

SPOTT FOCUS TRUST INC.

Form N-CSRS

August 30, 2018

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-05379

SPOTT FOCUS TRUST, INC.

(Exact name of registrant as specified in charter)

Royal Bank Plaza, South Tower

200 Bay Street, Suite 2600

Toronto, Ontario, Canada M5J 2J1

(Address of principal executive offices)

The Prentice-Hall Corporation System, MA

7 St. Paul Street, Suite 820

Baltimore, MD 21202

(Name and address of agent for service)

Registrant s telephone number, including area code: (760) 444-5297

Date of fiscal year end: December 31, 2018

Date of reporting period: January 1, 2018 June 30, 2018

Table of Contents

Item 1. Reports to Shareholders.

Table of Contents

June 30, 2018

Sprott Focus Trust

2018 Semi-Annual

Review and Report to Stockholders

sprottfocustrust.com

Table of Contents

Table of Contents

<u>Performance</u>	1
<u>Manager's Discussion of Fund Performance</u>	2
<u>History Since Inception</u>	6
<u>Distribution Reinvestment and Cash Purchase Options</u>	7
<u>Schedule of Investments and Other Financial Statements</u>	8
<u>Directors and Officers</u>	18
<u>Board and Stockholder Approvals of New Investment Advisory and Subadvisory Agreements</u>	19
<u>Notes to Performance and Other Important Information</u>	21

Managed Distribution Policy

The Board of Directors of Sprott Focus Trust, Inc. (the Fund) has authorized a managed distribution policy (MDP). Under the MDP, the Fund pays quarterly distributions at an annual rate of 6% of the average of the prior four quarter-end net asset values, with the fourth quarter being the greater of this annualized rate or the distribution required by IRS regulations. With each distribution, the Fund will issue a notice to its stockholders and an accompanying press release that provides detailed information regarding the amount and composition of the distribution (including whether any portion of the distribution represents a return of capital) and other information required by the Fund's MDP. You should not draw any conclusions about the Fund's investment performance from the amount of distributions or from the terms of the Fund's MDP. The Fund's Board of Directors may amend or terminate the MDP at any time without prior notice to stockholders.

Table of Contents

Performance

NAV Average Annual Total Returns

As of June 30, 2018 (%)

FUND	YTD¹	1-YR	3-YR	5-YR	10-YR	15-YR	20-YR	SINCE INCEPTION	INCEPTION DATE
Sprott Focus Trust	(1.71)	9.39	7.99	8.63	4.97	9.92	8.83	9.60	11/1/96 ²

INDEX

Russell 3000 ³	3.22	14.78	11.58	13.29	10.23	9.61	6.82	8.62
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¹Not annualized, cumulative Year-to-Date.²Royce & Associates, LLC served as investment adviser of the Fund from November 1, 1996 to March 6, 2015. After the close of business on March 6, 2015, Sprott Asset Management LP and Sprott Asset Management USA, Inc. became the investment adviser and investment sub-adviser, respectively, of the Fund.³Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group. The Russell 3000 index measures the performance of the largest 3,000 U.S. companies. The performance of an index does not represent exactly any particular investment, as you cannot invest directly in an index.**Important Performance and Risk Information**

All performance information reflects past performance, is presented on a total return basis, net of the Fund's investment advisory fee, and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at www.sprottfocusfund.com. The market price of the Fund's shares will fluctuate, so shares may be worth more or less than their original cost when sold.

The Fund is a closed-end registered investment company whose shares of common stock may trade at a discount to their net asset value. Shares of the Fund's common stock are also subject to the market risks of investing in the underlying portfolio securities held by the Fund.

The Fund's shares of common stock trade on the Nasdaq Select Market. Closed-end funds, unlike open-end funds, are not continuously offered. After the initial public offering, shares of closed-end funds are sold on the open market through a stock exchange. For additional information, contact your financial advisor or call (203) 656-2430. Investment policies, management fees and other matters of interest to prospective investors may be found in the closed-end fund prospectus used in its initial public offering, as revised by subsequent stockholder reports.

Table of Contents

MANAGER'S DISCUSSION

Sprott Focus Trust

Whitney George

DEAR FELLOW SHAREHOLDERS,

The first half of 2018 was very productive fundamentally for our portfolio but returns were somewhat mixed. Earnings growth and business expansion within our holdings were offset by multiple contractions, in some cases severe, creating new buying opportunities in some of our longest held and highest conviction ideas. For the six-month period, Sprott Focus Trust's net asset value declined 1.71%. This compares to a 3.22% gain for the Russell 3000 Index. On a brighter note, continued progress on narrowing the Fund's trading discount to its NAV, produced a positive total market return of 2.0% for the Fund during this period.

