



Sprott Real Asset Class

Sprott Corporate Class Inc.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31

2017

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.ninepoint.com or SEDAR at www.sedar.com or by writing to us at: Ninepoint Partners 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 Sprott Real Asset Class (the “Fund”) is to seek to provide total return over the long term by investing primarily in a portfolio of mutual funds that are managed by the Manager, its associates or its affiliates in various real asset sectors of the global economy. The Fund may also invest directly in equity securities and/or exchange-traded funds operating in, or providing exposure to, the real asset sector.

To achieve the investment objective of the Fund, the Portfolio Manager allocates the Fund’s assets among the following real asset sectors: Infrastructure, Energy, Gold and Precious Minerals and Real Estate, at the range of 0% to 35% for each sector. Such ranges are designed to allow the Portfolio Manager to vary the weighting of the Fund’s portfolio within the real asset sector to meet the investment objective as it considers appropriate in a variety of market environments.

Risk

The Fund is primarily a fund-of-funds. As a result, the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds, which the Fund takes on in proportion to its investment in those underlying funds. The risks of investing in the Fund are detailed in the Fund’s simplified prospectus. Refer to the prospectuses of the underlying funds for details of the risks of investing in those funds. The Fund is suitable for those investors seeking long-term capital growth with a medium tolerance for risk. 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 -4.8% during 2017.

Emerging markets found a firm footing as economies around the world began to improve, leading investors to move out of investments denominated in U.S. dollars. The U.S. dollar sold off in response. Oil price strength and interest rate increases from the Bank of Canada led the Canadian dollar to strengthen relative to the U.S. dollar.

Many developed equity markets around the world experienced volatility levels that were near record lows, punctuated by investment flows into index funds and algorithm-driven investment strategies.

In North America, precious metals equities experienced outflows although precious metals prices were favourable. Gold prices benefited as investors sought shelter in assets perceived as safer. The Sprott Gold & Precious Minerals Fund increased its exposure to Australian equities. The Manager also increased that fund’s exposure to producers generating strong cash flows from their assets while funding their growth organically. These companies, many of which have assets in Australia, outperformed the benchmark.

The Sprott Global Real Estate Fund’s overweight positioning in the specialized real estate investment trust (“REIT”), integrated telecommunications and IT consulting and other services sub-industries contributed to performance. The Sprott Global Real Estate Fund had an underweight positioning in the diversified REIT, health care REIT and residential REIT sub-industries. From a geographic perspective, overweight positioning in Canada, Spain and France contributed to performance. The Sprott Global Real Estate Fund had an underweight positioning in the U.S., Japan and Hong Kong.

The Sprott Global Infrastructure Fund’s overweight positioning in the information technology, real estate and financial sectors contributed to performance. The Sprott Global Infrastructure Fund had an underweight positioning in the utilities, industrials and energy sectors. From a geographic perspective, overweight positioning in Canada, the Netherlands and the U.S. contributed to performance. The Sprott Global Infrastructure Fund had an underweight positioning in Italy, Australia and Hong Kong.

The Sprott Energy Fund’s exposure to frac sand miners detracted from performance in the year owing to concerns about capacity additions, despite tight supply and rising prices. While the Manager of that fund sold the positions in U.S. frac sand companies, the position in Source Energy Services Ltd. was increased. Source Energy controls roughly 60% of the Canadian frac sand market, and Canadian exploration and production (“E&P”) companies are using greater amounts of frac sand on a per-well basis than U.S. companies.

The Fund’s net asset value decreased from \$20.5 million as at December 31, 2016 to \$10.2 million as at December 31, 2017. The decrease was primarily the result of net realized losses on investments of \$2.3 million and net share redemptions of \$8.5 million. The management expense ratio decreased from the prior period.

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Ninepoint Partners LP is the manager and portfolio advisor of the Fund. Prior to August 1, 2017, Sprott Asset Management LP was the manager and portfolio advisor of the Fund. Ninepoint Partners LP assumed the portfolio management of the Canadian diversified asset business of Sprott Asset Management LP on August 1, 2017.

