



Sprott Global REIT and Property Equity Fund

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30

2016

The interim 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 interim financial statements of the investment fund. You can get a copy of the interim 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 3.3% during the first six months of 2016, compared to its benchmark FTSE NAREIT Equity REITs Total Return Index, which returned 5.9% for the same period.

Continued low global interest rates and moderate global economic growth motivated investors to allocate funds to equity investments providing attractive relative yields. Strong wage gains and employment reports confirmed the relative attractiveness of the U.S. economy. The Fund’s portfolio was positioned to benefit from those strong employment trends in the U.S. with exposure to apartment, retail and storage REITs. The portfolio was underweight sectors such as health care, with increasing profit margin pressure from employee wages and employee turnover.

The portfolio rotated into office and industrial REITs as job growth has been robust in the near term and demand for industrial REITs has accelerated due to expectations of the need for warehousing e-commerce business inventories. The portfolio reduced exposure to the hotel REIT industry as recent data revealed a continuing trend of low revenue per available room metrics for hotels. In addition, a potential industry shakeup has begun with increasing competition from online marketplaces such as Airbnb.

Contributors to performance during the period were Digital Realty Trust, Inc. and DuPont Fabros Technology, Inc. Both are owners and acquirers of property for the use of data centers and IT-related businesses. Demand for data center REITs has escalated as cloud storage and computing are expected to change the landscape of the digital world.

The top detractors from performance during the period were HCP, Inc. and Equity Residential. HCP’s largest operator, HCR ManorCare, was sued by the Department of Justice in late 2015 for submitting false Medicare claims, causing HCP to take an \$817 million impairment charge in early 2016. Equity Residential cut its guidance during in the second quarter of 2016 due to “temporary headwinds” from a contracting San Francisco market.

The Fund’s net asset value increased by 211.8% during the period, from \$349 thousand as at December 31, 2015 to \$1.1 million as at June 30, 2016. This change was predominantly due to net share issuances of \$688 thousand. The management expense ratio decreased compared to the prior period.

Sprott Global REIT and Property Equity Fund

June 30, 2016

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 six-month period ended June 30, 2016, the Fund incurred management fees of \$4,170 (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	81%	19%
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 \$1,158 during the six-month period ended June 30, 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. 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 six-month period ended June 30, 2016, the Manager absorbed \$59,316 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.

Sprott Global REIT and Property Equity Fund

June 30, 2016

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 six-month period ended June 30, 2016 and the periods shown.

The Fund's Net Assets per Unit¹

	Jun 30, 2016	Dec 31, 2015 ⁴
	\$	\$
Series A		
Net assets, beginning of period	10.87	10.00
Increase (decrease) from operations:		
Total revenue	0.11	0.10
Total expenses	(0.10)	(0.09)
Realized gains (losses) for the period	(0.02)	0.06
Unrealized gains (losses) for the period	0.38	1.13
Total increase (decrease) from operations²	0.37	1.20
Distributions:		
From income (excluding dividends)	0.19⁶	–
From dividends	–	–
From capital gains	–	0.04
Return of capital	–	0.10
Total annual distributions³	0.19	0.14
Net assets, end of period	11.03	10.87

	Jun 30, 2016	Dec 31, 2015 ⁴
	\$	\$
Series F		
Net assets, beginning of period	10.92	10.00
Increase (decrease) from operations:		
Total revenue	0.11	0.10
Total expenses	(0.06)	(0.05)
Realized gains (losses) for the period	0.02	0.14
Unrealized gains (losses) for the period	1.10	0.62
Total increase (decrease) from operations²	1.17	0.81
Distributions:		
From income (excluding dividends)	0.19⁶	–
From dividends	–	–
From capital gains	–	0.04
Return of capital	–	0.10
Total annual distributions³	0.19	0.14
Net assets, end of period	11.11	10.92

Sprott Global REIT and Property Equity Fund

June 30, 2016

Series I	Jun 30, 2016	Dec 31, 2015 ⁵
	\$	\$
Net assets, beginning of period	10.67	10.00
Increase (decrease) from operations:		
Total revenue	0.11	0.08
Total expenses	–	–
Realized gains (losses) for the period	(0.01)	(0.01)
Unrealized gains (losses) for the period	0.84	0.73
Total increase (decrease) from operations²	0.94	0.80
Distributions:		
From income (excluding dividends)	0.19⁶	–
From dividends	–	–
From capital gains	–	0.04
Return of capital	–	0.09
Total annual distributions³	0.19	0.13
Net assets, end of period	10.93	10.67

1 This information is derived from the Fund's interim and 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.

6 The final allocation of distributions for the period ended June 30, 2016 between income, dividends, capital gains and return of capital will be determined at December 31, 2016.