The bulk of Sprott Focus Trust's performance lag in the first half of 2018 can be attributed to a relatively flat start to the year. Many of our holdings achieved peak prices late in 2017 and failed to participate in the final melt-up phase during the first three weeks in January. Passive investors rushed into the largest, most heavily index-weighted stocks following the December passage of Trump's tax reform (the Tax Cut and Jobs Act) in what appears to have been a final buying capitulation. Since the market sell-off in late January/early February, Sprott Focus Trust's portfolio has performed more in line with the general market averages. However, leadership among U.S. equities has continued to further narrow to the point where all of this year's market gains can be attributed to just a handful of mega-cap technology companies. Amazon.com, Inc. alone is responsible for about nearly one-third of the S&P 500 Index's first-half gain. Microsoft Corporation and Apple Inc. combine for an additional 35%, and just another seven companies make up the rest of the S&P 500's rise. Meanwhile, nearly half the companies in the S&P 500 are down on a year-to-date basis.

Clearly, volatility has made a roaring comeback in 2018. Higher rates, political turmoil and trade wars are now producing daily market swings in the widely followed averages that we had observed in individual stocks last year, but were invisible to those watching and investing in broad indices. We believe the nine-year-old bull market is in a corrective phase that may persist for some time. Interest rates are rising and inflation is returning. While most are focused on the Federal Reserve's stated goal to raise the Fed's Fund rate 3 or 4 times this year, it is likely that the Quantitative Tightening (QT) program, which began last October, is having a larger impact on global liquidity. Few are aware that the attempt to shrink the Federal Reserve's \$4.5 trillion balance sheet is escalating every three months. What started as a \$10 billion per month program last fall is currently running at up to \$40 billion per month and headed for approximately \$50 billion come this October. While these numbers may seem

relatively small in the context of the Fed's balance sheet, the U.S. national debt and annual deficits are contributing in a growing way to global liquidity constraints. The negative effects have already been seen within the emerging markets, commodities sectors and some areas of domestic consumer lending. But as has happened in the past, these problems are on the periphery and judged to be contained.

As to inflation, it is already running well above the Federal Reserve's 2% target. It is hard to imagine that the escalating trade rhetoric and actual tariffs will not contribute to growing inefficiencies that will add fuel to that fire. Given this backdrop, we are not surprised that forward progress has become more challenging. We would like to

believe that the Federal Reserve will back down on its QT program before the effects become more broadly problematic. History suggests that this will not happen. We are hopeful that escalating trade wars are a product of the election cycle, but fear that President Trump is unique in his desire to keep campaign promises and that markets are still too complacent about this risk. What better time to be a value buyer? While the short-term results may not show it, conditions for long-term outperformance have rarely been this promising.

Activity

The vast majority of Sprott Focus Trust's portfolio activity in 2018's first half was dedicated to increasing exposure to some of our longest held, highest conviction positions. The market's correction early in the year, and the aftershocks that followed, created opportunities to rebuild holdings in companies that have historically been among the largest winners for the Fund at bargain valuations not seen since the 2009 financial crisis. The Fund's cash position, which stood at 6.2% yearend, was reduced to 3.8% as of June 30. Additionally, after two years of minimal action, we have started to see a resurgence of merger and acquisition (M&A) activity in the portfolio. Mergers and acquisitions have always been an important mechanism for value discovery. As we remarked in our 2017 annual letter, we had been surprised by the lack of M&A activity. In fact, many of our favorite portfolio companies had been acquirers during the last five years, most with tremendous outcomes. This tide now seems to have turned in our favor and is consistent with a mature phase of a bull market.

For the first half, our overall turnover has been low. Trailing 12-month churn was 25.52% as of June 30 which is consistent with our historical average and our three- to five-year investment horizon. As a reminder, low turnover helps reduce trading costs, market friction, costly mistakes and short-term capital gains tax, all consistent with our goal of producing strong absolute returns after taxes, fees and inflation.

Table of Contents

MANAGER'S DISCUSSION

Top Contributors to PerformanceYear-to-date through 6/30/18 (%)¹

Syntel Inc.	1.03
Kennedy-Wilson Holdings, Inc.	1.03
FRP Holdings, Inc.	0.77
Pason Systems Inc.	0.67
The Buckle, Inc.	0.57

¹ Includes dividends**Top Detractors from Performance**Year-to-date through 6/30/18 (%)¹

Thor Industries, Inc.	(1.12)
Federated Investors, Inc.	(0.98)
Sanderson Farms, Inc.	(0.90)
Franklin Resources, Inc.	(0.80)
Cirrus Logic, Inc.	(0.79)