Related Party Transactions

MANAGEMENT AND INCENTIVE FEES

The annual management fee payable by the Fund to the Manager, at an annual rate of 2.25% for Series A shares, 1.25% for Series F and as negotiated by the shareholders of Series I. To the extent that an underlying fund that is a Sprott mutual fund and pays a management fee to the Manager, the Fund does not duplicate management fees with respect to the investment in the underlying Sprott funds. The management fee is calculated and accrued daily and payable monthly based on the daily net asset value of the Fund. For the year ended December 31, 2017, the Fund incurred management fees of \$352,034 (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 Real Asset Class – Series A	60%	40%
Sprott Real Asset Class – Series F	100%	–

Out of the management fees that the Manager or former manager received from the Fund, the Manager or former manager paid trailer commissions of \$7,132 during the year ended December 31, 2017, to Sprott Private Wealth LP, an affiliate of the former manager.

There are no incentive fees charged to the Fund directly; however, the underlying Sprott funds may pay the Manager annually an incentive fee, calculated in accordance with the simplified prospectus of the underlying funds.

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 year ended December 31, 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.

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 year ended December 31, 2017 and the years shown.

The Fund's Net Assets per Share¹

	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014 ⁴
Series A	\$	\$	\$	\$
Net assets, beginning of period	10.15	9.84	10.45	10.00
Increase (decrease) from operations:				
Total revenue	0.21	1.80	0.32	0.14
Total expenses	(0.30)	(0.33)	(0.30)	(0.12)
Realized gains (losses) for the period	(1.44)	(0.38)	(0.02)	–
Unrealized gains (losses) for the period	0.79	(0.63)	(0.74)	0.61
Total increase (decrease) from operations²	(0.74)	0.46	(0.74)	0.63
Distributions:				
From income (excluding dividends)	–	–	–	–
Return of capital	0.33	0.32	0.34	0.16
Total annual distributions³	0.33	0.32	0.34	0.16
Net assets, end of period	9.32	10.15	9.84	10.45

	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014 ⁴
Series F	\$	\$	\$	\$
Net assets, beginning of period	10.42	9.99	10.49	10.00
Increase (decrease) from operations:				
Total revenue	0.21	1.33	0.31	0.14
Total expenses	(0.20)	(0.22)	(0.19)	(0.07)
Realized gains (losses) for the period	(1.71)	(0.39)	(0.00)	–
Unrealized gains (losses) for the period	0.81	(0.31)	(0.48)	0.59
Total increase (decrease) from operations²	(0.89)	0.41	(0.36)	0.66
Distributions:				
From income (excluding dividends)	–	–	–	–
Return of capital	0.34	0.32	0.34	0.16
Total annual distributions³	0.34	0.32	0.34	0.16
Net assets, end of period	9.69	10.42	9.99	10.49

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.

4 Information provided is for the period from July 17, 2014 (launch date) to December 31, 2014.

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Ratios and Supplemental Data

	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Series A				
Total net asset value (000s) ¹	\$8,976	\$16,258	\$12,072	\$5,564
Number of shares outstanding ¹	962,836	1,602,237	1,227,132	532,632
Management expense ratio ²	3.61%	4.23%	3.25%	3.07%
Management expense ratio before waivers or absorptions ³	3.61%	4.23%	3.25%	3.81%
Trading expense ratio ⁴	0.15%	0.05%	0.02%	0.02%
Portfolio turnover rate ⁵	159.29%	28.62%	40.12%	–
Net asset value per share ¹	\$9.32	\$10.15	\$9.84	\$10.45
Series F				
Total net asset value (000s) ¹	\$1,205	\$4,198	\$8,421	\$10,866
Number of shares outstanding ¹	124,413	402,815	843,265	1,035,841
Management expense ratio ²	2.47%	2.99%	2.12%	2.06%
Management expense ratio before waivers or absorptions ³	2.47%	2.99%	2.12%	3.09%
Trading expense ratio ⁴	0.15%	0.05%	0.02%	0.02%
Portfolio turnover rate ⁵	159.29%	28.62%	40.12%	–
Net asset value per share ¹	\$9.69	\$10.42	\$9.99	\$10.49

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

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. The Fund’s MER includes proportionate share of the MER of each underlying fund in which the Fund has invested.

