



MANAGEMENT REPORT OF FUND PERFORMANCE

NORREP SHORT TERM INCOME FUND

For the six months ended June 30, 2017

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NORREP SHORT TERM INCOME FUND

This interim management report of fund performance contains financial highlights but does not contain the interim financial statements of the investment fund. You can get a copy of the Fund's financial statements at your request, and at no cost, by calling toll free (877) 531-9355, by writing us at 1100, 606 - 4th Street SW Calgary, Alberta T2P 1T1 or by visiting our website at www.norrep.com or SEDAR at www.sedar.com.

Security holders 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.

RESULTS OF OPERATIONS

For the six-month period ended June 30, 2017, the Series A and Series F of the Fund generated returns of 1.6% and 1.9%, respectively. The return for the Series I was 2.3%. The U.S. dollar denominated series, Series A (H) and Series F (H) generated returns of 1.6% and 1.9%, respectively during the same period. The Fund's benchmark, 50% FTSE TMX Short Term Bond Index plus 30% Credit Suisse Leveraged Loan Index plus 20% Merrill Lynch Canada High Yield Canadian Issuer's Index, returned 1.9% during the same period.

As at June 30, 2017, the Fund's portfolio had an internal weighted-average yield-to-maturity of 5.1% and modified duration of 1.7. The portfolio's investments were primarily in floating rate senior loans (40.8%), high yield corporate bonds (47.4%) and investment grade corporate bonds (1.2%) with the remainder in cash. The Fund tactically invests in a blend of floating rate loans, high yield and investment grade corporate bonds, and government bonds with the goal of maintaining duration below three. We believe the ability to invest in both loans and bonds allows us to manage interest rate risk accordingly. The mix of loans and bonds provides protection during periods of rising rates, but also allows for capital appreciation through the bonds during periods of flat or declining rates. We continue to focus on short duration fixed-income instruments backed by strong companies with reasonable financial leverage and covenant protection where possible. We are active in the new issue market but also participate in the secondary market to ensure adequate weightings in any given security and to take advantage of mispriced and orphaned securities.

The U.S. non-investment grade credit market, as defined by the Merrill Lynch US High Yield Index ("H0A0") is up 4.9% YTD in total return with similar performance across ratings (4.6%, 4.1%, and 6.3%, for BB, B and CCC, respectively). This contrasts with 2016, when beta significantly outperformed (2016 CCC total return of 33.5% vs. 13.7% for BBs). CCCs started the year strongly, outperforming by as much as 2.3% through early March, but suffered in June in conjunction with the decrease in oil prices. Excluding energy, CCC total returns would be higher by approximately 2-3% YTD. While CCCs outperformed in absolute terms, returns adjusted for volatility tell a different story, with CCC returns per volatility underperforming compared to higher quality credits.

U.S. loans, as delineated by the Credit Suisse Leverage Loan Index ("CSLLLTOT"), underperformed the U.S. high yield market, but still generated a solid positive return of 2.0% YTD.

The performance in the first half of 2017 was primarily driven by renewed confidence that the U.S. and Canadian economies are directionally positive, supported by solid economic data and constructive results in the first and second quarters. In addition, inflation remained benign, at or below the 2% target for both the Fed and Bank of Canada. High Yield bond spreads continued to tighten as well, generating further positive performance. Finally,

RESULTS OF OPERATIONS (continued)

defaults continued to decrease (continuing the trend from late 2016) as stability in the energy prices and markets helped to steady the financial condition of companies across the sector (recall that oil & gas companies make up a reasonably significant portion, approximately 13.5% as of June 30, 2017, of total high yield bonds outstanding).

In our view economic growth prospects continue to look benign, at least for the short term. However, given yields and spreads have rallied significantly since mid-February 2016, we believe the leveraged loan and high yield bond markets have largely priced in the good news at this point. We expect default rates should remain low (they peaked in October 2016 near 6%, with defaults highly concentrated in the Energy and Metals & Mining sectors, but have since declined to 3.8% by the end of June 2017) as the Energy sector recovered and stabilized. After a strong showing in the first half of 2017, we expect the pace of fund flows into non-investment grade credit to flatten. While investors will likely continue to find loans attractive as they seek the protection against rising interest rates that the asset class provides, the high yield bond market may see new issuance slow a little as the wave of refinancing may have run its course. While overall market leverage remains elevated (at approximately 4.5x average Debt / EBITDA) it has remained relatively flat, if not moderately trended downwards for 3 consecutive Quarters and interest coverage metrics remain relatively healthy. Rising interest rates will likely be the largest headwind for U.S. high yield for the remainder of this year and the first half of 2018, in our view. We continue to believe there will be one further rate increase by the Federal Reserve this year, and two more in 2018. As a result, we think the high yield bond market will generate a coupon-like return in 2017 with limited capital gains. However, the market will continue to experience periods of heightened volatility in our view.