Sprott Global REIT and Property Equity Fund

June 30, 2016

Ratios and Supplemental Data

	Jun 30, 2016	Dec 31, 2015
Series A		
Total net asset value (000s) ¹	\$207	\$194
Number of units outstanding ¹	18,807	17,820
Management expense ratio ²	2.22%	2.11%
Management expense ratio before waivers or absorptions ³	21.57%	43.45%
Trading expense ratio ³	0.05%	0.06%
Portfolio turnover rate ⁴	11.37%	–
Net asset value per unit ¹	\$11.03	\$10.87
Series F		
Total net asset value (000s) ¹	\$606	\$78
Number of units outstanding ¹	54,498	7,115
Management expense ratio ²	1.14%	1.19%
Management expense ratio before waivers or absorptions ³	15.23%	40.53%
Trading expense ratio ³	0.05%	0.06%
Portfolio turnover rate ⁴	11.37%	–
Net asset value per unit ¹	\$11.11	\$10.92
Series I		
Total net asset value (000s) ¹	\$276	\$78
Number of units outstanding ¹	25,224	7,293
Management expense ratio ²	–	–
Management expense ratio before waivers or absorptions ³	41.40%	40.21%
Trading expense ratio ³	0.05%	0.06%
Portfolio turnover rate ⁴	11.37%	–
Net asset value per unit ¹	\$10.93	\$10.67

1 The information is provided as at June 30, 2016 and December 31 of the years shown prior to 2016.

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.

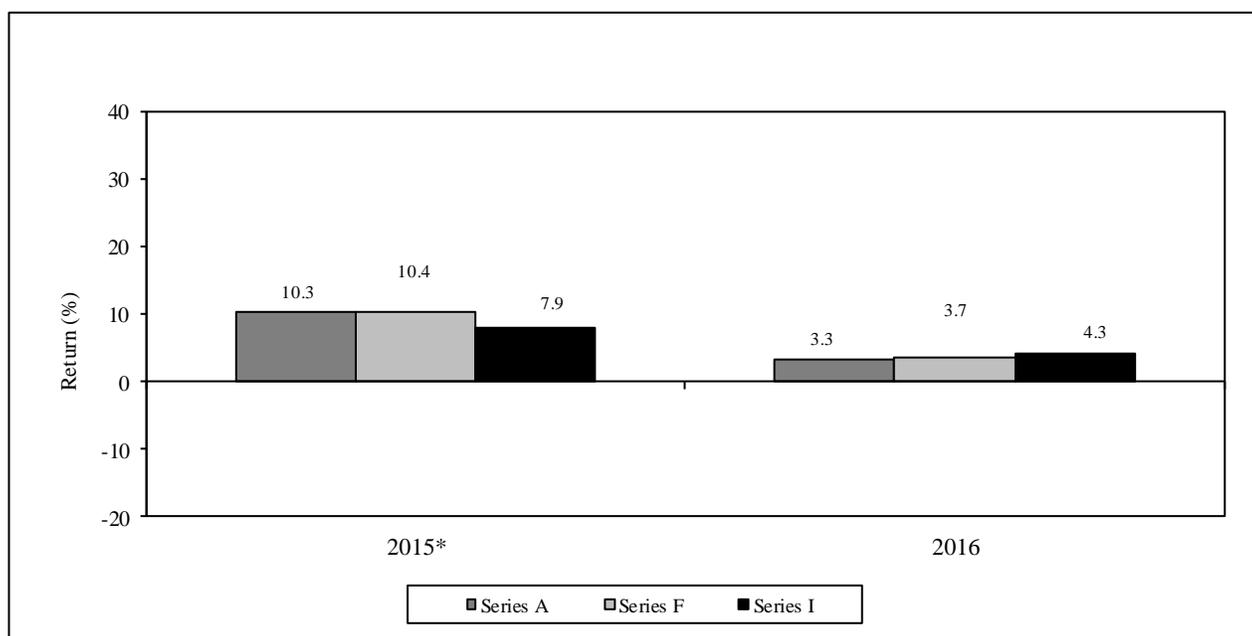
4 The Fund’s portfolio turnover rate indicates how actively the Fund’s portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund’s portfolio 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 the six-month period ended June 30, 2016 and each of 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 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).

Sprott Global REIT and Property Equity Fund

June 30, 2016

Summary of Investment Portfolio

As at June 30, 2016

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Retail REITs	23.7
Specialized REITs	21.6
Residential REITs	15.2
Office REITs	12.8
Industrial REITs	8.5
Health Care REITs	5.8
Hotel and Resort REITs	4.5
Diversified REITs	2.8
<u>Total Long Positions</u>	<u>94.9</u>
Cash	3.0
Other Net Assets	2.1
<u>Total Net Asset Value</u>	<u>100.0</u>

Top 25 Long Positions

Issuer	% of Net Asset Value
Simon Property Group Inc.	8.6
Public Storage	3.9
Vornado Realty Trust	3.5
Boston Properties Inc.	3.3
Digital Realty Trust Inc.	3.1
Crown Castle International Corp.	3.1
Prologis Inc.	3.1
American Tower Corp.	3.0
AvalonBay Communities Inc.	3.0
Cash	3.0
Ventas Inc.	2.9
Kimco Realty Corp.	2.8
General Growth Properties Inc.	2.6
Equity LifeStyle Properties, Inc.	2.4
Extra Space Storage Inc.	2.4
Weyerhaeuser Co.	2.3
Duke Realty Corp.	2.3
Realty Income Corp.	2.3
SL Green Realty Corp.	2.2
DuPont Fabros Technology Inc.	2.0
DDR Corp.	1.6
Regency Centers Corp.	1.6
DCT Industrial Trust Inc.	1.6
National Retail Properties Inc.	1.5
Welltower Inc.	1.5
<u>Top 25 long positions as a percentage of net asset value</u>	<u>69.6</u>

The Fund held no short positions as at June 30, 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

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