



Sprott Focused Global Dividend Class

Sprott Corporate Class Inc.

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 investment objective of the Sprott Focused Global Dividend Class (the “Fund”) is to provide consistent income and capital appreciation by investing primarily in a diversified portfolio of dividend yielding global equities.

To achieve the Fund’s investment objective, the Portfolio Advisor follows a fundamental, bottom-up approach to investing. The Fund will invest in dividend yielding global equities, foreign securities, and other mutual funds and may also:

- invest in American Depositary Receipts, private placements, and indirectly in physical commodities other than gold through investments in commodity ETFs;
- engage in securities lending and repurchase and reverse repurchase transactions as permitted by securities regulations to seek to generate additional income;
- engage in short selling in a manner which is consistent with the investment objective of the Fund; and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies.

Risk

The risks of investing in the Fund are described in the Fund’s simplified prospectus. The Fund is suitable for those investors seeking the consistent income and capital appreciation potential of dividend yielding global equities. The Fund is suitable for investors with a medium tolerance for risk and volatility and a medium to long-term investment horizon.

Results of Operations and Recent Developments

The Fund, Series A returned -1.1% in 2016, while its benchmark, MSCI World Index (CAD), returned 4.3%.

While the Manager does not position the portfolio for macroeconomic events, as they are inherently difficult to predict, the Sprott Global Dividend Class did respond to two major macroeconomic developments during 2016 which included Brexit and the US election – both of which were unexpected, affecting volatility and expected returns for risk assets.

In general, as the outlook for global growth improved, the Fund rotated out of defensive positions, and into more cyclical positions. As the relative and absolute outlook for U.S. equities continued to improve, capital was re-allocated from European equities to U.S. equities in the second half of the year.

Adding most to the Fund’s performance were the Financial and Energy sectors due to the announced oil production cuts and the effect that the Trump election had on financial markets. The Fund’s performance also benefited from Healthcare and Industrial positions which also outperformed.

Positive contributions to the Fund’s performance came from UnitedHealth Group, JP Morgan Chase, and Brookfield Infrastructure Partners. UnitedHealth consistently beat guidance as their core managed care franchise continued to generate market share gains. As the biggest U.S. bank, JP Morgan benefited from the election of Donald Trump. The anticipation of greater growth, rising rates, and de-regulation all combined to drive performance in the undervalued banking sector. Brookfield delivered strong performance as they allocated capital into India and Brazil at favourable rates of return, and both the Utilities and Transport businesses saw growth in Adjusted Funds from Operations.

The Consumer sectors (Staples and Discretionary) detracted most from the Fund’s performance. Prior to Brexit the Fund had material exposure to the U.K. and European consumer. The resulting vote impacted these securities negatively. In addition, positions in auto and apparel sectors also underperformed on concerns of slowing retail sales and increased competition.

Specific detractors to the Fund’s performance included Travis Perkins, Britvic, and Allergan. Travis Perkins is deeply invested in the U.K. housing market, and the Brexit vote caused sharp corrections in this position as the outlook for growth and personal consumption in the U.K. declined meaningfully. Britvic’s business was affected by both Brexit and the surprise implementation of a sugar tax in the U.K. Allergan’s performance was impacted by new Department of Treasury regulations that targeted U.S. companies that engage in corporate inversion transactions to reduce their U.S. taxes payable.

