



Sprott Global REIT and Property Equity Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31

2015

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 REIT and Property Equity Fund (the “Fund”) is to provide stable monthly cash distribution and long-term total return through capital appreciation by providing exposure to the global real estate securities market. The Fund invests primarily in real estate investment trusts (“REITs”), equity-based securities of companies in the global real estate sectors (residential and commercial) and structured products that hold real estate related investments.

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.

Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. This Fund is suitable for those investors seeking a regular monthly target distribution and long-term capital appreciation through exposure to the global real estate industry and have a high risk tolerance and who are prepared to invest for medium to long periods of time.

Results of Operations

The Fund, Series A gained 10.3% in 2015, since its inception on August 5, 2015, compared to its benchmark FTSE NAREIT Equity REITs Total Return Index, which returned 9.5% for the same period.

Global real estate and associated stocks had a challenging second part of 2015, as investors reacted to anticipated rate hikes in the U.S., signs of decelerating economies including slowing growth in China, and falling commodity prices. Uncertainty about China’s growth path had a disproportionate impact on Asia Pacific real estate markets. U.S. REITs managed to end the year on a positive note, having recovered from the Federal Reserve’s first rate hike in December and concerns of a slowing economy. REITs outperformed the broader U.S. market, aided by continued strength in real estate fundamentals. Throughout the year, REITs generally exceeded or met the market’s high earnings expectations, and many raised their guidance. Meanwhile, acquisition activity continued to confirm high property valuation levels, also helping REIT shares to recover from their mid-year lows. In Canada, low energy prices continued to weigh on REITs. However, an extremely low interest rate environment helped to reduce the losses.

Public Storage and Simon Property Group Inc. were top contributors to the Fund’s performance in 2015. Industrial and storage REITs performed well during the period as those markets were in high demand.

Conversely, Pebblebrook Hotel Trust and Host Hotels & Resorts Inc. were the largest detractors from performance. Both companies saw volatility due to a slowdown in U.S. economic growth which resulted in reduced business travel and a small erosion in market share due to growth in Air BNB type accommodations.

The net asset value of the Fund was \$349 thousand as at December 31, 2015.

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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 period ended December 31, 2015, the Fund incurred management fees of \$1,970 (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 REIT and Property Equity Fund – Series A	50%	50%
Sprott Global REIT and Property Equity Fund – Series F	92%	8%
Sprott Global REIT and Property Equity Fund – Series I	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$624 during the period ended December 31, 2015 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. At its sole discretion, the Manager may waive or absorb a portion of the operating expenses of certain Funds. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income. Waivers or absorptions are at the manager's discretion and can be terminated at any time without notice. For the period ended December 31, 2015, the Manager absorbed \$48,235 of expenses.

OTHER RELATED PARTY TRANSACTIONS

For related party transactions, the Fund relied on the approval, positive recommendation or standing instruction from the Fund's Independent Review Committee.

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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 periods shown.

The Fund's Net Assets per Unit¹

	Dec 31, 2015 ⁴ \$
Series A	
Net assets, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	0.10
Total expenses	(0.09)
Realized gains (losses) for the period	0.06
Unrealized gains (losses) for the period	1.13
Total increase (decrease) from operations²	1.20
Distributions:	
From income (excluding dividends)	-
From dividends	-
From capital gains	0.04
Return of capital	0.10
Total annual distributions³	0.14
Net assets, end of period	10.87

	Dec 31, 2015 ⁴ \$
Series F	
Net assets, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	0.10
Total expenses	(0.05)
Realized gains (losses) for the period	0.14
Unrealized gains (losses) for the period	0.62
Total increase (decrease) from operations²	0.81
Distributions:	
From income (excluding dividends)	-
From dividends	-
From capital gains	0.04
Return of capital	0.10
Total annual distributions³	0.14
Net assets, end of period	10.92

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December 31, 2015

	Dec 31, 2015⁵
	\$
Series I	
Net assets, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	0.08
Total expenses	(0.00)
Realized gains (losses) for the period	(0.01)
Unrealized gains (losses) for the period	0.73
Total increase (decrease) from operations²	0.80
Distributions:	
From income (excluding dividends)	–
From dividends	–
From capital gains	0.04
Return of capital	0.09
Total annual distributions³	0.13
Net assets, end of period	10.67

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 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.

4 Information provided is for the period from August 5, 2015 (launch date) to December 31, 2015.

5 Information provided is for the period from August 18, 2015 (launch date) to December 31, 2015.

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Ratios and Supplemental Data

	Dec 31, 2015
Series A	
Total net asset value (000s) ¹	\$194
Number of units outstanding ¹	17,820
Management expense ratio ²	2.11%
Management expense ratio before waivers or absorptions ³	43.45%
Trading expense ratio ³	0.06%
Portfolio turnover rate ⁴	–
Net asset value per unit ¹	\$10.87
Series F	
Total net asset value (000s) ¹	\$78
Number of units outstanding ¹	7,115
Management expense ratio ²	1.19%
Management expense ratio before waivers or absorptions ³	40.53%
Trading expense ratio ³	0.06%
Portfolio turnover rate ⁴	–
Net asset value per unit ¹	\$10.92
Series I	
Total net asset value (000s) ¹	\$78
Number of units outstanding ¹	7,293
Management expense ratio ²	–
Management expense ratio before waivers or absorptions ³	40.21%
Trading expense ratio ³	0.06%
Portfolio turnover rate ⁴	–
Net asset value per unit ¹	\$10.67

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 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.

