

WHAT ARE

# gold



# ROYALTY COMPANIES



**DEVELOPING  
A GOLD MINE**  
is expensive and  
time-consuming!

**ROYALTY COMPANIES**  
help fund exploration  
and production  
projects in return for  
royalties on what it  
produces or rights to a

# "STREAM"

*How do*

## **ROYALTY & STREAMING COMPANIES'** FINANCIAL MODELS WORK?



**ROYALTY**  
COMPANY



**ROYALTY  
OR STREAM**

**PAYMENT  
FOR STREAM  
DELIVERY**



**OPERATING  
COMPANY**



# A STREAM



is an agreed-upon amount of gold, silver, or other precious metal.

In a **12-MONTH PERIOD** gold price can fluctuate by as much as

# 20%

# VS



*gold*

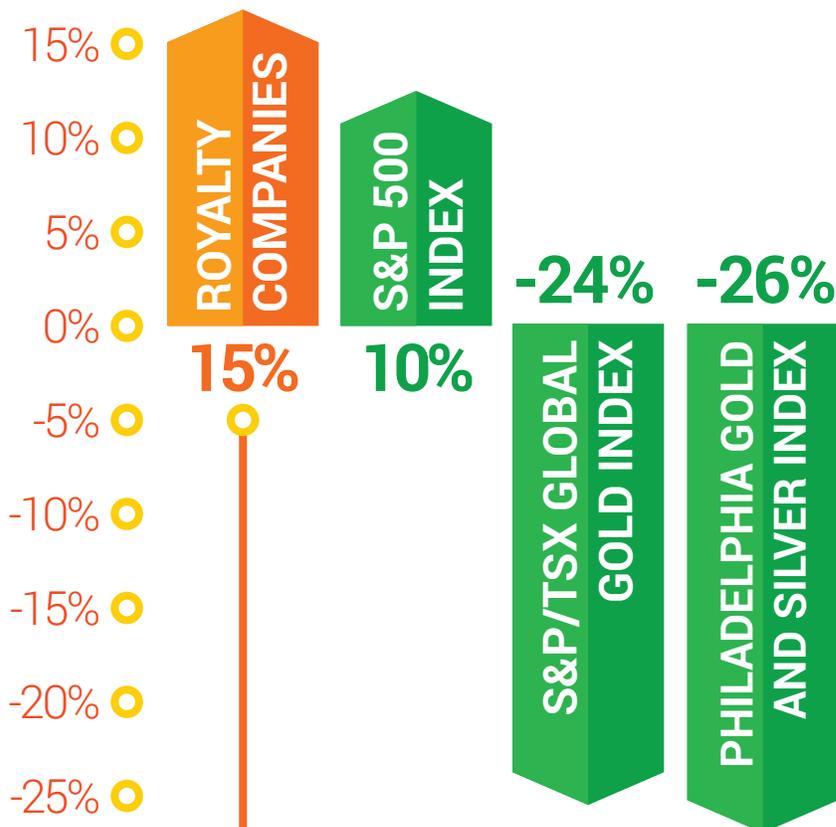
## ROYALTY COMPANIES

have historically managed volatility by setting fixed, discounted prices for mining output. If gold were to reach \$100,000 an ounce, streamers would still pay the set amount in the original agreement.

## These ROYALTY COMPANIES'

## DIVIDEND RATES HAVE BEEN GROWING

Dividend Growth, Five-Year Period as of December 31, 2017



**ROYALTY COMPANIES**

# ROYALTY COMPANIES HAVE LESS DEBT

Debt to Equity, As of December 31, 2017

## NOTE:

ROYALTY COMPANIES  
can generate revenue when

*gold prices*  
are both rising and falling!

0%

16.9%

21.9%

38.3%

69.9%



CURIOUS ABOUT  
**ROYALTY COMPANIES?**  
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The S&P 500 Stock Index is a widely recognized capitalization-weighted index of 500 common stock prices in U.S. companies. The S&P/TSX Global Gold Index is an international benchmark tracking the world's leading gold companies with the intent to provide an investable representative index of publicly-traded international gold companies. The Philadelphia Gold and Silver Index (XAU) is a capitalization-weighted index that includes the leading companies involved in the mining of gold and silver. It is not possible to invest directly in an index. There is no guarantee that the issuers of any securities will declare dividends in the future or that, if declared, will remain at current levels or increase over time. The debt-to-equity ratio (D/E) is a financial ratio indicating the relative proportion of shareholders' equity and debt used to finance a company's assets.

Sources: FactSet, Bloomberg, U.S. Global Investors