¹ Net of dividends**Figure 1**

Sprott Focus Trust's top-five performers in the first half were Syntel, Kennedy-Wilson Holdings, FRP Holdings, Pason Systems and The Buckle. **Syntel**, a well-run multinational information technology (IT) services company headquartered in Michigan, was added to the portfolio in late 2016 and early 2017 as its shares slumped due to an earnings slowdown. We purchased shares starting at \$24 and continued buying as the share price dropped to \$16. With a long history of ownership of Syntel, we had a strong sense that the company would stabilize its earnings and recover over time. This year the recovery materialized, Syntel's stock rebounded and, very recently, management agreed to be acquired for \$41 per share. U.S.-based real estate investment companies **Kennedy-Wilson** and **FRP Holdings** have both initiated the process of monetizing long-held properties, some acquired during the financial crisis, which has exposed the market to previously unrecognized values. Kennedy-Wilson is now enjoying strong cash flow from rents, real estate asset management fees and mature property disposals. As a result, dividends are increasing and share buybacks are accelerating. FRP Holdings sold a collection of warehouse office holdings to a large REIT (real estate investment trust) for a price that was two-thirds of its then market cap, leaving the company with \$200 million in cash, some large ongoing development projects and more than 500 million tons of aggregate reserves that earn a growing royalty stream. **Pason Systems**, a Canadian energy technology company serving oil and gas drillers, reported recovering results due to increased activity in the U.S., with improvement in the Canadian energy market still to come. Rounding out the top five, **The Buckle**, like other retail positions in our portfolio, stopped deteriorating. The Buckle,

which operates 465 stores across the U.S., had reached a point where it was priced for extinction despite its profitable business, cash-rich balance sheet and robust dividend. In aggregate, these top-five contributors added just over 4% to the portfolio's returns before dividends.

During the first half, we added one new small position. **Smart Sand** is a small oil services company that sells specialty sand used in fracking oil and gas wells. We found Smart Sand's shares to be a compelling value at \$5 per share, given that the company had its initial public offering in 2016 at \$11 per share with a secondary offering in early 2017 at \$17.50. We also eliminated three positions in the first half of 2018: **Osisko Mining**, **CARBO Ceramics** and **MKS Instruments**. Osisko

and CARBO were never significant holdings but rather research and development ideas positioned at the bottom of our portfolio. Their removal funded additions to top investments. MKS Instruments was a large and important contributor to our success over the last few years and had reached a full and fair price. We would expect MKS to return to the portfolio at some point.

The top-five detractors to Sprott Focus Trust's performance in the first half of 2018 were: Thor Industries, Federated Investors, Sanderson Farms, Franklin Resources and Cirrus Logic. Although the combined cost to performance was 4.6% for the six-month period, more importantly, each company became an attractive purchase candidate. We have owned all five companies for many years and have high conviction about each of them. We took advantage of the share price corrections to refresh Sprott Focus Trust's portfolio with proven winners.

Portfolio Sector Breakdown

As of 6/30/18 (% of Net Assets)

Information Technology	18.9
Consumer Discretionary	15.8
Materials	15.1
Energy	13.0
Financial Services	12.6
Real Estate	9.4
Consumer Staples	8.3
Cash and Cash Equivalents	3.8
Health Care	1.7
Industrials	1.4
Total	100.0

Top 10 Positions

As of 6/30/18 (% of Net Assets)

Kennedy-Wilson Holdings, Inc.	4.7
Apple Inc.	4.6
Gentex Corporation	4.4
Lam Research Corporation	4.1
Pason Systems Inc.	4.1
Western Digital Corporation	4.0
Thor Industries, Inc.	4.0
Franklin Resources, Inc.	3.8
Cirrus Logic, Inc.	3.7
Helmerich & Payne, Inc.	3.6
Sub-Total	41.0

Figure 2**Positioning**

As of June 30, Sprott Focus Trust was fully invested with a cash position of 3.8%. While the portfolio's cash position has increased since midyear, we are still finding great reinvestment opportunities in the current environment. In our judgment, the market continues to

Table of Contents

MANAGER'S DISCUSSION

over-reward large-cap growth stories and stocks with momentum, while under-appreciating many great businesses. We currently own 42 of these fine businesses and have continued to concentrate our positions during the frequent market sell-offs. Our top sector weighting remains Information Technology (18.9%) which consists of several enabling hardware companies. We are amazed at the market's excitement over cloud computing, artificial intelligence, autonomous driving vehicles and blockchain technologies, while many of the hardware companies that will make these innovations a reality are trading at single-digit price-earnings multiples. Consumer Discretionary companies have risen to 15.8% of the portfolio. Materials are down slightly to 15.1% due to generally weak commodities prices. Energy (13.0%) and Financial Services (12.6%) round out the top-five sectors. We remain underweight in Health Care (1.7%) and Industrials (1.4%).

For those who have tracked the top-ten holdings of Sprott Focus Trust, you may notice that Cal-Maine Foods and Federated Investors have been replaced by Lam Research and Cirrus Logic. These two new top holdings are great examples of the previously mentioned technology enablers.

The metrics that follow in the portfolio diagnostics table in Figure 3 are all consistent with prior year figures, with dividend yield, return on invested capital, and leverage ratios all improving at the margin. Statistically, we have a very strong portfolio lacking only high momentum stocks.

