



Sprott Silver Equities Class

Sprott Corporate Class Inc.

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30

2017

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 Silver Equities Class (the “Fund”) is to seek to achieve long-term capital growth. The Fund invests primarily in equity securities of companies that are directly or indirectly involved in the exploration, mining, production or distribution of silver. The Fund can also invest in silver bullion and silver certificates.

To achieve the Fund’s investment objective, the Portfolio Advisor will utilize fundamental analysis to seek to identify securities with superior investment opportunities that have the potential for capital appreciation over the long-term.

The Fund may also:

- deviate from the standard investment restrictions as the Fund has obtained exemptive relief to invest up to 20% of its net assets in silver, permitted silver certificates and/or specified derivatives of which the underlying interest is silver;
- engage in securities lending, repurchase and reverse repurchase transactions;
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies; and
- hedge against losses from changes in the prices of the Fund’s investments and from exposure to foreign currencies.

Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. This Fund is suitable only for investors who want exposure to the capital appreciation potential of silver and equity securities of companies that are involved in the exploration, mining, production or distribution of silver. Investors should be comfortable with high investment risks and have a long-term investment horizon. 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 returned -3.6% during the first half of 2017, while its benchmark, the MSCI ACWI Select Silver Miners Investable Market Index, returned 2.2%.

The U.S. Federal Reserve Board raised interest rates twice during the period. U.S. real yields, as measured by the yield of five-year Treasury Inflation-Protected Securities, increased. This put pressure on the price of silver and silver equities. The gold price increased 8.25%, while the silver price increased 4.4%.

Security selection was the primary factor driving returns over the period. Significant individual contributors to performance included Torex Gold Resources Inc. and Fresnillo PLC. At the beginning of the period, Torex announced high-grade drilling results from a newly discovered zone in close proximity to its operations. The company followed up with an initial resource estimate and by June had accessed the high-grade mineralization in the zone by ramp. Fresnillo benefited from a strong production growth pipeline and low-cost, long-life core assets.

Significant individual detractors from performance included Tahoe Resources Inc. and Endeavour Silver Corp. Tahoe released disappointing fourth-quarter earnings, a negative reserve update and higher capital expenditure guidance. Endeavour Silver also reported disappointing fourth-quarter results, with lower production and higher costs.

In response to pricing pressure, the Manager reduced certain larger positions and reinvested in other stocks that presented buying opportunities.

The Fund’s net asset value increased by 3.9% during the period, from \$128.1 million as at December 31, 2016 to \$133.2 million as at June 30, 2017. This change was predominantly due to net subscriptions of \$10.2 million and net realized investment losses of \$3.3 million. The management expense ratio decreased from the prior period and the portfolio turnover rate also decreased.

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Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager, at an annual rate of 2.50% for Series A shares, 1.50% for Series F shares and as negotiated by the shareholders of Series I. The management fee is calculated and accrued daily based on daily net asset value of that series of the Fund, and is paid monthly. For the six-month period ended June 30, 2017, the Fund incurred management fees of \$1,543,485 (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 Silver Equities Class – Series A | 61% | 39% |
| Sprott Silver Equities Class – Series F | 97% | 3% |

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$41,919 during the six-month period ended June 30, 2017, to Sprott Private Wealth LP, an affiliate of the Manager.

INCENTIVE FEES

The Fund also pays its Portfolio Advisor, Sprott Asset Management LP, an annual incentive fee, equal to a percentage of the average net asset value of the applicable Series of the Fund. Such percentage will be equal to 10% of the difference by which the return in net asset value per share of the applicable Series from launch date to December 31 exceeds the percentage return of the benchmark which is the MSCI ACWI Select Silver Miners IMI Net Return Index, for the same period. If the performance of a Series of the Fund in any year is less than the performance of the Index (the “Deficiency”), then no incentive fee will be payable until the performance of the applicable Series, on a cumulative basis, has exceeded the amount of the Deficiency. For the six-month period ended June 30, 2017, the Fund did not accrue any incentive fees.