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. As a result of the Fund’s investment in the Underlying Funds, the TER includes costs that are indirectly incurred by the Fund attributable to its investment in each of the Underlying Funds.

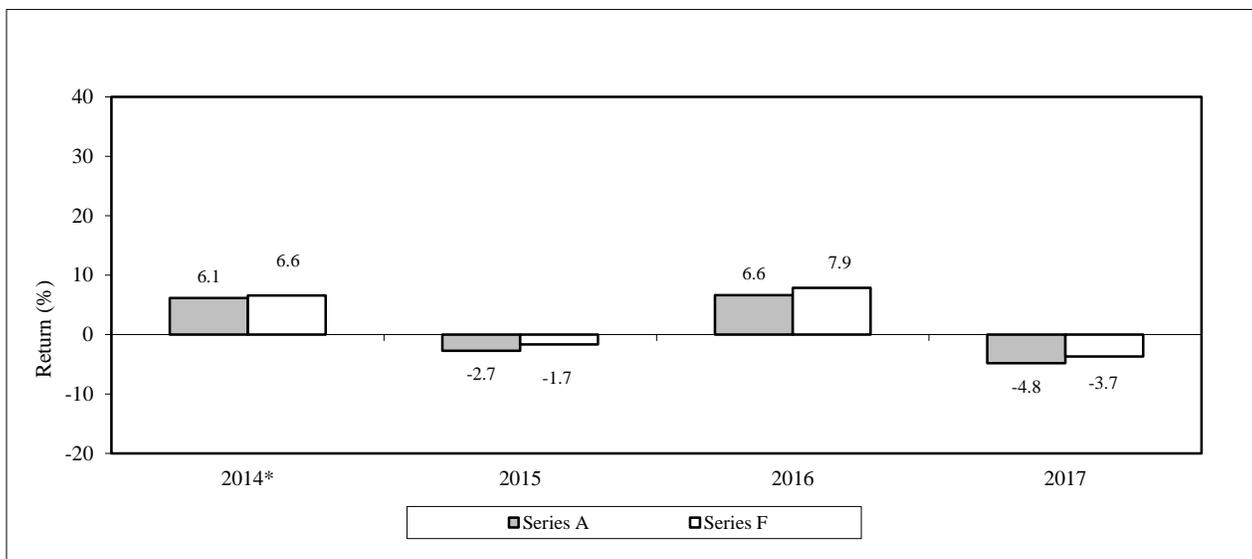
5 The Fund’s portfolio turnover rate indicates how actively the Fund’s portfolio advisor trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund’s portfolio 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 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 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 July 17, 2014 (launch date) to December 31, 2014 (not annualized).

Annual Compound Returns

The following table illustrates the annual compound total return for each Series of 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 Consumer Price Index plus 3%. The Consumer Price Index tracks the changes in the prices paid by urban consumers for a representative basket of goods and services. 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	3-Year	Since Inception*
Sprott Real Asset Class – Series A	-4.8%	-0.4%	1.4%
Sprott Real Asset Class – Series F	-3.7%	0.7%	2.5%
Consumer Price Index plus 3%	5.1%	4.6%	4.3%

* Since launch date of July 17, 2014 for Series A and F.

Summary of Investment Portfolio

As at December 31, 2017

Portfolio Allocation	% of Net Asset Value	All Long Positions Issuer	% of Net Asset Value
Long Positions		Sprott Energy Fund, Series I	26.8
Mutual Funds	98.5	Sprott Global Real Estate Fund, Series I	24.5
Bonds and Convertible Debentures	0.1	Sprott Global Infrastructure Fund, Series I	23.8
Total Long Positions	98.6	Sprott Gold and Precious Minerals Fund, Series I	23.4
Cash	1.6	Cash	1.6
Other Net Liabilities	(0.2)	Estrella International Energy Services Ltd., 4.00%, Dec 31, 2018	0.1
Total Net Asset Value	100.0	All long positions as a percentage of net asset value	100.2

The Fund held no short positions as at December 31, 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.ninepoint.com. In addition, the simplified prospectus and other information about the underlying funds are available on the internet at www.ninepoint.com or www.sedar.com.

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