



Sprott Global Infrastructure Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31

2016

The annual management report of fund performance is an analysis and explanation that is designed to complement and supplement an investment fund's financial statements. This report contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-866-299-9906, by visiting our website at www.sprott.com or SEDAR at www.sedar.com or by writing to us at: Sprott Asset Management LP, Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario M5J 2J1. Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

The objective of the Sprott Global Infrastructure Fund (the “Fund”) is primarily to maximize risk adjusted long-term returns and secondarily to achieve a high level of income. The Fund focuses on achieving growth of capital through securities selection and pursues a long-term investment program with the aim of generating capital gains. The Fund seeks to provide a moderate level of volatility and a low degree of correlation to other asset classes through diversifying across a relatively concentrated group of global infrastructure stocks.

As part of its investment strategy, the Fund may:

- invest across all geographical sectors; and
- engage in short selling up to 20% of the Fund’s total net asset value as a result of special relief it obtained from Canadian securities regulators.

On April 1, 2014, Sprott Asset Management LP (the “Manager”) acquired the management rights for the Fund from Blumont Capital Corporation. Capital Innovations, LLC continues to be the sub-advisor for the Fund. Information prior to the acquisition by the Manager is presented in this report, as required.

Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. This Fund is suitable for those investors who are seeking long-term appreciation potential of the global infrastructure and have a medium risk tolerance. There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period.

Results of Operations and Recent Developments

The Fund, Series A gained 9.6% in 2016, compared to the 9.1% return of the S&P Global Infrastructure Total Return Index.

The Sprott Global Infrastructure Fund was impacted by several major macroeconomic developments during 2016. These included an increase in the Federal Reserve rate, the election of Donald Trump and a rebound in crude oil prices.

Stronger pricing power coupled with consolidation among Energy players, particularly in pipelines, had a positive impact on the Fund’s performance due to its overweight position in the sector. The Fund held a market weight position in Industrials, which advanced broadly. Positions in Waste Connections and Waste Management were significant positive contributors. The Fund’s investments in Utilities underperformed, due to their negative correlation in a tightening interest rate environment, however they were nevertheless net contributors, on an absolute basis.

Late in the year, under the new portfolio management team, the Fund made substantial changes to its holdings. These included trimming its overweight position in the Energy sector, as stocks rallied in response to OPEC’s decision to cut production. Excess capital was reallocated to the Industrials, Real Estate, Telecommunications and other sectors.

Detractors to Fund performance included Groupe Eurotunnel, which declined following the UK’s decision to leave the European Union. Energy infrastructure player MPLX also pulled back following a cut in its forecasted distribution growth rate, and Atlantia declined on fears related to the Italian constitutional reform referendum.

Major Fund sector allocations at year end included Industrials (33.1%) and Energy (19.7%).

The Fund’s net asset value decreased by 38.5% during the period, from \$21.1 million as at December 31, 2015 to \$13.0 million as at December 31, 2016. This change was predominantly due to net redemptions of \$7.8 million. The management expense ratio and portfolio turnover rate increased compared to the prior period.

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Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager, at an annual rate of 2.0% for Series A units, 1.0% for Series F units and as negotiated by the unitholders for Series I. The management fee is calculated and accrued daily and is paid monthly based on the daily net asset value of that series of the Fund. For the year ended December 31, 2016, the Fund incurred management fees of \$205,509 (including taxes). The breakdown of the services received in consideration of the management fees, as a percentage of management fees, is as follows:

	Portfolio Advisory	Trailing Commissions
Sprott Global Infrastructure Fund – Series A	57%	43%
Sprott Global Infrastructure Fund – Series F	100%	–
Sprott Global Infrastructure Fund – Series I	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$933 during the year ended December 31, 2016 to Sprott Private Wealth LP, an affiliate of the Manager.

OPERATING EXPENSES

The Fund pays its own operating expenses, which include, but are not limited to, audit, legal, custodial, trustee, filing and administrative expenses as well as unitholder reporting costs. The Manager pays certain of these expenses on behalf of the Fund and then is reimbursed by the Fund. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income. Waivers or absorptions can be terminated at any time without notice. The Manager did not absorb any expenses during the year ended December 31, 2016.

OTHER RELATED PARTY TRANSACTIONS

The Fund relied on the approval, positive recommendation or standing instruction from the Fund's Independent Review Committee with respect to any related party transactions.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the years shown.