We believe the Fund is well positioned to withstand this volatility and potentially take advantage of any downward movement in either the high yield or loan markets. The Fund continues to hold a sizable allocation (39%) of floating rate senior loans, which helps in periods of rising interest rates, and keep the duration low. As mentioned above, we believe it will not be a year of capital / price appreciation, more of coupon-like returns, however we will continue to look to opportunistically deploy capital in investments with attractive risk-return characteristics.

While we are generally constructive on the U.S. economy short-term, and momentum has been positive, we believe we are in the later stages of the credit cycle (as indicated by elevated leverage, a less accommodative Fed, and spreads that are at or slightly below long-term averages). As a result, we are positioned with a defensive bias, with a moderately higher cash balance (to take advantage of any substantive pullbacks in the market), and lower duration bonds. We favour stable and improving credit, focusing on higher quality and higher liquidity parts of the market.

For the six months ended June 30, 2017, the Fund earned dividend and interest income in the amount of \$135,994 and \$2,284,066, respectively. The change in unrealized depreciation in current value of investments was a decrease of \$3,724,945 and the change in unrealized appreciation on derivative instruments was an increase of \$2,365,480. The realized gain on investments was \$1,642,818 and the realized loss on derivative instruments was \$716,978. Management fees of \$201,668 were paid. General and administrative costs of \$208,356, related to the operation of the Fund were also incurred and a withholding tax recovery of \$21,409 was also reported. As a result of the above, the increase in net assets attributable to holders of redeemable units was \$1,597,820. Net assets attributable to holders of redeemable units at the beginning of the period were \$95,268,612. Proceeds from the sale of units were \$24,325,490; reinvestment of distributions was \$1,357,642 and redemptions were \$15,597,375. Distributions declared to holders of redeemable units were \$1,799,418. By June 30, 2017, the Fund had net assets attributable to holders of redeemable units of \$105,152,771.

RECENT DEVELOPMENTS

On July 4, 2017, the MF Series and MF Series (H) were renamed as Series A and Series A (H), respectively.

Future accounting pronouncements:

IFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets. The standard contains two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also introduces new requirements to address the impairment of financial assets.

The mandatory effective date of IFRS 9 for the Fund is for the fiscal year beginning January 1, 2018.

Based on the initial assessment of the Manager, the standard is not expected to have a material impact on the Fund.

RELATED PARTY TRANSACTIONS

Management fees of \$201,668 were paid to Norrep Capital Management Ltd. ("Norrep"), the Fund's Manager and Portfolio Manager. Management fees are 1.25% for Series A and Series A (H), and 0.75% for Series F and Series F (H), of the series net asset value of the Fund and are calculated and paid monthly. In addition, administrative fees of \$59,864 were paid to Norrep. Administration fees are charged by Norrep at or below cost. They relate to accounting, trading, record keeping, compliance and other administrative costs.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund's Series A units and are intended to help you understand the Fund's financial performance for the fiscal periods indicated. This information is derived from the Fund's audited year-end financial statements and unaudited interim financial statements.

Net asset value (NAV) per unit⁽¹⁾ – Series A	2017	2016	2015	2014	2013
Net Asset Value, beginning of period	\$9.26	\$9.27	\$9.66	\$10.04	\$10.07
Increase (decrease) from operations:					
Total revenue	0.24	0.60	0.64	0.57	0.52
Total expenses	(0.08)	(0.17)	(0.16)	(0.16)	(0.17)
Realized gains (losses) for the period	0.09	0.24	(0.78)	(0.20)	(0.23)
Transaction costs	-	-	-	-	-
Unrealized gains (losses) for the period	(0.10)	(0.24)	0.57	(0.16)	0.17
Total increase (decrease) from operations	0.15	0.43	0.27	0.05	0.29
Distributions:					
From other income	(0.18)	(0.49)	(0.52)	(0.45)	(0.41)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions ⁽²⁾	(0.18)	(0.49)	(0.52)	(0.45)	(0.41)
Net Asset Value, end of period ⁽³⁾	\$9.22	\$9.26	\$9.27	\$9.66	\$10.04

(1) This information is provided as at June 30, 2017 and December 31 for the preceding periods presented in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional units or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

