

Realizing Critical Minerals Losses May Offer Opportunity

As the world transitions to clean energy, investment exposure to critical minerals may be an attractive investment over the long term. Though leading critical minerals have performed positively, they are not immune from market volatility. Some investors may be able to realize losses while maintaining critical minerals exposure.

Realizing a loss by December 31 may provide a strategic opportunity to offset gains elsewhere, and shift—or possibly enhance—your investment exposure to critical minerals.

How Tax-Loss Harvesting Works

Tax-loss harvesting involves selling investments in taxable accounts that have lost value to offset the gains elsewhere and help reduce taxes owed. The proceeds of the sale could be used to purchase other investments. Given the recent performance of many companies in the critical minerals sector, investors may benefit from closing positions in non-pure-play ETF strategies and realizing a tax loss while maintaining critical minerals exposure by purchasing a pure-play strategy.

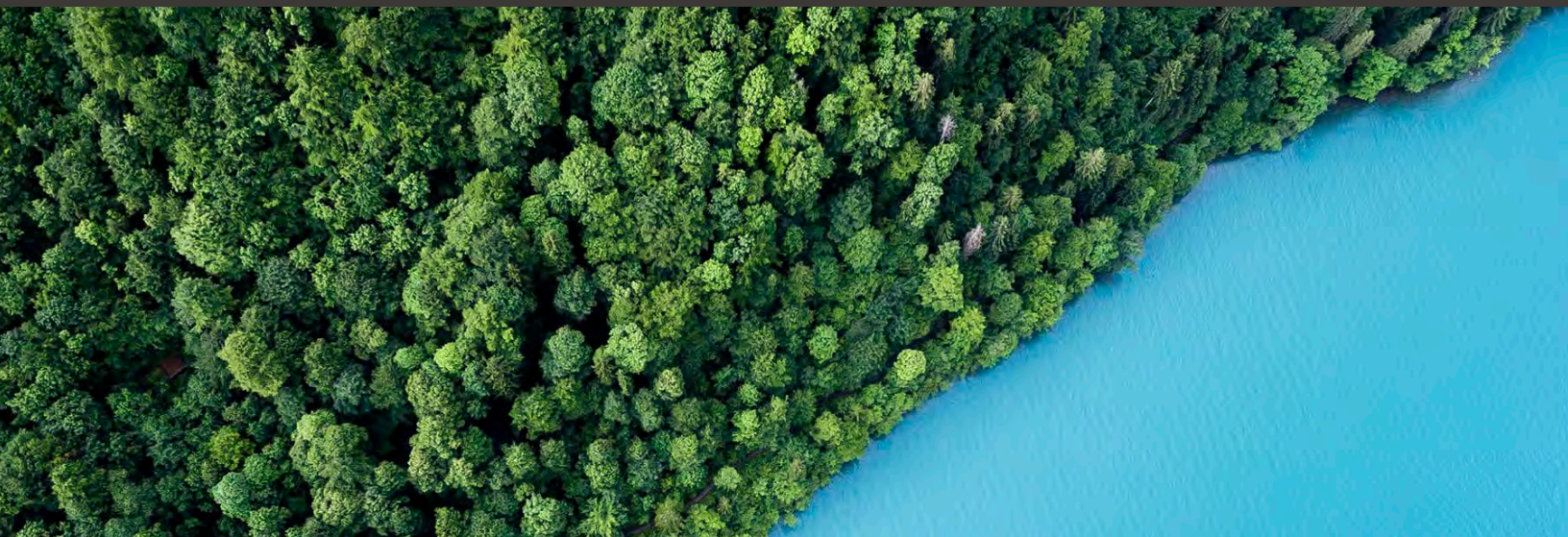
Users of this strategy need to consider the **wash-sale rule**, which prevents an investor from selling at a loss and then buying a “substantially identical” stock or securities holding within 30 days before or after the transaction. However, investments with sufficiently different allocations or holdings may be acceptable substitutes. This means that tax-loss harvesting can be an opportunity to shift your allocation.