The Fund's Net Assets per Unit¹

	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012
Series A	\$	\$	\$	\$	\$
Net assets, beginning of period	10.40	12.03	11.66	10.05	10.06
Increase (decrease) from operations:					
Total revenue	0.30	0.34	0.52	0.35	0.36
Total expenses	(0.35)	(0.32)	(0.43)	(0.45)	(0.42)
Realized gains (losses) for the period	1.55	0.26	0.06	0.36	(0.07)
Unrealized gains (losses) for the period	(0.59)	(1.24)	0.67	1.80	0.34
Total increase (decrease) from operations²	0.91	(0.96)	0.82	2.06	0.21
Distributions:					
From income (excluding dividends)	0.11	–	0.02	–	–
From dividends	–	0.13	–	–	–
From capital gains	1.41	–	–	–	–
Return of capital	–	0.35	0.45	0.40	0.40
Total annual distributions³	1.52	0.48	0.47	0.40	0.40
Net assets, end of period	9.85	10.40	12.03	11.66	10.05
	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012
Series F	\$	\$	\$	\$	\$
Net assets, beginning of period	10.68	12.21	11.70	9.99	9.83
Increase (decrease) from operations:					
Total revenue	0.30	0.34	0.51	0.35	0.36
Total expenses	(0.23)	(0.19)	(0.29)	(0.40)	(0.28)
Realized gains (losses) for the period	1.29	0.29	0.06	0.37	(0.07)
Unrealized gains (losses) for the period	(0.41)	(1.01)	0.74	1.78	0.17
Total increase (decrease) from operations²	0.95	(0.57)	1.02	2.10	0.18
Distributions:					
From income (excluding dividends)	0.07	–	0.02	–	–
From dividends	–	0.13	–	–	–
From capital gains	1.67	–	–	–	–
Return of capital	–	0.36	0.45	0.40	0.40
Total annual distributions³	1.74	0.49	0.47	0.40	0.40
Net assets, end of period	10.07	10.68	12.21	11.70	9.99

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Series I	Dec 31, 2016 \$	Dec 31, 2015 \$	Dec 31, 2014 ⁵ \$
Net assets, beginning of period	8.62	9.76	10.00
Increase (decrease) from operations:			
Total revenue	0.25	0.29	0.19
Total expenses	(0.08)	(0.04)	(0.03)
Realized gains (losses) for the period	1.12	0.23	(0.03)
Unrealized gains (losses) for the period	(0.29)	(1.53)	(0.34)
Total increase (decrease) from operations²	1.00	(1.05)	(0.21)
Distributions:			
From income (excluding dividends)	0.13	–	0.01
From dividends	–	0.10	–
From capital gains	0.96	–	–
Return of capital	–	0.29	0.19
Total annual distributions³	1.09	0.39	0.20
Net assets, end of period	8.58	8.62	9.76

1 This information is derived from the Fund's audited annual financial statements. Information related to year 2013 and all periods onwards has been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board. Information related to all periods prior to January 1, 2013 has been prepared in compliance with Canadian generally accepted accounting principles ("Canadian GAAP") as defined in Part V of the Chartered Professional Accountants of Canada Handbook – Accounting. Under Canadian GAAP, the Fund was required to use bid prices for valuing long positions and ask prices for short positions. As such, the net assets per unit presented in the financial statements may differ from the net asset value calculated for transaction purposes prior to conversion to IFRS.

2 The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. Net assets and distributions are based on the actual number of units outstanding at the relevant time. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

3 Distributions were reinvested in additional units of the Fund.

5 Information provided is for the period from July 17, 2014 (first issuance) to December 31, 2014.

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Ratios and Supplemental Data

Series A	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012
Total net asset value (000s) ¹	\$7,121	\$10,451	\$15,991	\$14,631	\$11,488
Number of units outstanding ¹	723,068	1,004,877	1,328,833	1,254,819	1,142,890
Management expense ratio ²	3.02%	2.62%	2.70%	4.09%	4.21%
Management expense ratio before waivers or absorptions ³	3.02%	2.72%	2.78%	4.62%	4.90%
Trading expense ratio ⁴	0.19%	0.03%	0.03%	0.03%	0.04%
Portfolio turnover rate ⁵	99.36%	30.66%	37.67%	38.52%	25.87%
Net asset value per unit ¹	\$9.85	\$10.40	\$12.03	\$11.66	\$10.05