Ratios and Supplemental Data –Series A⁽¹⁾	2017	2016	2015	2014	2013
Net Assets (000's of \$)	17,651	17,554	25,883	31,021	26,748
Number of units outstanding	1,913,591	1,896,276	2,791,683	3,210,711	2,665,237
Management expense ratio (MER) ⁽²⁾	1.74%	1.73%	1.64%	1.65%	1.75%
MER before waivers or absorptions	1.74%	1.73%	1.64%	1.65%	1.75%
Portfolio turnover rate ⁽³⁾	45.83%	57.12%	67.15%	97.00%	134.12%
Trading expense ratio ⁽⁴⁾	0.03%	0.02%	0.00%	0.00%	0.00%

(1) This information is provided as at June 30, 2017 and December 31 for the preceding periods presented in accordance with International Financial Reporting Standards.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets of the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages 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 a period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series F units and are intended to help you understand the Fund's financial performance for the fiscal periods indicated. This information is derived from the Fund's audited year-end financial statements and unaudited interim financial statements.

Net asset value (NAV) per unit⁽¹⁾ – Series F	2017	2016	2015	2014	2013
Net Asset Value, beginning of period	\$9.53	\$9.50	\$9.84	\$10.16	\$10.14
Increase (decrease) from operations:					
Total revenue	0.26	0.58	0.64	0.57	0.52
Total expenses	(0.06)	(0.12)	(0.11)	(0.11)	(0.12)
Realized gains (losses) for the period	0.10	0.25	(0.78)	(0.20)	(0.23)
Transaction costs	-	-	-	-	-
Unrealized gains (losses) for the period	(0.12)	(0.34)	0.57	(0.16)	0.17
Total increase (decrease) from operations	0.18	0.37	0.32	0.10	0.34
Distributions:					
From other income	(0.19)	(0.50)	(0.54)	(0.45)	(0.41)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions⁽²⁾	(0.19)	(0.50)	(0.54)	(0.45)	(0.41)
Net Asset Value, end of period⁽³⁾	\$9.52	\$9.53	\$9.50	\$9.84	\$10.16

(1) This information is provided as at June 30, 2017 and December 31 for the preceding periods presented in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional units or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

Ratios and Supplemental Data – Series F⁽¹⁾	2017	2016	2015	2014	2013
Net Assets (000's of \$)	18,477	18,980	31,453	23,956	17,720
Number of units outstanding	1,940,111	1,991,113	3,311,860	2,434,166	1,743,916
Management expense ratio (MER) ⁽²⁾	1.21%	1.21%	1.10%	1.10%	1.18%
MER before waivers or absorptions	1.21%	1.21%	1.10%	1.10%	1.18%
Portfolio turnover rate ⁽³⁾	45.83%	57.12%	67.15%	97.00%	134.12%
Trading expense ratio ⁽⁴⁾	0.03%	0.02%	0.00%	0.00%	0.00%

(1) This information is provided as at June 30, 2017 and December 31 for the preceding periods presented in accordance with International Financial Reporting Standards.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets of the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages 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 a period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series I units and are intended to help you understand the Fund's financial performance for the fiscal periods indicated. This information is derived from the Fund's audited year-end financial statements and unaudited interim financial statements.

Net asset value (NAV) per unit⁽¹⁾ – Series I	2017	2016	2015	2014	2013⁽⁴⁾
Net Asset Value, beginning of period	\$9.85	\$9.74	\$10.00	\$10.24	\$10.26
Increase (decrease) from operations:					
Total revenue	0.25	0.56	0.64	0.57	0.39
Total expenses	(0.02)	(0.04)	(0.03)	(0.04)	(0.03)
Realized gains (losses) for the period	0.09	0.24	(0.78)	(0.20)	(0.17)
Transaction costs	-	-	-	-	-
Unrealized gains (losses) for the period	(0.10)	(0.11)	0.57	(0.16)	0.13
Total increase (decrease) from operations	0.22	0.65	0.40	0.17	0.32
Distributions:					
From other income	(0.19)	(0.52)	(0.55)	(0.47)	(0.32)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions⁽²⁾	(0.19)	(0.52)	(0.55)	(0.47)	(0.32)
Net Asset Value, end of period⁽³⁾	\$9.89	\$9.85	\$9.74	\$10.00	\$10.24

(1) This information is provided as at June 30, 2017 and December 31 for the preceding periods presented in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional units or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

(4) Norrep Short Term Income Series I commenced operations on April 3, 2013.

