Sprott Focused U.S. Balanced Class

Sprott Corporate Class Inc.

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.

Sprott Focused U.S. Balanced Class

December 31, 2015

Management Discussion of Fund Performance

Investment Objective and Strategies

The investment objective of the Sprott Focused U.S. Balanced Class (the "Fund") is to provide consistent income and capital appreciation by investing primarily in a diversified portfolio of U.S. equities and fixed-income securities.

As part of its investment strategy, the Fund will invest in U.S. equity and fixed-income securities, foreign securities and other mutual funds and may also:

- invest in 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 a diversified portfolio of U.S. equities and fixed-income securities. The Fund is suitable for investors with a low to medium tolerance for risk and volatility and a long-term investment horizon.

Results of Operations

The Fund, Series A was flat since its inception on November 26, 2015.

The Fund ended the year with a net asset value of $5.3 million.

Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager, at an annual rate of up to 1.85% for Series A, 1.80% for Series A1, 0.85% for Series F, 1.65% for Series P, 0.65% for Series PF, 1.55% for Series Q, 0.55% 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 period ended December 31, 2015, the Fund incurred management fees of $5,059 (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 Focused U.S. Balanced Class – Series A	51%	49%
Sprott Focused U.S. Balanced Class – Series A1	47%	53%
Sprott Focused U.S. Balanced Class – Series F	54%	46%

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of $1,966 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, 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 period ended December 31, 2015, the Manager absorbed $27,855 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.

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 Share[1]

Series A	**Dec 31, 2015 $**
Net assets, beginning of period	**10.00**
Increase (decrease) from operations:	
Total revenue	**0.01**
Total expenses	**(0.03)**
Realized gains (losses) for the period	**(0.03)**
Unrealized gains (losses) for the period	**0.05**
Total increase (decrease) from operations[2]	**0.00**
Distributions:	
Return of capital	**0.03**
Total annual distributions[3]	**0.03**
Net assets, end of period	**9.97**

Series A1	**Dec 31, 2015 $**
Net assets, beginning of period	**10.00**
Increase (decrease) from operations:	
Total revenue	**0.01**
Total expenses	**(0.03)**
Realized gains (losses) for the period	**(0.02)**
Unrealized gains (losses) for the period	**0.16**
Total increase (decrease) from operations[2]	**0.12**
Distributions:	
Return of capital	**0.03**
Total annual distributions[3]	**0.03**
Net assets, end of period	**9.97**

Sprott Focused U.S. Balanced Class

December 31, 2015

Series F	Dec 31, 2015 $
Net assets, beginning of period	**10.00**
Increase (decrease) from operations:	
Total revenue	**0.01**
Total expenses	**(0.01)**
Realized gains (losses) for the period	**(0.03)**
Unrealized gains (losses) for the period	**0.04**
Total increase (decrease) from operations[2]	**0.01**
Distributions:	
Return of capital	**0.03**
Total annual distributions[3]	**0.03**
Net assets, end of period	**9.98**

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 November 26, 2015 (launch date) for Series A, A1, and F to December 31, 2015.

Sprott Focused U.S. Balanced Class

December 31, 2015

Ratios and Supplemental Data

Series A	Dec 31, 2015
Total net asset value (000s)[1]	**$150**
Number of shares outstanding[1]	**15,050**
Management expense ratio[2]	**2.38%**
Management expense ratio before waivers or absorptions[3]	**8.18%**
Trading expense ratio[4]	**0.43%**
Portfolio turnover rate[5]	**6.60%**
Net asset value per share[1]	**$9.97**

Series A1	Dec 31, 2015
Total net asset value (000s)[1]	**$218**
Number of shares outstanding[1]	**21,871**
Management expense ratio[2]	**2.26%**
Management expense ratio before waivers or absorptions[3]	**7.91%**
Trading expense ratio[4]	**0.43%**
Portfolio turnover rate[5]	**6.60%**
Net asset value per share[1]	**$9.97**

Series F	Dec 31, 2015
Total net asset value (000s)[1]	**$4,922**
Number of shares outstanding[1]	**493,329**
Management expense ratio[2]	**1.18%**
Management expense ratio before waivers or absorptions[3]	**6.82%**
Trading expense ratio[4]	**0.43%**
Portfolio turnover rate[5]	**6.60%**
Net asset value per share[1]	**$9.98**

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 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.