Series F	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012
Total net asset value (000s) ¹	\$2,583	\$2,527	\$5,903	\$6,930	\$5,940
Number of units outstanding ¹	256,635	236,598	483,283	592,197	594,559
Management expense ratio ²	1.97%	1.51%	1.60%	3.66%	2.87%
Management expense ratio before waivers or absorptions ³	1.97%	1.62%	1.68%	4.19%	3.56%
Trading expense ratio ⁴	0.19%	0.03%	0.03%	0.03%	0.04%
Portfolio turnover rate ⁵	99.36%	30.66%	37.67%	38.52%	25.87%
Net asset value per unit ¹	\$10.07	\$10.68	\$12.21	\$11.70	\$9.99

Series I	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Total net asset value (000s) ¹	\$3,275	\$8,130	\$6,288
Number of units outstanding ¹	381,559	942,655	644,392
Management expense ratio ²	0.83%	0.44%	0.00%
Management expense ratio before waivers or absorptions ³	0.83%	0.54%	0.00%
Trading expense ratio ⁴	0.19%	0.03%	0.03%
Portfolio turnover rate ⁵	99.36%	30.66%	37.67%
Net asset value per unit ¹	\$8.58	\$8.62	\$9.76

1 The information is provided as at December 31 of the years shown.

2 Management expense ratio ("MER") is based on total expenses (including incentive fees, if any; excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of the daily average net asset value during the period.

3 The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

4 The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The TER includes dividend expense and securities borrowing expense paid by the Fund in connection with securities sold short.

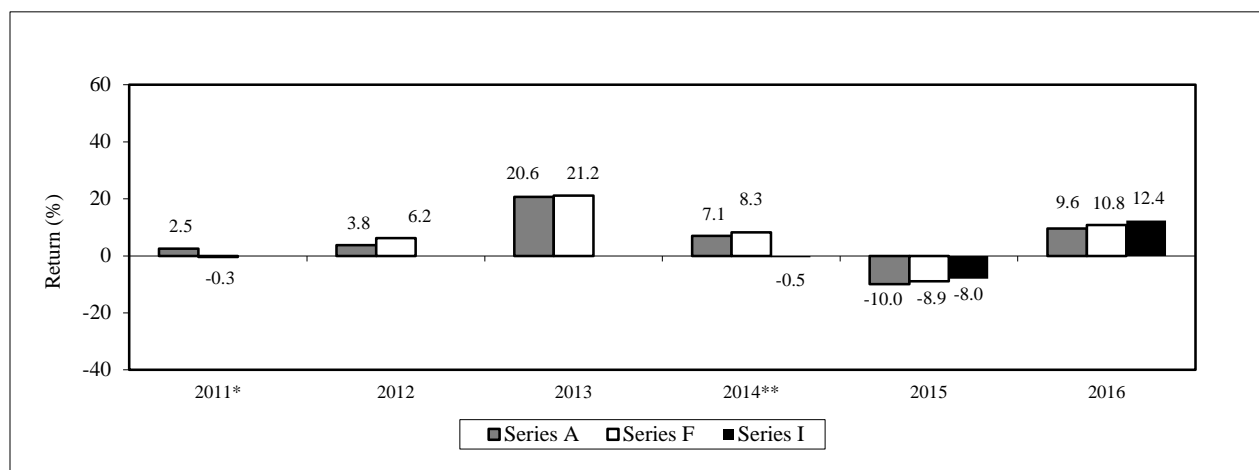
5 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

Past Performance

The indicated rates of return are the historical total returns including changes in unit values and assume reinvestment of all distributions in additional units of the relevant Series of the Fund. These returns do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that may reduce returns. Please note that past performance is not indicative of future performance. All rates of return are calculated based on the Net Asset Value of the particular Series of the Fund.

Year-by-Year Returns

The following chart indicates the performance of each Series of the Fund for the previous twelve-month periods ended December 31 shown, unless otherwise noted. The chart shows, in percentage terms, how much an investment made on the first day of each period would have grown or decreased by the last day of each period.



* Return from September 20, 2011 to December 31, 2011 for Series A and from September 1, 2011 to December 31, 2011 for Series F (not annualized).