Portfolio Diagnostics

As of 6/30/18

Fund Net Assets	\$221.2 million
Number of Holdings	47
Trailing Annual Turnover	25.52%
Net Asset Value	\$8.50
Market Price	\$7.82
Average Market Capitalization ¹	\$4.6 billion
Weighted Average P/E Ratio ^{2,3}	18.2x
Weighted Average P/B Ratio ²	2.3x
Weighted Average Yield	2.2%
Weighted Average ROIC	20.86%
Weighted Average Leverage Ratio	1.87x
Holdings ³ 75% Total Investments	26
U.S. Investments (% of Net Assets)	68.1%
Non-U.S. Investments (% of Net Assets)	31.9%

Figure 3

¹ **Geometric Average.** This weighted calculation uses each portfolio holding's market cap in a way designed to not skew the effect of very large or small holdings; instead, it aims to better identify the portfolio's center, which Sprott believes offers a more accurate measure of average market cap than a simple mean or median.

² **Harmonic Average.** This weighted calculation evaluates a portfolio as if it were a single stock and measures it overall. It compares the total market value of the portfolio to the portfolio's share in the earnings or book value, as the case may be, of its underlying stocks.

³ The Fund's P/E ratio calculation excludes companies with zero or negative earnings (15% of portfolio holdings as of 6/30/18).

Outlook

While we touched on many of our concerns at the beginning of this letter, there are some compelling offsets to the wall of worry that has been created by daily news headlines and tweets. The U.S. economy continues to grow for now. Rising interest rates are beginning to apply some capital discipline to the markets even though it is barely perceptible at this stage. M&A activity has picked up, and based on vast sums raised by private equity in recent years, is likely to continue. Share repurchases have reached staggering levels. My partner, Trey Reik, pointed out in his July letter that share buybacks in the second quarter of this year exceeded their previous quarterly record by 80% totaling \$436.6 billion. The equity pie is clearly shrinking. While Trey was pointing out the continuous buildup of leverage in the financial system, our focus has remained on disciplined capital allocators who have been returning excess balance sheet cash and free cash flow at very attractive absolute valuations.

We are certain that the return of volatility is here to stay. We believe that the sustainability of \$1 trillion a year deficits in combination with Federal Reserve balance sheet reduction will come into question shortly. We have learned that it is President Trump's practice to turn every problem into a crisis in order to find a resolution. We continue to maintain, as we have for the past year and a half, that wherever we are headed, President Trump will get us there faster.

After a decade of relative underperformance as active value investors, it is easy to question the relevance of our strategy. As a business buyer, however, it would be hard to imagine any other approach to investing. Many thanks to all our fellow shareholders for your continued interest and support.

Sincerely,

Whitney George

July 30, 2018

The views expressed above reflect those of Mr. George only through the end of the period as stated on the cover of this report and do not necessarily represent the views of Sprott Asset Management USA, Inc. or any other person in the Sprott organization. Any such views are subject to change at any time based upon market or other conditions and Sprott disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for the Sprott Focus Trust are based on numerous factors, may not be relied on as an indication of trading intent on behalf of the Sprott Focus Trust.

Table of Contents

PERFORMANCE AND PORTFOLIO REVIEW

SYMBOLS MARKET PRICE FUND NAV
XFUNX**Average Annual Total Return (%) Through 6/30/18**

	JAN-JUN 2018*	1-YR	3-YR	5-YR	10-YR	15-YR	20-YR	SINCE INCEPTION (11/1/96) ¹
FUND (NAV)	(1.71)	9.39	7.99	8.63	4.97	9.92	8.83	9.60

*Not Annualized

Relative Returns: Monthly Rolling Average Annual Return Periods¹

15 Years through 6/30/18

On a monthly rolling basis, the Fund outperformed the Russell 3000 in 67% of all 10-year periods; 63% of all 5-year periods; 54% of all 3-year periods; and 54% of all 1-year periods.

* Average of monthly rolling average annual total returns over the specified periods.

Market Price Performance History Since Inception (11/1/96)¹Cumulative Performance of Investment²

Description	1 Month	QTD	YTD	1-YR	2-YR	3-YR	5-YR	10-YR	15-YR	20-YR	SINCE INCEPTION
Sprott Focus Trust (MKT TR)	(0.29)	2.01	1.96	14.15	38.81	34.66	52.50	50.01	317.69	484.50	708.98
Sprott Focus Trust (MKT Price)	(1.88)	0.39	(1.26)	6.11	21.81	10.45	12.03	(11.44)	15.51	42.18	78.74

- ¹ Royce & Associates, LLC served as investment adviser of the Fund from November 1, 1996 to March 6, 2015. After the close of business on March 6, 2015, Sprott Asset Management LP and Sprott Asset Management USA, Inc. became the investment adviser and investment sub-adviser, respectively, of the Fund.
- ² Reflects the cumulative performance experience of a continuous common stockholder who reinvested all distributions and fully participated in the primary subscription of the Fund's 2005 rights offering.
- ³ Reflects the actual month-end market price movement of one share as it has traded on Nasdaq.