Ratios and Supplemental Data – Series I⁽¹⁾	2017	2016	2015	2014	2013⁽⁵⁾
Net Assets (000's of \$)	63,416	50,942	41,513	40,275	20,448
Number of units outstanding	6,415,141	5,169,988	4,264,327	4,026,580	1,996,128
Management expense ratio (MER) ⁽²⁾	0.37%	0.36%	0.27%	0.27%	0.36%
MER before waivers or absorptions	0.37%	0.36%	0.27%	0.27%	0.36%
Portfolio turnover rate ⁽³⁾	45.83%	57.12%	67.15%	97.00%	134.12%
Trading expense ratio ⁽⁴⁾	0.03%	0.02%	0.00%	0.00%	0.00%

(1) This information is provided as at June 30, 2017 and December 31 for the preceding periods presented in accordance with International Financial Reporting Standards.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets of the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages 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 a period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

(5) Norrep Short Term Income Series I commenced operations on April 3, 2013.

FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series O units and are intended to help you understand the Fund's financial performance for the fiscal periods indicated. This information is derived from the Fund's audited year-end financial statements and unaudited interim financial statements.

Net asset value (NAV) per unit⁽¹⁾ – Series O	2017	2016	2015	2014	2013⁽⁴⁾
Net Asset Value, beginning of period	-	\$9.74	\$10.00	\$10.24	\$10.18
Increase (decrease) from operations:					
Total revenue	-	0.56	0.64	0.57	0.49
Total expenses	-	(0.04)	(0.03)	(0.04)	(0.04)
Realized gains (losses) for the period	-	0.24	(0.78)	(0.20)	(0.22)
Transaction costs	-	-	-	-	-
Unrealized gains (losses) for the period	-	(0.58)	0.57	(0.16)	0.16
Total increase (decrease) from operations	-	0.18	0.40	0.17	0.39
Distributions:					
From other income	-	(0.13)	(0.55)	(0.47)	(0.41)
From dividends	-	Nil	Nil	Nil	Nil
From capital gains	-	Nil	Nil	Nil	Nil
Total distributions⁽²⁾	-	(0.13)	(0.55)	(0.47)	(0.41)
Net Asset Value, end of period^{(3)/(5)}	-	-	\$9.74	\$10.00	\$10.24

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(2) Distributions, if any, are reinvested in additional units or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

(4) Norrep Short Term Income Series O commenced operations on January 14, 2013.

(5) Norrep Short Term Income Series O ceased operations on May 20, 2016.

Ratios and Supplemental Data – Series O⁽¹⁾	2017	2016	2015	2014	2013⁽⁵⁾
Net Assets (000's of \$) ⁽⁶⁾	-	-	8,562	4,700	2,501
Number of units outstanding	-	-	879,512	469,875	244,183
Management expense ratio (MER) ⁽²⁾	-	0.36%	0.27%	0.27%	0.36%
MER before waivers or absorptions	-	0.36%	0.27%	0.27%	0.36%
Portfolio turnover rate ⁽³⁾	-	57.12%	67.15%	97.00%	134.12%
Trading expense ratio ⁽⁴⁾	-	0.02%	0.00%	0.00%	0.00%

(1) This information is provided as at June 30, 2017 and December 31 for the preceding periods presented in accordance with International Financial Reporting Standards.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets of the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages 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 a period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

(5) Norrep Short Term Income Series O commenced operations on January 14, 2013.

(6) Norrep Short Term Income Series O ceased operations on May 20, 2016.

FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series A (H) units and are intended to help you understand the Fund's financial performance for the fiscal periods indicated. This information is derived from the Fund's audited year-end financial statements and unaudited interim financial statements.

Net asset value (NAV) per unit⁽¹⁾ – Series A (H)	2017	2016	2015	2014⁽⁴⁾
Net Asset Value, beginning of period	\$11.33	\$11.75	\$10.20	\$10.06
Increase (decrease) from operations:				
Total revenue	0.39	0.46	0.64	0.38
Total expenses	(0.09)	(0.19)	(0.18)	(0.11)
Realized gains (losses) for the period	0.14	0.11	(0.78)	(0.13)
Unrealized gains (losses) for the period	(0.59)	(0.26)	0.57	(0.11)
Total increase (decrease) from operations	(0.15)	0.12	0.25	0.03
Distributions:				
From other income	(0.22)	(0.59)	(0.63)	(0.34)
From dividends	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil
Total distributions⁽²⁾	(0.22)	(0.59)	(0.63)	(0.34)
Net Asset Value, end of period⁽³⁾	\$10.94	\$11.33	\$11.75	\$10.20

(1) This information is provided as at June 30, 2017 and December 31 for the preceding periods presented in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional units or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

(4) Norrep Short Term Income Series A (H) commenced operations on May 2, 2014.