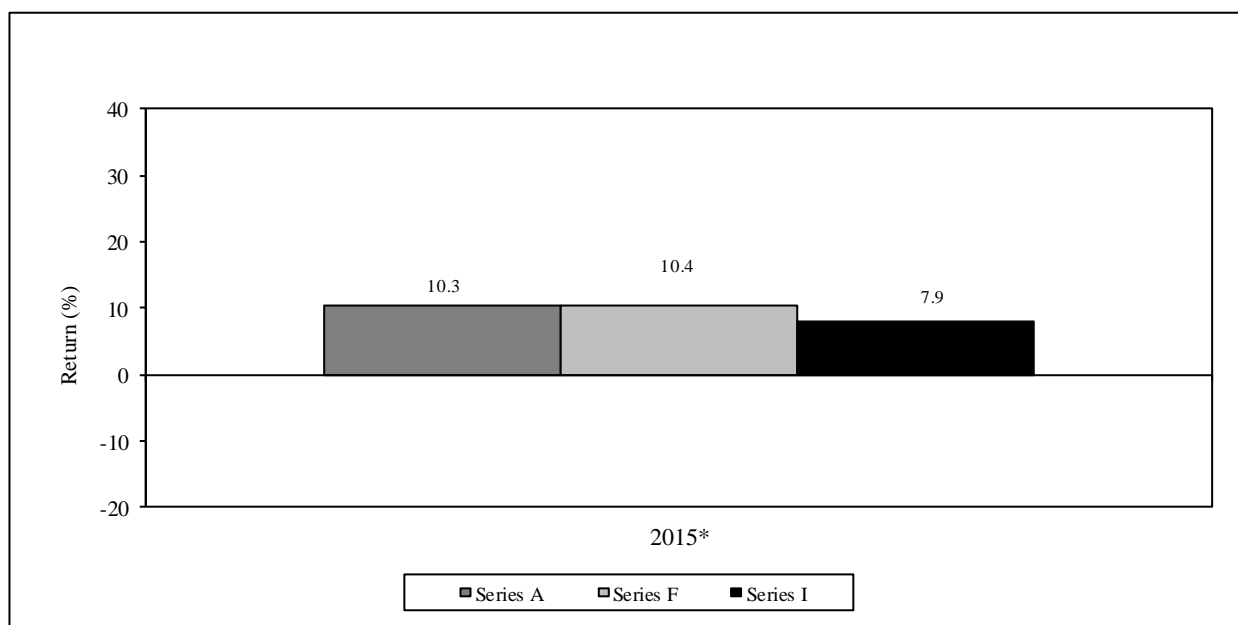
4 The Fund’s portfolio turnover rate indicates how actively the Fund’s portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund’s portfolio 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 period 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 August 5, 2015 to December 31, 2015 for Series A and F, (not annualized) and from August 18, 2015 to December 31, 2015 for Series I (not annualized).

Annual Compound Returns

The following table illustrates the annual compound total return for Series A, F and I 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 FTSE NAREIT Equity REITs Total Return Index (the "Index"). The Index tracks a comprehensive family of REIT performance indexes that spans the commercial real estate space across the U.S. economy. 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.

	Since Inception*
Sprott Global REIT and Property Equity Fund – Series A	10.3%
Sprott Global REIT and Property Equity Fund – Series F	10.4%
FTSE NAREIT Equity REITs Total Return Index	9.5%
Sprott Global REIT and Property Equity Fund – Series I	7.9%
FTSE NAREIT Equity REITs Total Return Index	7.4%

* Since launch date of August 5, 2015 for Series A and F and August 18, 2015 for Series I.

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Summary of Investment Portfolio

As at December 31, 2015

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Specialized REITs	19.3
Retail REITs	16.8
Residential REITs	16.5
Health Care REITs	10.0
Office REITs	9.2
Diversified REITs	8.0
Hotel and Resort REITs	5.9
Industrial REITs	5.0
Other	1.7
Total Long Positions	92.4
Cash	4.8
Other Net Assets	2.8
Total Net Asset Value	100.0

Top 25 Long Positions

Issuer	% of Net Asset Value
Simon Property Group Inc.	7.3
Public Storage	5.4
Cash	4.8
American Tower Corp.	4.2
Weyerhaeuser Co.	4.0
Welltower Inc.	3.9
Boston Properties Inc.	3.5
Digital Realty Trust Inc.	3.2
Prologis Inc.	3.2
Ventas Inc.	3.1
Vornado Realty Trust	3.0
Crown Castle International Corp.	2.9
Duke Realty Corp.	2.8
Extra Space Storage Inc.	2.8
Kimco Realty Corp.	2.8
General Growth Properties Inc.	2.8
Equity Residential	2.8
AvalonBay Communities Inc.	2.6
Host Hotels and Resorts Inc.	2.5
HCP Inc.	2.3
Equity LifeStyle Properties, Inc.	2.3
UDR Inc.	2.2
Essex Property Trust Inc.	1.9
Forest City Enterprises Inc.	1.7
DDR Corp.	1.7
Top 25 long positions as a percentage of net asset value	79.7

The Fund held no short positions as at December 31, 2015.

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

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