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. The Manager did not absorb any expenses during the six-month period ended June 30, 2017.

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 six-month period ended June 30, 2017 and the years shown.

The Fund's Net Assets per Share¹

| | Jun 30, 2017 | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2014 | Dec 31, 2013 | Dec 31, 2012 ³ |
|--|-------------------------|-----------------|-----------------|-----------------|-----------------|------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Series A | | | | | | |
| Net assets, beginning of period | 6.41 | 3.35 | 4.43 | 4.68 | 7.87 | 10.00 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.02 | 0.03 | 0.04 | 0.03 | 0.05 | 0.03 |
| Total expenses | (0.21) | (0.45) | (0.21) | (0.23) | (0.22) | (0.24) |
| Realized gains (losses) for the period | (0.17) | 2.42 | (0.85) | (0.13) | (1.73) | (0.51) |
| Unrealized gains (losses) for the period | 0.08 | (0.68) | (0.07) | (0.05) | (1.37) | (0.08) |
| Total increase (decrease) from operations² | (0.28) | 1.32 | (1.09) | (0.38) | (3.27) | (0.80) |
| Distributions: | | | | | | |
| Dividend distributions | – | 0.01 | 0.03 | 0.02 | 0.02 | 0.02 |
| Total annual distributions⁴ | – | 0.01 | 0.03 | 0.02 | 0.02 | 0.02 |
| Net assets, end of period | 6.18 | 6.41 | 3.35 | 4.43 | 4.68 | 7.83 |

| | Jun 30, 2017 | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2014 | Dec 31, 2013 | Dec 31, 2012 ³ |
|--|-------------------------|-----------------|-----------------|-----------------|-----------------|------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Series F | | | | | | |
| Net assets, beginning of period | 6.71 | 3.48 | 4.56 | 4.77 | 7.95 | 10.00 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.02 | 0.03 | 0.04 | 0.03 | 0.05 | 0.02 |
| Total expenses | (0.14) | (0.37) | (0.15) | (0.17) | (0.16) | (0.14) |
| Realized gains (losses) for the period | (0.18) | 2.39 | (0.87) | (0.24) | (1.63) | (0.61) |
| Unrealized gains (losses) for the period | 0.08 | 0.51 | (0.16) | (0.64) | (0.74) | (1.21) |
| Total increase (decrease) from operations² | (0.22) | 2.56 | (1.14) | (1.02) | (2.48) | (1.94) |
| Distributions: | | | | | | |
| Dividend distributions | – | 0.01 | 0.03 | 0.02 | 0.02 | 0.02 |
| Total annual distributions⁴ | – | 0.01 | 0.03 | 0.02 | 0.02 | 0.02 |
| Net assets, end of period | 6.50 | 6.71 | 3.48 | 4.56 | 4.77 | 7.91 |

1 This information is derived from the Fund's interim and 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 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 Information provided is for the period from February 28, 2012 (launch date) to December 31, 2012.

4 Distributions were made in cash.

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Ratios and Supplemental Data