Calendar Year Total Returns (%)

YEAR	FUND (NAV)
2017	18.5
2016	24.8
2015	-11.1
2014	0.3
2013	19.7
2012	11.4
2011	-10.5
2010	21.8
2009	54.0
2008	-42.7
2007	12.2
2006	15.8
2005	13.7
2004	29.3
2003	54.3
2002	-12.5
2001	10.0
2000	20.9
1999	8.7

Important Performance and Risk Information

All performance information reflects past performance, is presented on a total return basis, and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at www.SprottFocusTrust.com. The market price of the Fund's shares will fluctuate, so shares may be worth more or less than their original cost when sold. The Fund normally invests primarily in small/mid cap companies, which may involve considerably more risk than investing in larger-cap companies. The Fund also generally invests a significant portion of its assets in a limited number of stocks, which may involve considerably more risk than a broadly diversified portfolio because a decline in the value of any one of these stocks would cause the Fund's overall value to

decline to a greater degree. Regarding the Top Contributors and Top Detractors tables shown on page 3, the sum of all contributors to, and all detractors from, performance for all securities in the portfolio would approximate the Fund's performance for 2018 to date.

Table of Contents

History Since Inception

The following table details the share accumulations by an initial investor in the Funds who reinvested all distributions and participated fully in primary subscriptions for each of the rights offerings. Full participation in distribution reinvestments and rights offerings can maximize the returns available to a long-term investor. This table should be read in conjunction with the Performance and Portfolio Reviews of the Funds.

HISTORY	AMOUNT REINVESTED	ACQUISITION PRICE	SHARES	NAV VALUE	MARKET VALUE²	
10/31/96	Initial Purchase	\$ 4,375	\$ 4.375	1,000	\$ 5,280	\$ 4,375
12/31/96					5,520	4,594
12/5/97	Distribution \$0.53		5.250	101	6,650	5,574
12/31/98					6,199	5,367
12/6/99	Distribution \$0.145		4.750	34	6,742	5,356
12/6/00	Distribution \$0.34		5.563	69	8,151	6,848
12/6/01	Distribution \$0.145		6.010	28	8,969	8,193
12/6/02	Distribution \$0.09		5.640	19	7,844	6,956
12/8/03	Distribution \$0.62		8.250	94	12,105	11,406
2004	Annual distribution total \$1.74		9.325	259	15,639	16,794
5/6/05	Rights offering	2,669	8.340	320		
2005	Annual distribution total \$1.21		9.470	249	21,208	20,709
2006	Annual distribution total \$1.57		9.860	357	24,668	27,020
2007	Annual distribution total \$2.01		9.159	573	27,679	27,834
2008	Annual distribution total \$0.47 ³		6.535	228	15,856	15,323
3/11/09	Distribution \$0.09 ³		3.830	78	24,408	21,579
12/31/10					29,726	25,806
2011	Annual distribution total \$0.41 ³		6.894	207	26,614	22,784
2012	Annual distribution total \$0.46		6.686	255	29,652	25,549
2013	Annual distribution total \$0.40		7.222	219	35,501	31,166
2014	Annual distribution total \$0.42		7.890	222	35,617	31,348
2015	Annual distribution total \$0.44		6.655	296	31,657	26,726
2016	Annual distribution total \$0.40		6.609	287	36,709	31,423
2017	Annual distribution total \$0.52		7.603	345	46,794	41,502
2018	Year-to-date distribution total \$0.26		7.955	171	45,996	42,317
6/30/2018		\$ 7,044		5,411		

- ¹ The purchase price used for annual distribution totals is a weighted average of the distribution reinvestment prices for the year.
- ² Values are stated as of December 31 of the year indicated, after reinvestment of distributions.
- ³ Includes a return of capital.

6 | 2018 Semi-Annual Report to Stockholders

Table of Contents

Distribution Reinvestment and Cash Purchase Options

Why should I reinvest my distributions?

By reinvesting distributions, a stockholder can maintain an undiluted investment in the Fund. The regular reinvestment of distributions has a significant impact on stockholder returns. In contrast, the stockholder who takes distributions in cash is penalized when shares are issued below net asset value to other stockholders.

How does the reinvestment of distributions from the Fund work?

The Fund automatically issues shares in payment of distributions unless you indicate otherwise. The shares are generally issued at the lower of the market price or net asset value on the valuation date.

How does this apply to registered stockholders?

If your shares are registered directly with the Fund, your distributions are automatically reinvested unless you have otherwise instructed the Fund's transfer agent, Computershare, in writing, in which case you will receive your distribution in cash. A registered stockholder also may have the option to receive the distribution in the form of a stock certificate.

What if my shares are held by a brokerage firm or a bank?

If your shares are held by a brokerage firm, bank, or other intermediary as the stockholder of record, you should contact your brokerage firm or bank to be certain that it is automatically reinvesting distributions on your behalf. If they are unable to reinvest distributions on behalf, you should have your shares registered in your name in order to participate.

What other features are available for registered stockholders?

The Distribution Reinvestment and Cash Purchase Plan also allows registered stockholders to make optional cash purchases of shares of the Fund's common stock directly through Computershare on a monthly basis, and to deposit certificates representing your FUND shares with Computershare for safekeeping. Plan participants are subject to a \$0.75 service fee for each voluntary cash purchase under the Plans.

How does the Plan work for registered stockholders?