Ratios and Supplemental Data – Series A (H)⁽¹⁾	2017	2016	2015	2014⁽⁵⁾
Net Assets (000's of \$)	1,110	1,248	6,734	7,045
Number of units outstanding	101,488	110,085	572,914	690,467
Management expense ratio (MER) ⁽²⁾	1.69%	1.69%	1.59%	1.59%
MER before waivers or absorptions	1.69%	1.69%	1.59%	1.59%
Portfolio turnover rate ⁽³⁾	45.83%	57.12%	67.15%	97.00%
Trading expense ratio ⁽⁴⁾	0.03%	0.02%	0.00%	0.00%

(1) This information is provided as at June 30, 2017 and December 31 for the preceding periods presented in accordance with International Financial Reporting Standards.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets of the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages 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 a period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

(5) Norrep Short Term Income Series A (H) commenced operations on May 2, 2014.

FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series F (H) units and are intended to help you understand the Fund's financial performance for the fiscal periods indicated. This information is derived from the Fund's audited year-end financial statements and unaudited interim financial statements.

Net asset value (NAV) per unit⁽¹⁾ – Series F (H)	2017	2016	2015	2014⁽⁴⁾
Net Asset Value, beginning of period	\$11.72	\$12.09	\$10.44	\$10.23
Increase (decrease) from operations:				
Total revenue	0.38	0.43	0.64	0.36
Total expenses	(0.07)	(0.15)	(0.12)	(0.07)
Realized gains (losses) for the period	0.15	0.15	(0.78)	(0.13)
Unrealized gains (losses) for the period	(0.75)	0.18	0.57	(0.10)
Total increase (decrease) from operations	(0.29)	0.61	0.31	0.06
Distributions:				
From other income	(0.22)	(0.61)	(0.65)	(0.35)
From dividends	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil
Total distributions ⁽²⁾	(0.22)	(0.61)	(0.65)	(0.35)
Net Asset Value, end of period ⁽³⁾	\$11.34	\$11.72	\$12.09	\$10.44

(1) This information is provided as at June 30, 2017 and December 31 for the preceding periods presented in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional units or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

(4) Norrep Short Term Income Series F (H) commenced operations on May 14, 2014.

Ratios and Supplemental Data – Series F (H)⁽¹⁾	2017	2016	2015	2014⁽⁵⁾
Net Assets (000's of \$)	4,498	6,546	3,858	2,446
Number of units outstanding	396,765	558,574	319,060	234,233
Management expense ratio (MER) ⁽²⁾	1.17%	1.18%	1.12%	1.14%
MER before waivers or absorptions	1.17%	1.18%	1.12%	1.14%
Portfolio turnover rate ⁽³⁾	45.83%	57.12%	67.15%	97.00%
Trading expense ratio ⁽⁴⁾	0.03%	0.02%	0.00%	0.00%

(1) This information is provided as at June 30, 2017 and December 31 for the preceding periods presented in accordance with International Financial Reporting Standards.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets of the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages 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 a period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

(5) Norrep Short Term Income Series F (H) commenced operations on May 14, 2014.

MANAGEMENT FEES

The Fund pays an annual management fee of 1.25% for the Series A and Series A (H), and 0.75% for the Series F and Series F (H), multiplied by the series net asset value of the Fund, to Norrep, the Fund's Manager and Portfolio Manager. The management fee is calculated and paid monthly. No management fee is charged to the Series I; instead, the investors pay a management fee directly to the Manager, in an amount determined through negotiation with the Manager. For the six months ended June 30, 2017, management fees amounted to \$201,668. Norrep paid servicing commissions of \$45,831 (i.e. 22.73%) from these management fees to investment dealers. Norrep also received fees for portfolio management and administrative services with respect to all the other funds in the Norrep group.