| | Jun 30, 2017 | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2014 | Dec 31, 2013 | Dec 31, 2012 |
|---|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Series A | | | | | | |
| Total net asset value (000s) ¹ | \$61,489 | \$59,977 | \$11,024 | \$12,931 | \$10,937 | \$7,975 |
| Number of shares outstanding ¹ | 9,957,205 | 9,363,501 | 3,288,133 | 2,919,026 | 2,336,808 | 1,013,932 |
| Management expense ratio ² | 2.88% | 3.36% | 3.23% | 3.21% | 2.78% | 2.79% |
| Management expense ratio before waivers or absorptions ⁵ | 2.88% | 3.36% | 3.23% | 3.41% | 3.41% | 3.76% |
| Trading expense ratio ³ | 2.67% | 2.99% | 1.41% | 0.99% | 0.70% | 0.66% |
| Portfolio turnover rate ⁴ | 191.60% | 380.69% | 160.65% | 102.01% | 71.55% | 18.00% |
| Net asset value per share ¹ | \$6.18 | \$6.41 | \$3.35 | \$4.43 | \$4.68 | \$7.87 |
| Series F | | | | | | |
| Total net asset value (000s) ¹ | \$71,671 | \$68,142 | \$15,078 | \$18,680 | \$12,235 | \$8,897 |
| Number of shares outstanding ¹ | 11,023,454 | 10,156,365 | 4,329,053 | 4,100,988 | 2,564,673 | 1,119,844 |
| Management expense ratio ² | 1.85% | 2.80% | 2.21% | 2.26% | 1.69% | 1.69% |
| Management expense ratio before waivers or absorptions ⁵ | 1.85% | 2.80% | 2.21% | 2.43% | 2.34% | 2.74% |
| Trading expense ratio ³ | 2.67% | 2.99% | 1.41% | 0.99% | 0.70% | 0.66% |
| Portfolio turnover rate ⁴ | 191.60% | 380.69% | 160.65% | 102.01% | 71.55% | 18.00% |
| Net asset value per share ¹ | \$6.50 | \$6.71 | \$3.48 | \$4.56 | \$4.77 | \$7.95 |

1 The information is provided as at June 30, 2017 and December 31 of the years shown prior to 2017.

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 daily average net asset value during the period. The MER before incentive fees was 3.00% for Series A and 1.94% for Series F as at December 31, 2016.

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 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. The portfolio turnover is expressed as a non-annualized percentage.

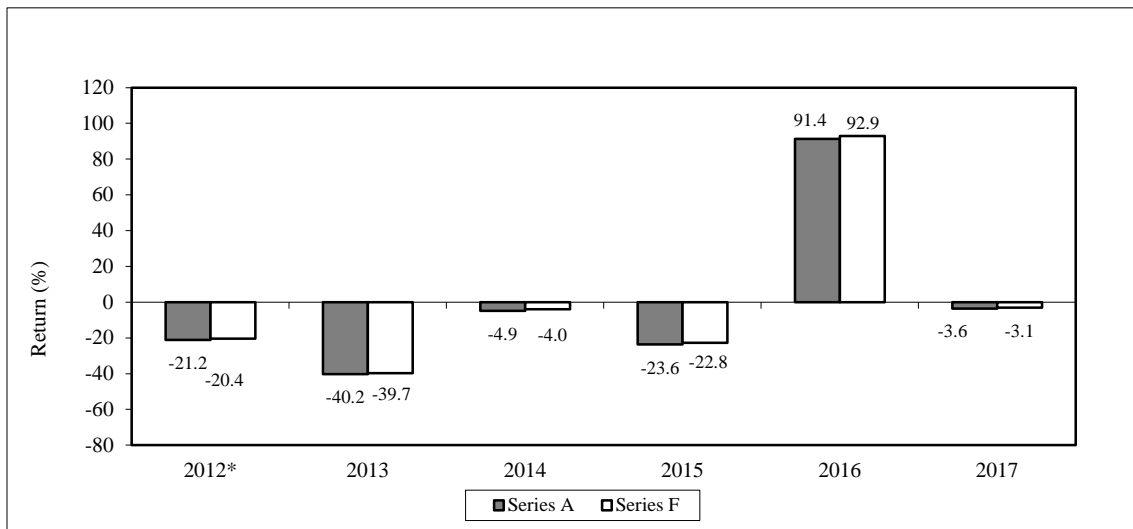
5 The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

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 returns 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, 2017 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.



