities Exchange Act of 1934. The Trusts are not registered as investment companies under the U.S. Investment Company Act of 1940.

Sprott Asset Management LP does not offer tax advice.