Consider a Shift to **Sprott Energy Transition Materials ETF (SETM)**

The Sprott Energy Transition Materials ETF (Nasdaq: SETM) provides pure-play[†] access to a range of critical minerals necessary for the global clean energy transition. SETM tracks the NASDAQ Sprott Energy Transition Materials™ Index.

[†] The term “pure-play” relates directly to the exposure that the Fund has to the total universe of investable, publicly listed securities in the investment strategy.

Contact your financial advisor or tax professional to find out if your portfolio could benefit from tax-loss harvesting.





Sprott Energy Transition Materials ETF (Nasdaq: SETM) seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of the Nasdaq Sprott Energy Transition Materials™ Index (NSETM™).

Key Takeaways

Pure-Play Access to Critical Minerals

SETM is an ETF that provides pure-play access to a range of critical minerals necessary for the global clean energy transition.

Increased Investment Driving Growth

Government net-zero or reduced emissions mandates lead to increased investment. Globally, \$1.11T was invested in the energy transition sector in 2022.[†]

Substantial Investment for the Foreseeable Future

To meet net-zero targets, global investment may need to accelerate to a yearly average of \$3.9T from 2023 to 2030.[†]

Well-Positioned Companies

Companies that are upstream in the supply chain may be well-positioned to benefit from the increased investment in the critical minerals necessary for the clean energy transition.

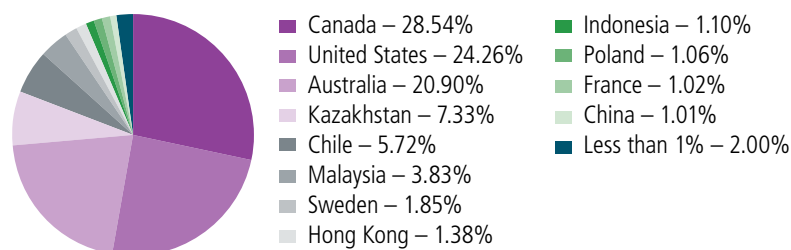
[†] Source: Energy Transition Investment Trends 2023, BloombergNEF.

Performance: Average Annual Total Returns* (%)

QUARTER END AS OF 9/30/2023	1 MO	3 MO	S.I. ¹
Sprott Energy Transition Materials ETF (Net Asset Value)	2.43	2.26	-11.66
Sprott Energy Transition Materials ETF (Market Price) ²	2.94	2.25	-11.27
Nasdaq Sprott Energy Transition Materials™ Index (Benchmark) ³	2.74	2.74	-10.46

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 1.888.622.1813 or visit 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.

Company Domicile Breakdown[†] (as of 9/30/2023)



ETF Details

(as of 9/30/2023)

Ticker	SETM
Underlying Index	NSETM™
Index Rebalancing	Semi-Annually
Listing Exchange	Nasdaq®
CUSIP	85208P402
ISIN	US85208P4028
Fund Inception	February 1, 2023
Fund AUM	\$11.0 million

Fees and Expenses

(as of the most recent prospectus⁴)

Management Fee	0.65%
Other Expenses	0.00%
Total Annual Fund Operating Expenses	0.65%

Portfolio Characteristics[†]

(as of 9/30/2023)

Number of Issuers	107
Market Cap (millions)	\$367,635
Weighted Avg. Company Market Cap (millions)	\$10,207
Market Cap Breakdown	
Large (>\$10B)	36.53%
Medium (\$2 – \$10B)	36.55%
Small (<\$2B)	26.92%
Material Weightings ^{††}	
Uranium Equities	37.41%
Copper Equities	24.00%
Lithium Equities	19.51%
Rare Earths Equities	9.64%
Silver Equities	3.38%
Nickel Equities	3.31%
Manganese Equities	1.04%
Recycling Equities	0.70%
Graphite Equities	0.58%
Other	0.38%
Cobalt Equities	0.05%

[†] Excludes cash.

^{††} Reflects equities classified by Sprott Asset Management.

* Returns less than one year are not annualized.

¹ Inception Date: 2/1/2023.

² 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.