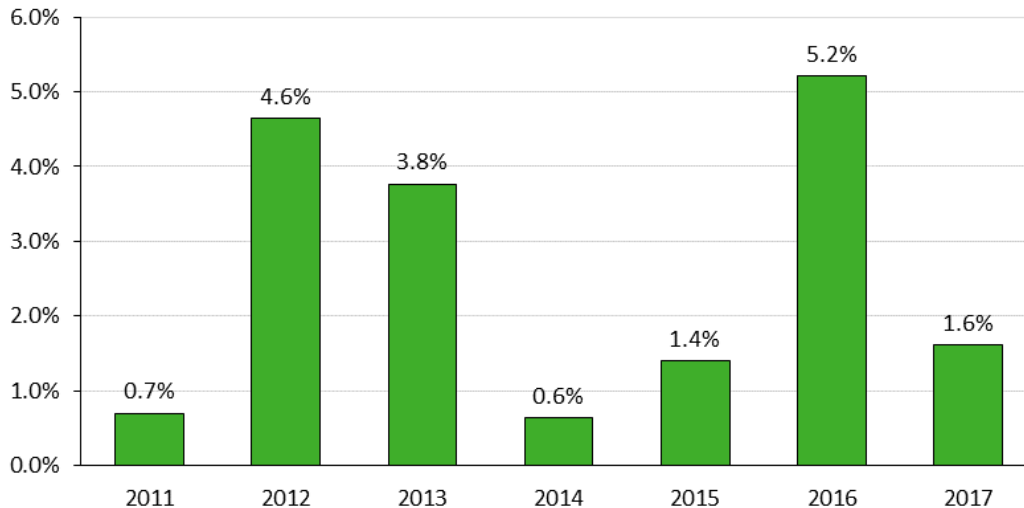
PAST PERFORMANCE

The charts below illustrate the performance of the Fund since inception on September 16, 2011 to June 30, 2017. These charts reflect, in percentage terms, the performance you would have received if you invested in the Fund on the first day of the period through the last day of the period.

The charts assume that all distributions made by the Fund in the periods shown are reinvested in additional securities of the Fund. They do not take into account sales, redemptions, distributions or other optional charges, which would have reduced returns or performance. Each year the Fund's performance changes and past performance does not guarantee future performance.

PERIOD BY PERIOD RETURNS

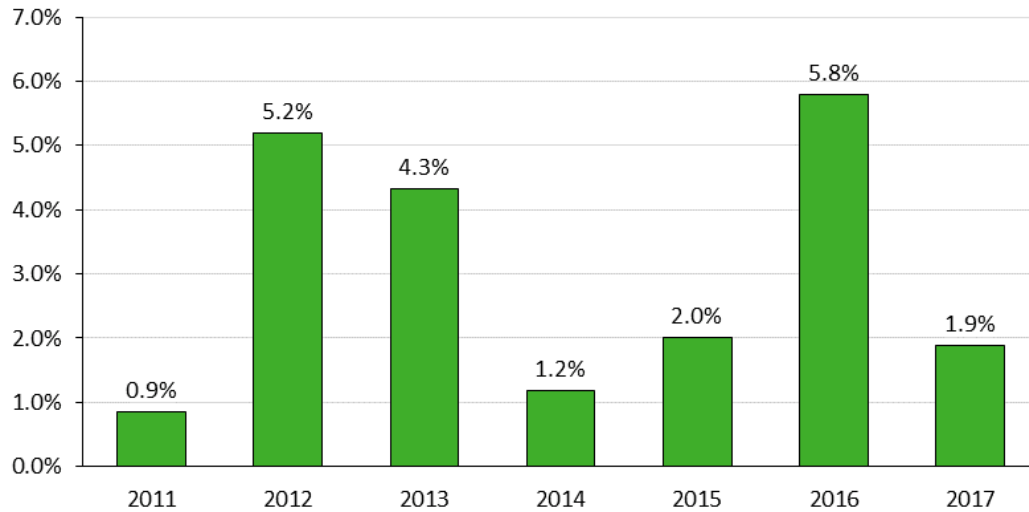
Series A



* September 16, 2011 to December 31, 2011 and January 1 to December 31 thereafter, except 2017 which is January 1 to June 30.

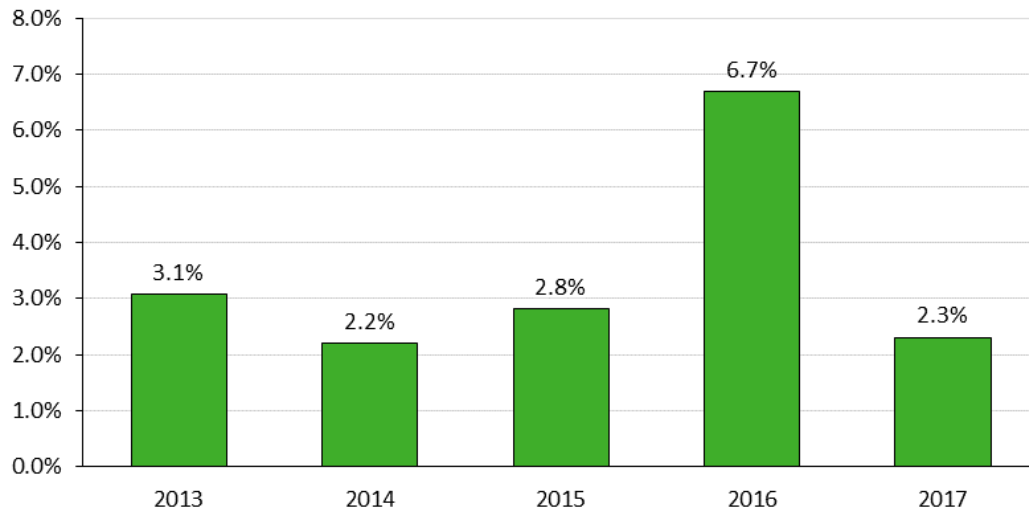
PERIOD BY PERIOD RETURNS (continued)