The Fund’s net asset value increased by 144.4% during the period, from \$13.3 million as at December 31, 2015 to \$32.6 million as at December 31, 2016. This change was predominantly due to net share issuances of \$19.2 million. The management expense ratio 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 up to 2.00% for Series A, 1.95% for Series A1, 1.00% for Series F, 1.80% for Series P, 0.80% for Series PF, 1.70% for Series Q, 0.70% for Series QF, and is negotiated by the shareholders for Series I. The management fee is calculated and accrued daily based on the daily net asset value of the applicable series of the Fund, and is paid monthly. For the year ended December 31, 2016, the Fund incurred management fees of \$487,057 (including taxes). For active series, 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 Focused Global Dividend Class – Series A	89%	11%
Sprott Focused Global Dividend Class – Series A1	36%	64%
Sprott Focused Global Dividend Class – Series F	83%	17%
Sprott Focused Global Dividend Class – Series F1	100%	–
Sprott Focused Global Dividend Class – Series PF	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$13,694 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, filing and administrative expenses as well as shareholder reporting costs. The Manager pays certain of these expenses on behalf of the Fund and then is reimbursed by the Fund. At its sole discretion, the Manager may waive or absorb a portion of the operating expenses of 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. For the year ended December 31, 2016, the Manager absorbed \$6,554 of expenses.

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 Share¹

	Dec 31, 2016	Dec 31, 2015 ⁴
	\$	\$
Series A		
Net assets, beginning of period	10.05	10.00
Increase (decrease) from operations:		
Total revenue	0.16	0.01
Total expenses	(0.34)	(0.04)
Realized gains (losses) for the period	(0.36)	(0.03)
Unrealized gains (losses) for the period	1.17	0.18
Total increase (decrease) from operations²	0.63	0.12
Distributions:		
Return of capital	0.35	0.03
Total annual distributions³	0.35	0.03
Net assets, end of period	9.58	10.05

	Dec 31, 2016	Dec 31, 2015 ⁴
	\$	\$
Series A1		
Net assets, beginning of period	10.05	10.00
Increase (decrease) from operations:		
Total revenue	0.18	0.01
Total expenses	(0.32)	(0.04)
Realized gains (losses) for the period	(0.22)	(0.03)
Unrealized gains (losses) for the period	0.78	0.20
Total increase (decrease) from operations²	0.42	0.14
Distributions:		
Return of capital	0.35	0.03
Total annual distributions³	0.35	0.03
Net assets, end of period	9.59	10.05

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	Dec 31, 2016	Dec 31, 2015 ⁴
	\$	\$
Series F		
Net assets, beginning of period	10.06	10.00
Increase (decrease) from operations:		
Total revenue	0.18	0.01
Total expenses	(0.19)	(0.04)
Realized gains (losses) for the period	(0.17)	(0.05)
Unrealized gains (losses) for the period	0.27	0.13
Total increase (decrease) from operations²	0.09	0.05
Distributions:		
Return of capital	0.35	0.03
Total annual distributions³	0.35	0.03
Net assets, end of period	9.70	10.06

	Dec 31, 2016⁵
	\$
Series F1	
Net assets, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	0.14
Total expenses	(0.17)
Realized gains (losses) for the period	(0.31)
Unrealized gains (losses) for the period	1.01
Total increase (decrease) from operations²	0.67
Distributions:	
Return of capital	0.28
Total annual distributions³	0.28
Net assets, end of period	10.34

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Series PF	Dec 31, 2016	Dec 31, 2015 ⁴
	\$	\$
Net assets, beginning of period	10.28	10.00
Increase (decrease) from operations:		
Total revenue	0.18	0.01
Total expenses	(0.18)	(0.01)
Realized gains (losses) for the period	(0.24)	–
Unrealized gains (losses) for the period	0.38	0.28
Total increase (decrease) from operations²	0.14	0.28
Distributions:		
Return of capital	0.35	0.02
Total annual distributions³	0.35	0.02
Net assets, end of period	9.94	10.28

1 This information is derived from the Fund's audited annual financial statements.

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

3 Distributions were reinvested in additional shares of the Fund or distributed in cash.

4 Information provided is for the period from November 26, 2015 (launch date) to December 31, 2015 for Series A, A1, and F and for December 14, 2015 (first issuance) to December 31, 2015 for Series PF.