³ The Nasdaq Sprott Energy Transition Materials™ Index (NSETM™) was co-developed by Nasdaq® (the "Index Provider") and Sprott Asset Management LP (the "Sponsor"). The Index Provider and Sponsor co-developed the methodology for determining the securities to be included in the Index and the Index Provider is responsible for the ongoing maintenance of the Index. The Sponsor will provide certain services in connection with the Index including contributing inputs in connection with the eligibility and process to determine the initial selection and ongoing composition of the Index constituents.

⁴ Reflects Total Annual Operating Expenses as outlined in the most recent prospectus. For the services the Adviser (Sprott Asset Management USA, Inc.) provides to the Fund, the Adviser is entitled to receive an annual advisory fee from the Fund calculated daily and paid monthly at an annual rate of 0.65% of net assets.

For more information on SETM, visit sprottets.com.

You can also contact the Sprott Team at 888.622.1813 or email us at energytransition@sprott.com.



View Prospectus

For risks associated with investing in SETM, contact your financial professional or visit sprottets.com to download the prospectus.



Critical Minerals White Paper

Visit sprottets.com to view the white paper—*A New Era: How Critical Minerals are Driving the Global Energy Transition*.

About Sprott – Sprott is a global leader in precious metal and energy transition investments. We are specialists. Our in-depth knowledge, experience and relationships separate us from the generalists. Our investment strategies include Exchange Listed Products, Managed Equities and Private Strategies. Sprott has offices in Toronto, New York and Connecticut and the company's common shares are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "SII". For more information, please visit www.sprott.com.

IMPORTANT DISCLOSURES & DEFINITIONS

An investor should consider the investment objectives, risks, charges, and expenses carefully before investing. To obtain a Sprott Energy Transition Materials ETF Statutory Prospectus, which contains this and other information, visit <https://sprottets.com/setm/prospectus>, contact your financial professional or call 888.622.1813. Read the Prospectus carefully before investing.

The Fund is not suitable for all investors. Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. The Funds are con-diversified and can invest a more significant portion of assets in securities of individual issuers than a diversified fund. As a result, changes in a single investment's market value could cause more significant share price fluctuation than in a diversified fund.

Shares are not individually redeemable. Investors buy and sell shares of the Sprott Energy Transition Materials ETF on a secondary market. Only market makers or "authorized participants" may trade directly with the Fund, typically in blocks of 10,000 shares.

Funds that emphasize investments in small/mid-cap companies will generally experience greater price volatility. Diversification does not eliminate the risk of investment losses. ETFs are considered to have continuous liquidity because they allow an individual to trade throughout the day. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses, affect the Fund's performance.

The Sprott Energy Transition Materials ETF seeks to provide investment results that, before fees and expenses, generally correspond to the total return performance of the Nasdaq Sprott Energy Transition Materials™ Index (NSETM™).

Nasdaq®, Nasdaq Sprott Energy Transition Materials™ Index, and NSETM™ are registered trademarks of Nasdaq, Inc. (which with its affiliates is referred to as the "Corporations") and are licensed for use by Sprott Asset Management LP. The Product(s) have not been passed on by the Corporations as to their legality or suitability. The Product(s) are not issued, endorsed, sold, or promoted by the Corporations. **THE CORPORATIONS MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO THE PRODUCT(S).**

Sprott does not provide legal or tax advice. The information herein is general and educational in nature and should not be considered legal or tax advice. Tax laws and regulations are complex and subject to change, which can materially impact investment results. Sprott cannot guarantee that the information herein is accurate, complete, or timely. Sprott makes no warranties with regard to such information or results obtained by its use, and disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. **Consult an attorney or tax professional regarding your specific information.**

Sprott Asset Management USA, Inc. is the investment adviser to the Sprott Energy Transition Materials ETF. Sprott Asset Management LP is the Sponsor of the Fund. ALPS Distributors, Inc. is the Distributor for Sprott Energy Transition Materials ETF and is a registered broker-dealer and FINRA Member.

ALPS Distributors, Inc. is not affiliated with Sprott Asset Management LP.

© 2023 Sprott Inc. All rights reserved.