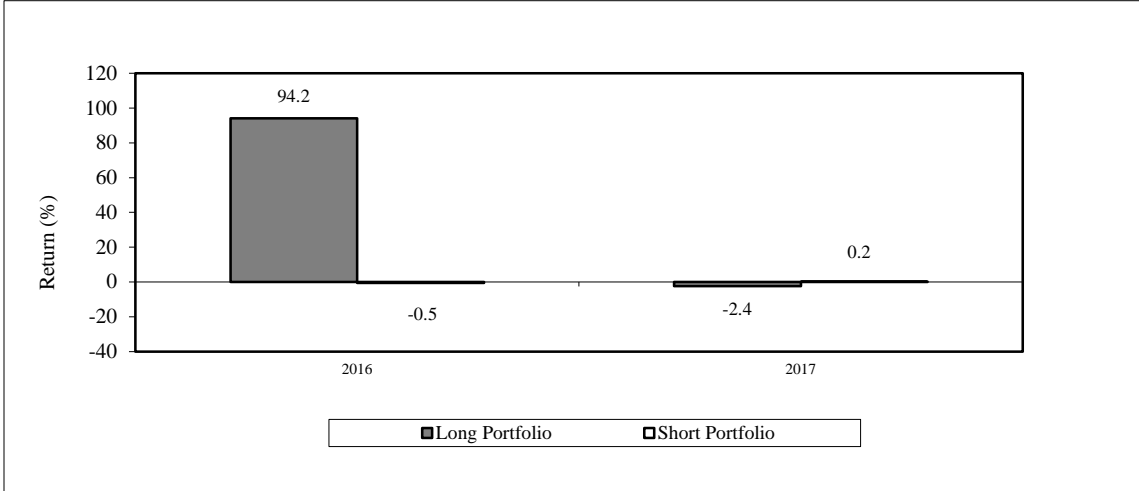
* Return from February 28, 2012 to December 31, 2012 (not annualized).

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Long and Short Portfolio Returns

The following table illustrates the contribution to the return of the Fund by the long portfolio and the short portfolio of the Fund (before the impact of Fund expenses) for the six-month period ended June 30, 2017 and the previous twelve-month periods ended December 31 shown, unless otherwise noted. For the purposes of this disclosure, certain derivatives may be considered to be part of the short portfolio.



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Summary of Investment Portfolio

As at June 30, 2017

Portfolio Allocation

| | % of Net Asset Value |
|-----------------------|-------------------------|
| Long Positions | |
| Silver Equities | 96.9 |
| Total Long Positions | 96.9 |
| Cash | 1.0 |
| Other Net Assets | 2.1 |
| Total Net Asset Value | 100.0 |

Top 25 Long Positions

| Issuer | % of Net Asset Value |
|--|-------------------------|
| Wheaton Precious Metals Corp. | 10.4 |
| Fresnillo PLC | 9.4 |
| MAG Silver Corp. | 6.7 |
| Industrias Penoles SAB de CV | 5.7 |
| Fortuna Silver Mines Inc. | 5.5 |
| Tahoe Resources Inc. | 5.1 |
| Pan American Silver Corp. | 5.0 |
| First Majestic Silver Corp. | 4.0 |
| Coeur Mining Inc. | 3.8 |
| McEwen Mining Inc. | 3.3 |
| Polymetal International PLC | 3.3 |
| Silvercrest Metals Inc. | 3.2 |
| Continental Gold Inc. | 3.1 |
| Hochschild Mining PLC | 3.0 |
| Hecla Mining Co. | 3.0 |
| Torex Gold Resources Inc. | 3.0 |
| Excellon Resources Inc. | 2.4 |
| Almaden Minerals Ltd. | 2.1 |
| Cia de Minas Buenaventura SAA | 2.1 |
| Endeavour Silver Corp. | 2.1 |
| Silver Standard Resources Inc. | 2.0 |
| Great Panther Silver Ltd. | 1.6 |
| Trevali Mining Corporation | 1.4 |
| Dolly Varden Silver Corp. | 1.2 |
| Silvercorp Metals Inc. | 1.1 |
| Top 25 long positions as a percentage of net asset value | 93.6 |

The Fund held no short positions as at June 30, 2017.

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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