Series F



* September 16, 2011 to December 31, 2011 and January 1 to December 31 thereafter, except 2017 which is January 1 to June 30.

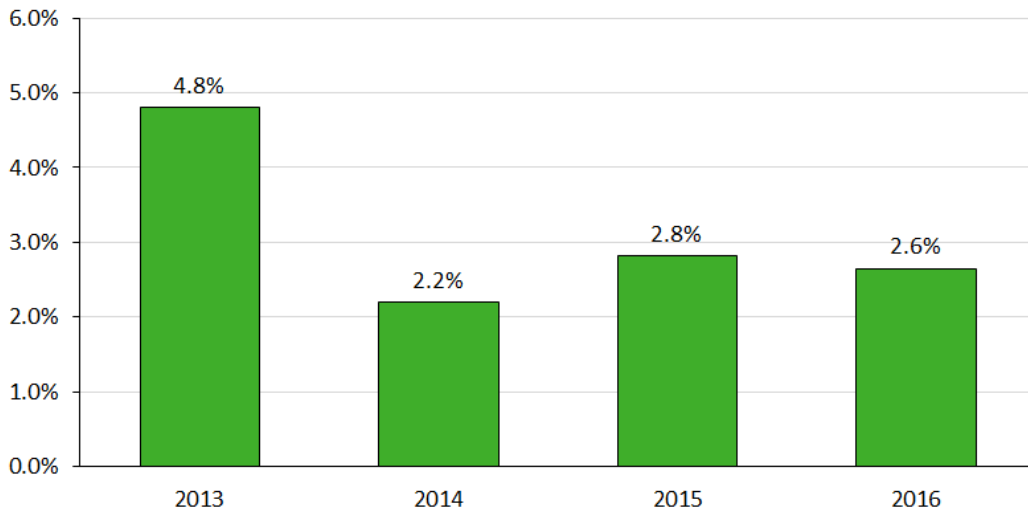
Series I



* April 3, 2013 to December 31, 2013 and January 1 to December 31 thereafter, except 2017 which is January 1 to June 30.

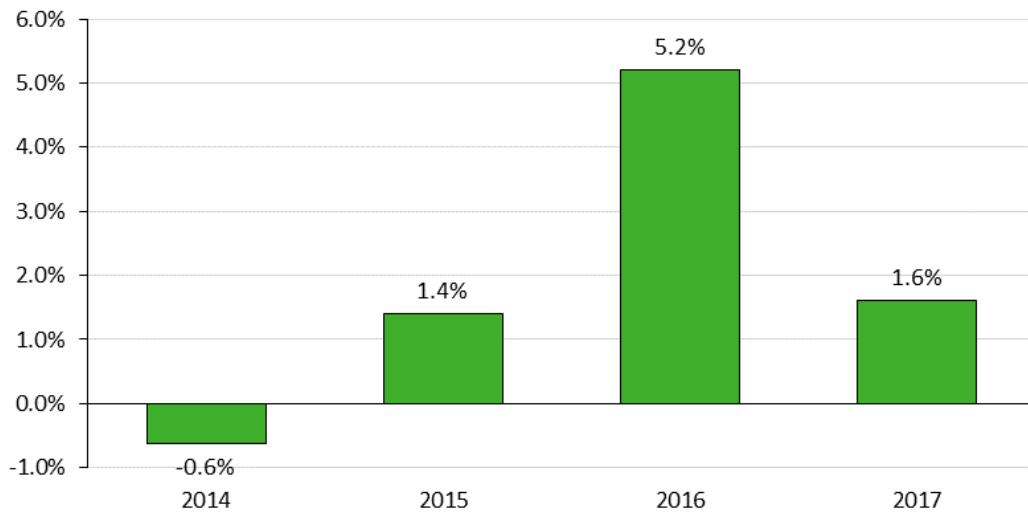
PERIOD BY PERIOD RETURNS (continued)

Series O



* January 14, 2013 to December 31, 2013 and January 1 to December 31 thereafter, except 2016 which is January 1 to May 20.