5 Information provided is for the period from March 14, 2016 (first issuance) to December 31, 2016 for Series F1.

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Ratios and Supplemental Data

	Dec 31, 2016	Dec 31, 2015
Series A		
Total net asset value (000s) ¹	\$5,919	\$600
Number of shares outstanding ¹	617,723	59,700
Management expense ratio ²	2.92%	2.33%
Management expense ratio before waivers or absorptions ³	2.95%	5.32%
Trading expense ratio ⁴	0.54%	2.60%
Portfolio turnover rate ⁵	153.07%	2.39%
Net asset value per share ¹	\$9.58	\$10.05
Series A1		
Total net asset value (000s) ¹	\$13,578	\$4,294
Number of shares outstanding ¹	1,415,865	427,025
Management expense ratio ²	2.78%	2.26%
Management expense ratio before waivers or absorptions ³	2.80%	5.22%
Trading expense ratio ⁴	0.54%	2.60%
Portfolio turnover rate ⁵	153.07%	2.39%
Net asset value per share ¹	\$9.59	\$10.05
Series F		
Total net asset value (000s) ¹	\$7,979	\$6,937
Number of shares outstanding ¹	822,353	689,314
Management expense ratio ²	1.67%	1.13%
Management expense ratio before waivers or absorptions ³	1.70%	4.27%
Trading expense ratio ⁴	0.54%	2.60%
Portfolio turnover rate ⁵	153.07%	2.39%
Net asset value per share ¹	\$9.70	\$10.06
Series F1		
Total net asset value (000s) ¹	\$3,331	
Number of shares outstanding ¹	322,175	
Management expense ratio ²	1.74%	
Management expense ratio before waivers or absorptions ³	1.77%	
Trading expense ratio ⁴	0.54%	
Portfolio turnover rate ⁵	153.07%	
Net asset value per share ¹	\$10.34	

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Series PF	Dec 31, 2016	Dec 31, 2015
Total net asset value (000s) ¹	\$1,790	\$1,509
Number of shares outstanding ¹	180,179	146,842
Management expense ratio ²	1.47%	0.95%
Management expense ratio before waivers or absorptions ³	1.50%	3.51%
Trading expense ratio ⁴	0.54%	2.60%
Portfolio turnover rate ⁵	153.07%	2.39%
Net asset value per share ¹	\$9.94	\$10.28

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

2 Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of 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.

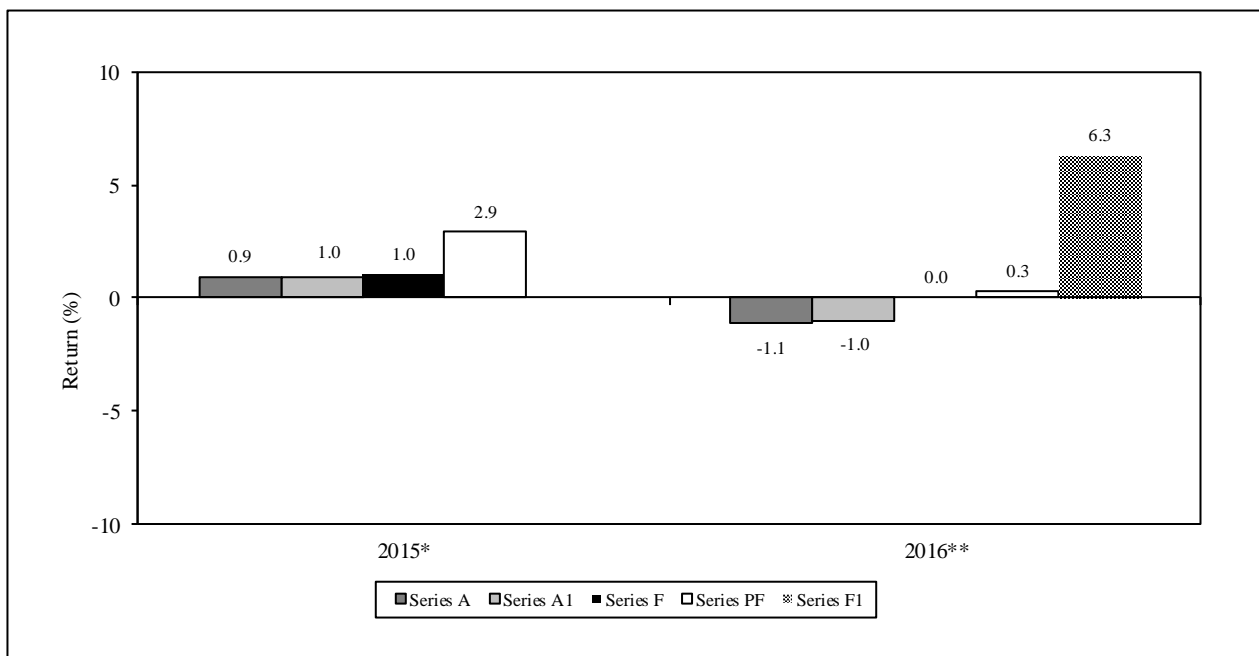
5 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio 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 share values and assume reinvestment of all distributions in additional shares 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 shareholder 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 November 26, 2015 (launch date) for Series A, A1 and F and December 14, 2015 for Series PF to December 31, 2015 (not annualized).