Sprott Focused U.S. Balanced Class

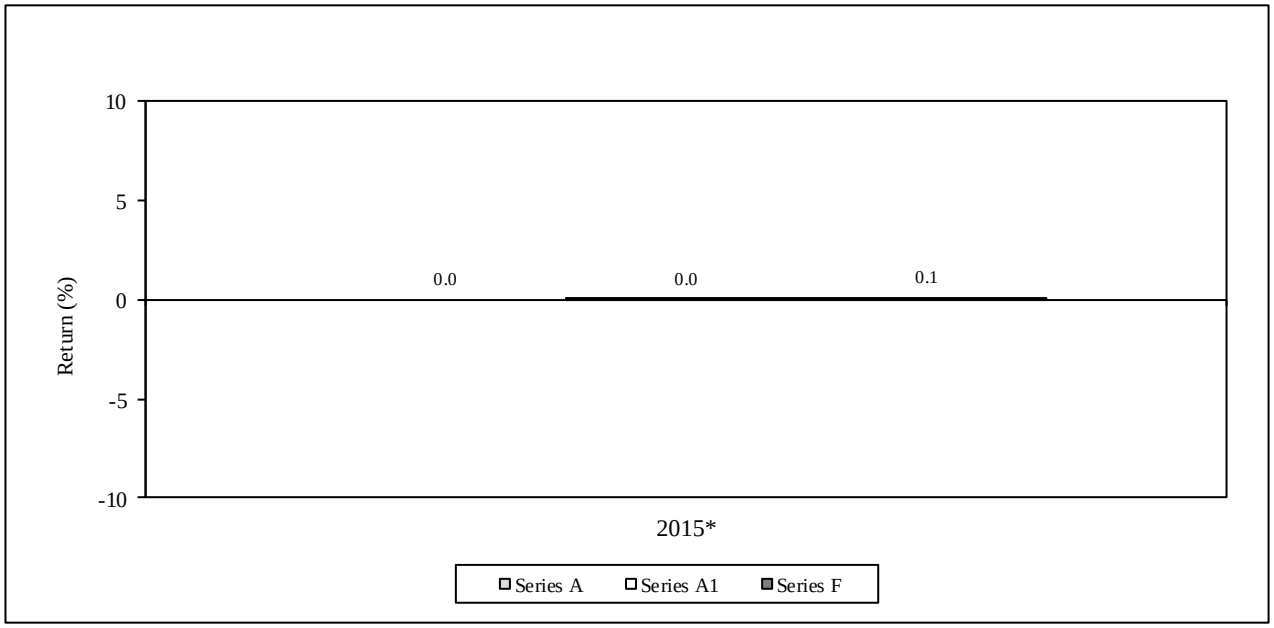
December 31, 2015

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 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 the period November 26, 2015 for Series A, A1 and F (not annualized).

Annual Compound Returns

The following table illustrates the annual compound total return for Series A, A1, and F 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 S&P 500 Total Return Index (the "Index"). The Index is an index of 500 stocks actively traded in the United States chosen for market size, liquidity and industry grouping, among other factors. 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 Focused U.S. Balanced Class – Series A	0.0%
Sprott Focused U.S. Balanced Class – Series A1	0.0%
Sprott Focused U.S. Balanced Class – Series F	0.1%
Index	1.2%

* Since launch date of November 26, 2015 for Series A, A1, and F.

Sprott Focused U.S. Balanced Class

December 31, 2015

Summary of Investment Portfolio

As at December 31, 2015

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Health Care	18.0
Information Technology	15.3
Consumer Discretionary	13.6
Financials	12.7
Industrials	8.1
Utilities	2.8
Mutual Funds	9.9
Total Long Positions	80.3
Cash	19.6
Other Net Assets	0.1
Total Net Asset Value	100.0

Top 25 Long Positions

Issuer	% of Net Asset Value
Cash	19.6
Sprott Diversified Bond Fund, Series I	9.9
Macquarie Infrastructure Corp.	4.0
Medtronic PLC	3.2
McKesson Corp.	3.1
UnitedHealth Group Inc.	3.1
Brookfield Asset Management Inc.	2.9
Cisco Systems Inc.	2.8
Comcast Corp.	2.8
Mastercard Inc.	2.8
Brookfield Infrastructure Partners LP	2.8
FedEx Corp.	2.7
NXP Semiconductors NV	2.6
HealthSouth Corp.	2.6
Visa Inc.	2.6
JPMorgan Chase and Co.	2.6
CVS Health Corp.	2.6
Allergan PLC	2.5
Berkshire Hathaway Inc.	2.4
Wells Fargo and Company	2.4
TE Connectivity Ltd.	2.4
U.S. Bancorp	2.3
The Walt Disney Company	2.2
Johnson and Johnson	2.2
The Home Depot, Inc.	2.1
Top 25 long positions as a percentage of net asset value	91.2

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. In addition, the simplified prospectus and other information about the underlying funds are available on the internet at www.sprott.com or www.sedar.com.

Corporate Information

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