Computershare maintains the accounts for registered stockholders in the Plan and sends written confirmation of all transactions in the account. Shares in the account of each participant will be held by Computershare in non-certificated form in the name of the participant, and each participant will be able to vote those shares at a stockholder meeting or by proxy. A participant may also send stock certificates for FUND held by them to Computershare to be held in non-certificated form. There is no service fee charged to participants for reinvesting distributions. If a participant elects to sell shares from a Plan account, Computershare will deduct a \$2.50 service fee from the sale transaction. If a nominee is the registered owner of your shares, the nominee will maintain the accounts on your behalf.

How can I get more information on the Plan?

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You can call an Investor Services Representative at (203) 656-2430 or you can request a copy of the Plan for your Fund from Computershare. All correspondence (including notifications) should be directed to: Sprott Focus Trust Distribution Reinvestment and Cash Purchase Plan, c/o Computershare, PO Box 30170, College Station, TX 77842-3170, telephone (800) 426-5523 (from 9:00 A.M. to 5:00 P.M.).

2018 Semi-Annual Report to Stockholders | 7

Table of Contents

Sprott Focus Trust

June 30, 2018 (unaudited)

Schedule of Investments

Common Stocks 96.2%

	SHARES	VALUE
CONSUMER DISCRETIONARY 15.8%		
AUTO COMPONENTS 4.4%		
Gentex Corp.	420,000	\$ 9,668,400
AUTOMOBILES 4.0%		
Thor Industries, Inc.	90,000	8,765,100
HOUSEHOLD DURABLES 1.1%		
Garmin Ltd.	40,000	2,440,000
SPECIALTY RETAIL 6.3%		
Buckle, Inc. (The) ¹	195,000	5,245,500
GameStop Corp. Cl. A ¹	330,000	4,808,100
Williams-Sonoma, Inc. ¹	65,000	3,989,700
		14,043,300
Total (Cost \$29,036,243)		34,916,800
CONSUMER STAPLES 8.3%		
FOOD PRODUCTS 8.3%		
Cal-Maine Foods, Inc. ²	150,000	6,877,500
Industrias Bachoco SAB de CV ADR ¹	70,000	4,034,100
Sanderson Farms, Inc. ¹	70,000	7,360,500
		18,272,100
Total (Cost \$12,231,285)		18,272,100
ENERGY 13.0%		
ENERGY EQUIPMENT & SERVICES 9.6%		
Helmerich & Payne, Inc.	125,000	7,970,000
Pason Systems, Inc.	550,000	9,003,156
Smart Sand, Inc. ^{1,2}	350,000	1,858,500
TGS Nopec Geophysical Co. ASA	65,000	2,394,298
		21,225,954
OIL, GAS & CONSUMABLE FUELS 3.4%		
Birchcliff Energy Ltd.	600,000	2,199,825
Exxon Mobil Corp.	65,000	5,377,450
		7,577,275
Total (Cost \$24,595,651)		28,803,229
FINANCIALS 12.6%		

CAPITAL MARKETS 11.3%		
Artisan Partners Asset Management, Inc. Cl. A	160,000	4,824,000
Ashmore Group plc	850,000	4,184,269
Federated Investors, Inc. Cl. B	180,000	4,197,600
Franklin Resources, Inc.	265,000	8,493,250
Value Partners Group Ltd.	4,300,000	3,398,083
		25,097,202
DIVERSIFIED FINANCIAL SERVICES 1.3%		
Berkshire Hathaway, Inc. Cl. B ²	15,000	2,799,750
Total (Cost \$27,829,413)		27,896,952
HEALTH CARE 1.7%		
BIOTECHNOLOGY 1.7%		
Amgen, Inc.	20,000	3,691,800
Total (Cost \$3,267,632)		3,691,800
INDUSTRIALS 1.4%		
MARINE 1.4%		
Clarkson plc	100,000	3,035,426
Total (Cost \$2,938,294)		3,035,426
Schedule of Investments		
	SHARES	VALUE
INFORMATION TECHNOLOGY 18.9%		
COMPUTERS & PERIPHERALS 8.7%		
Apple, Inc.	55,500	\$ 10,273,605
Western Digital Corp.	115,000	8,902,150
		19,175,755
IT SERVICES 2.4%		
Syntel, Inc. ²	165,000	5,294,850
SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT 7.8%		
Cirrus Logic, Inc. ²	215,000	8,240,950
Lam Research Corp.	52,500	9,074,625
		17,315,575
Total (Cost \$27,804,038)		41,786,180
MATERIALS 15.1%		
CHEMICALS 1.0%		
Westlake Chemical Corp.	20,000	2,152,600
METALS & MINING 14.1%		
Agnico Eagle Mines Ltd.	85,000	3,895,550
Fortuna Silver Mines, Inc. ^{1,2}	480,000	2,726,400
Franco-Nevada Corp.	45,000	3,285,900
Fresnillo plc	195,000	2,942,812
Hochschild Mining plc	1,000,000	2,514,125
Major Drilling Group International, Inc. ²	400,000	2,111,589