** Return from the period March 14, 2016 to December 31, 2016 for Series F1 (not annualized).

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Annual Compound Returns

The following table illustrates the annual compound total return for Series A, A1, F, F1 and PF shares 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 MSCI World Index (the "Index"). The Index is a broad global equity benchmark that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country. 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 its performance.

	1-Year	Since Inception*
Sprott Focused Global Dividend Class – Series A	-1.1%	-0.2%
Sprott Focused Global Dividend Class – Series A1	-1.0%	-0.1%
Sprott Focused Global Dividend Class – Series F	0.0%	0.9%
MSCI World Index (CAD)	4.3%	5.6%
Sprott Focused Global Dividend Class – Series PF	0.3%	3.0%
MSCI World Index (CAD)	4.3%	6.8%
Sprott Focused Global Dividend Class – Series F1	-	6.3%
MSCI World Index (CAD)	-	9.9%

* Since launch date of November 26, 2015 for Series A, A1, and F, December 14, 2015 for Series PF and March 14, 2016 for Series F1

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Summary of Investment Portfolio

As at December 31, 2016

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Industrials	21.4
Financials	20.0
Consumer Discretionary	16.2
Information Technology	13.6
Health Care	10.9
Energy	5.2
Telecommunication Services	3.9
Total Long Positions	91.2
Cash	8.6
Other Net Assets	0.2
Total Net Asset Value	100.0

Portfolio Allocation by Geographic Region

	% of Net Asset Value
Long Positions	
United States	53.6
Canada	11.2
United Kingdom	9.1
Switzerland	6.7
France	4.5
Ireland	4.3
Germany	1.8
Total Long Positions	91.2
Cash	8.6
Other Net Assets	0.2
Total Net Asset Value	100.0

Top 25 Long Positions

Issuer	% of Net Asset Value
Cash	8.6
JPMorgan Chase and Co.	4.3
UnitedHealth Group Inc.	4.1
Bank of America Corp.	3.9
Alphabet Inc.	3.8
Cineworld Group PLC	3.6
Mastercard Inc.	3.5
Visa Inc.	3.4
Macquarie Infrastructure Corp.	3.4
Ashtead Group PLC	3.2
US Bancorp	3.1
Raytheon Co.	3.0
Comcast Corp.	3.0
Cisco Systems Inc.	2.9
Allergan PLC	2.7
Discover Financial Services	2.6
Roche Holding AG	2.5
Valeo SA	2.5
Berkshire Hathaway Inc.	2.5
BBA Aviation PLC	2.4
Sunrise Communications AG	2.1
Waste Connections Inc.	2.1
Dufry AG	2.1
The Walt Disney Co.	2.1
Safran SA	2.0
Total 25 long positions as a percentage of net asset value	79.4

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 Partnership. Quarterly updates of the Partnership's investment portfolio are available on the Internet at www.sprott.com.

Corporate Information

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