** Return from July 17, 2014 to December 31, 2014 for Series I (not annualized).

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Annual Compound Returns

The following table illustrates the annual compound total return for each Series of units of the Fund for the periods shown. As a basis of performance comparison, the annual compound return of the Fund is compared to that of the S&P Global Infrastructure Total Return Index (the “Index”), which is designed to track companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability. The Fund’s former benchmark was the Macquarie Global Infrastructure 100 Index, which is comprised of securities of Canadian energy sector issuers listed on the TSX. The benchmark was changed because the S&P Global Infrastructure Total Return Index has a more balanced weighting between the utilities, industrials and energy sectors and offers greater diversification across various types of infrastructure assets, consistent with the current mandate. Since the Fund does not necessarily invest in the same securities or in the same proportion as the Index, the performance of the Fund is not expected to equal the performance of the Index.

	1-Year	3-Year	5-Year	Since Inception*
Sprott Global Infrastructure Fund – Series A	9.6%	1.8%	5.8%	5.8%
S&P Global Infrastructure Total Return Index	9.1%	12.5%	13.8%	14.4%
Macquarie Global Infrastructure 100 Index	8.3%	14.7%	13.1%	13.4%
Sprott Global Infrastructure Fund – Series F	10.8%	3.0%	7.0%	6.5%
S&P Global Infrastructure Total Return Index	9.1%	12.5%	13.8%	13.8%
Macquarie Global Infrastructure 100 Index	8.3%	14.7%	13.1%	13.5%
Sprott Global Infrastructure Fund – Series I	12.4%	–	–	1.2%
S&P Global Infrastructure Total Return Index	9.1%	–	–	8.5%
Macquarie Global Infrastructure 100 Index	8.3%	–	–	13.0%

* Since launch date of September 20, 2011 for Series A, September 1, 2011 for Series F and July 17, 2014 for Series I.

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Summary of Investment Portfolio

As at December 31, 2016

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Industrials	33.1
Energy	19.7
Information Technology	13.2
Utilities	10.4
Specialized REITs	7.1
Office REITs	3.3
Consumer Discretionary	3.1
Financials	2.8
Total Long Positions	92.7
Cash	7.2
Other Net Assets	0.1
Total Net Asset Value	100.0

Portfolio Allocation by Geographic Region

	% of Net Asset Value
Long Positions	
United States	49.6
Canada	22.0
Australia	3.7
Italy	3.6
France	3.6
Bermuda	3.6
Spain	3.5
United Kingdom	3.1
Other	(0.0)
Total Long Positions	92.7
Cash	7.2
Other Net Assets	0.1
Total Net Asset Value	100.0

Top 25 Long Positions

Issuer	% of Net Asset Value
Cash	7.2
Macquarie Infrastructure Co. LLC	4.8
Transurban Group	3.7
Atlantia SpA	3.6
American Tower Corp.	3.6
Alphabet Inc.	3.6
Vinci SA	3.6
Enterprise Products Partners LP	3.6
Brookfield Infrastructure Partners LP	3.6
Visa Inc.	3.6
NextEra Energy Inc.	3.5
Ferrovial SA	3.5
Keyera Corp.	3.5
Crown Castle International Corp.	3.5
Fortis Inc.	3.4
Cyrusone Inc.	3.3
Canadian Pacific Railway Ltd.	3.3
Kinder Morgan Inc.	3.2
TransCanada Corp.	3.2
Equinix Inc.	3.1
Pembina Pipeline Corp.	3.1
Comcast Corp.	3.1
Enbridge Inc.	3.1
BBA Aviation PLC	3.1
Raytheon Co.	3.0
Total 25 long positions as a percentage of net asset value	89.8

The Fund held no short positions as at December 31, 2016.

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available on the Internet at www.sprott.com.

Corporate Information

Corporate Address

Sprott Asset Management LP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2700, P.O. Box 27
Toronto, Ontario M5J 2J1
T 416.943.6707
TOLL-FREE 866.299.9906
F 416.943.6497
E invest@sprott.com

For additional information visit our website:

www.sprott.com

Call our mutual fund information line for daily closing prices:

416.943.6707 or 866.299.9906

Auditors

KPMG LLP
Bay Adelaide Centre
333 Bay Street
Suite 4600
Toronto, Ontario M5H 2S5

Legal Counsel

Borden Ladner Gervais LLP
Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3Y4