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Pan American Silver Corp.	210,000	3,759,000
Pretium Resources, Inc. ^{1,2}	380,000	2,789,200
Randgold Resources Ltd. ADR ¹	55,000	4,239,950
Seabridge Gold, Inc. ^{1,2}	275,000	3,066,250
		31,330,776
Total (Cost \$27,249,564)		33,483,376
REAL ESTATE 9.4%		
REAL ESTATE MANAGEMENT & DEVELOPMENT 9.4%		
FRP Holdings, Inc. ²	100,000	6,475,000
Kennedy-Wilson Holdings, Inc.	495,000	10,469,250
Marcus & Millichap, Inc. ²	100,000	3,901,000
		20,845,250
Total (Cost \$13,492,358)		20,845,250
TOTAL COMMON STOCKS		
(Cost \$168,444,478)		212,731,113
MISCELLANEOUS 0.0%		
CONSUMER DISCRETIONARY 0.0%		
Ferroglobe Representation & Warranty Insurance Trust ²	400,000	0
Total (Cost \$0)		0
REPURCHASE AGREEMENT 3.9%		
Fixed Income Clearing Corporation, 0.35% dated 6/29/18, due 7/2/18, maturity value \$8,651,252 (collateralized by obligations of a U.S. Treasury Bond, 1.750% due 11/30/21, valued at \$8,825,633)		8,651,000
Total (Cost \$8,651,000)		8,651,000

8 | 2018 Semi-Annual Report to Stockholders

Table of Contents

Sprott Focus Trust (continued)

Schedule of Investments (continued)

	SHARES	VALUE
SECURITIES LENDING COLLATERAL 3.5%		
State Street Navigator Securities Lending Government Money Market Portfolio ³	7,749,615	\$ 7,749,615
Total (Cost \$7,749,615)		7,749,615
TOTAL INVESTMENTS 103.6%		
(Cost \$184,845,093)		229,131,728
LIABILITIES LESS CASH AND OTHER ASSETS (3.6%)		(7,942,890)
NET ASSETS 100.0%		\$ 221,188,838

¹ Security (or a portion of the security) is on loan. As of June 30, 2018, the market value of securities loaned was \$25,348,121. The loaned securities were secured with cash collateral of \$7,749,615 and non-cash collateral with a value of \$18,216,464. The non-cash collateral received consists of equity securities, and is held for the benefit of the Fund at the Fund's custodian. The Fund cannot repledge or resell this collateral. Collateral is calculated based on prior day's prices.

² Non-Income producing.

³ Represents an investment of securities lending cash collateral.

2018 Semi-Annual Report to
Stockholders | 9

Table of Contents

Sprott Focus Trust

June 30, 2018 (unaudited)

Statement of Assets and Liabilities

ASSETS:	
Investments at value	\$ 220,480,728
Repurchase agreements (at cost and value)	8,651,000
Foreign currencies at value	60,491
Cash	30
Receivable for investments sold	175,923
Receivable for dividends and interest	339,982
Receivable for securities lending income	27,329
Prepaid expenses and other assets	8,451
Total Assets	229,743,934
LIABILITIES:	
Obligation to return securities lending collateral	7,749,615
Payable for investments purchased	315,666
Payable for investment advisory fee	235,868
Accrued expenses	253,947
Total Liabilities	8,555,096
Net Assets	\$ 221,188,838
ANALYSIS OF NET ASSETS:	
Paid-in capital - \$0.001 par value per share; 26,024,633 shares outstanding (150,000,000 shares authorized)	\$ 171,066,652
Undistributed net investment income (loss)	5,070,328
Accumulated net realized gain (loss) on investments and foreign currency	7,380,527
Net unrealized appreciation (depreciation) on investments and foreign currency	44,287,482
Quarterly distributions	(6,616,151)
Net Assets (net asset value per share \$8.50)	\$ 221,188,838
Investments (excluding repurchase agreements) at identified cost	\$ 176,194,093
Foreign Currencies at Cost	\$ 59,952
Market Value of securities on loan	\$ 25,348,121

10 | 2018 Semi-Annual Report to
Stockholders**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART
OF THESE FINANCIAL STATEMENTS**

Table of Contents

Sprott Focus Trust

June 30, 2018 (unaudited)

Statement of Operations**INVESTMENT INCOME:****INCOME:**

Dividends	\$ 4,071,225
Foreign withholding tax	(43,109)
Interest	13,900
Securities lending	234,898
Total Income	4,276,914

EXPENSES:

Investment advisory fees	1,113,959
Stockholders reports	23,018
Custody and transfer agent fees	23,504
Directors fees	16,367
Audit fees	18,448
Legal fees	100,000
Administrative and office facilities	27,194
Other expenses	22,296
Total expenses	1,344,786

Expense reimbursement	(8,035)
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Net expenses	1,336,751
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Net Investment Income (loss)	2,940,163
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REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:**NET REALIZED GAIN (LOSS):**

Investments	5,327,205
Foreign currency transactions	(16,379)

NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION):

Investments and foreign currency translations	(12,460,242)
Other assets and liabilities denominated in foreign currency	(1,915)

Net realized and unrealized gain (loss) on investments and foreign currency	(7,151,331)
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NET INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS	\$ (4,211,168)
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**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART
OF THESE FINANCIAL STATEMENTS**

2018 Semi-Annual Report to
Stockholders | 11

Table of Contents

Sprott Focus Trust

June 30, 2018 (unaudited)

Statement of Changes

	SIX MONTHS ENDED JUNE 30, 2018 (UNAUDITED)	YEAR ENDED DEC. 31, 2017
INVESTMENT OPERATIONS:		
Net investment income (loss)	\$ 2,940,163	\$ 2,352,557
Net realized gain (loss) on investments and foreign currency	5,310,826	13,049,114
Net change in unrealized appreciation (depreciation) on investments and foreign currency	(12,462,157)	20,135,033
Net increase (decrease) in net assets from investment operations	(4,211,168)	35,536,704
DISTRIBUTIONS:		
Net investment income		(2,123,800)
Net realized gain on investments and foreign currency		(10,849,950)
Quarterly distributions ¹	(6,616,151)	
Total Distributions	(6,616,151)	(12,973,750)
CAPITAL SHARE TRANSACTIONS:		
Reinvestment of distributions	4,024,175	8,122,566
Total capital stock transactions	4,024,175	8,122,566
Net increase (decrease) in Net Assets	(6,803,144)	30,685,520
Net Assets		
Beginning of period	227,991,982	197,306,462
End of period (including undistributed net investment income (loss) of \$5,070,328 at 6/30/18 and \$2,130,165 at 12/31/17)	\$ 221,188,838	\$ 227,991,982

¹ To be allocated to net investment income, net realized gains and/or return of capital at year end.

12 | 2018 Semi-Annual Report to
Stockholders

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART
OF THESE FINANCIAL STATEMENTS**

Table of Contents

Sprott Focus Trust

June 30, 2018 (unaudited)

Financial Highlights

This table is presented to show selected data for a share of Common Stock outstanding throughout each period, and to assist stockholders in evaluating the Fund's performance for the periods presented.

	SIX MONTHS ENDED JUNE 30, 2018											
	YEAR ENDED		YEAR ENDED		YEAR ENDED		YEAR ENDED					
	(UNAUDITED)		DEC. 31, 2017		DEC. 31, 2016		DEC. 31, 2015					
	\$	8.93	\$	8.07	\$	6.87	\$	8.26				
	\$	8.68	\$	7.66								
Net Asset Value, Beginning of Period	\$	8.93	\$	8.07	\$	6.87	\$	8.26	\$	8.68	\$	7.66
INVESTMENT OPERATIONS:												
Net investment income (loss) ¹	0.11	0.09	0.14	0.11	0.07	0.05						
Net realized and unrealized gain (loss) on investments and foreign currency	(0.26)	1.33	1.50	(1.02)	(0.04)	1.40						
Net Increase (Decrease) in Net Assets Applicable to Common Stockholders from Investment Operations	(0.15)	1.42	1.64	(0.91)	0.03	1.45						
DISTRIBUTIONS TO COMMON STOCKHOLDERS:												
Net investment income	(0.09)	(0.10)	(0.10)	(0.08)	(0.05)							
Net realized gain on investments and foreign currency	(0.43)	(0.30)	(0.34)	(0.34)	(0.35)							
Quarterly distributions ²	(0.26)											
Total distributions to Common Stockholders	(0.26)	(0.52)	(0.40)	(0.44)	(0.42)	(0.40)						
CAPITAL STOCK TRANSACTIONS:												
Effect of reinvestment of distributions by Common Stockholders	(0.02)	(0.04)	(0.04)	(0.04)	(0.03)	(0.03)						
Total capital stock transactions	(0.02)	(0.04)	(0.04)	(0.04)	(0.03)	(0.03)						
Net Asset Value, End of Period	\$	8.50	\$	8.93	\$	8.07	\$	6.87	\$	8.26	\$	8.68
	\$	7.82	\$	7.92	\$	6.94	\$	5.80	\$	7.27	\$	7.62

**Market Value, End of
Period**TOTAL RETURN:³

Net Asset Value	(1.71)% ⁴	18.46%	24.83%	(11.12)%	0.32%	19.73%
Market Value	1.96% ⁴	22.17%	27.16%	(14.74)%	0.58%	21.99%

RATIOS BASED ON
AVERAGE NET ASSETS
APPLICABLE TO
COMMON
STOCKHOLDERS:

Investment Advisory fee expense	1.00% ⁵	1.00%	1.00%	1.00%	1.00%	1.00%
Other operating expenses	0.21% ⁵	0.26%	0.28%	0.26%	0.15%	0.17%
Net expenses ⁶	1.20% ⁵	1.20%	1.20%	1.19%	1.15%	1.17%
Expenses prior to balance credits	1.21% ⁵	1.26%				