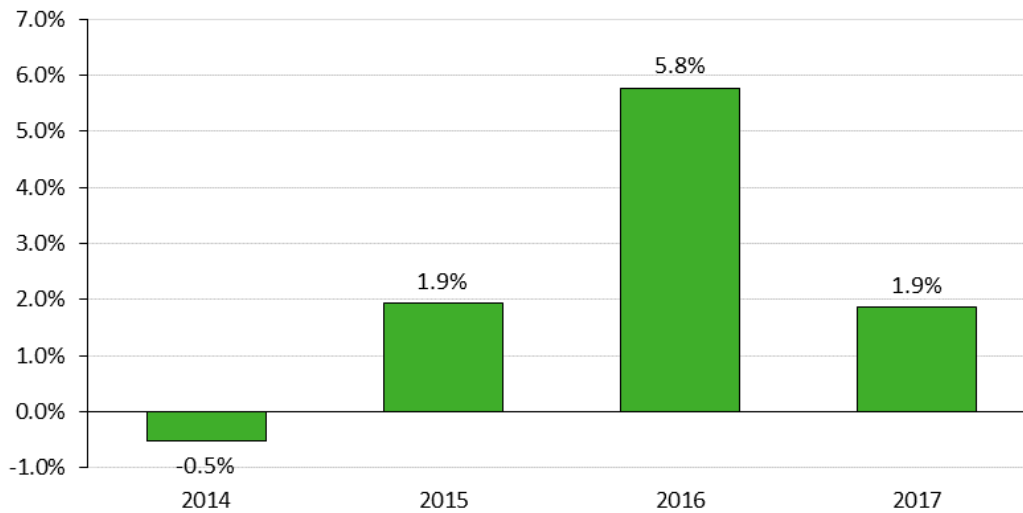
Series A (H)



* May 2, 2014 to December 31, 2014 and January 1 to December 31 thereafter, except 2017 which is January 1 to June 30.

PERIOD BY PERIOD RETURNS (continued)

Series F (H)



* May 14, 2014 to December 31, 2014 and January 1 to December 31 thereafter, except 2017 which is January 1 to June 30.

ANNUAL COMPOUND RETURNS

The following table shows the percent compounded returns to June 30, 2017 for each series of the Fund for the periods indicated. It also shows the returns for the Fund's blended benchmark index, which is 50% the FTSE TMX Short Term Bond Index, 30% Credit Suisse Leveraged Loan Index and 20% Merrill Lynch Canada High Yield Canadian Issuers Index.

	Series A	Series F	Series I	Series A USD	Series F USD	Index
One year	4.9%	5.5%	6.3%	4.9%	5.4%	5.5%
Three Year*	2.2%	2.7%	3.6%	2.2%	2.7%	3.0%
Five Year*	3.1%	3.7%				4.0%
Since Inception* – MF Series (September 16, 2011)	3.1%					4.2%
Since Inception* – Series F (September 16, 2011)		3.7%				4.2%
Since Inception* – Series I (April 03, 2013)			4.0%			3.4%
Since Inception* – MF Series USD (May 02, 2014)				2.4%		3.1%
Since Inception* – Series F USD (May 14, 2014)					2.9%	3.1%

*annualized

SUMMARY OF INVESTMENT PORTFOLIO

The following investments were held by the Fund as at June 30, 2017:

Investments	Percent of net assets
PowerShares Senior Loan Portfolio	4.4%
Blue Ribbon LLC, Term Loans, 5.145%, 2021/11/15	3.3%
River Cree Enterprises Ltd., Callable, 11.000%, 2021/01/20	3.1%
DHX Media Ltd., Restricted, Callable, 5.875%, 2021/12/02	3.0%
Packers Holdings LLC, Term Loans, 4.551%, 2021/12/02	3.0%
DTZ US Borrower LLC, Term Loans, 4.440%, 2021/11/04	3.0%
iShares iBoxx \$ High Yield Corporate Bond ETF	3.0%
Great Canadian Gaming Corp., Callable, 6.625%, 2022/07/25	3.0%
Bob's Discount Furniture Inc., Term Loans, 5.795%, 2021/02/12	2.9%
Bluescope Steel (Finance) Ltd., Callable, 6.500%, 2021/05/15	2.6%
Canbriam Energy Inc., Callable, 9.750%, 2019/11/15 (Par Value in USD)	2.5%
SPDR Bloomberg Barclays Short Term High Yield Bond ETF	2.5%
Alliance Data Systems Corp., Callable, 6.375%, 2020/04/01	2.5%
Consolidated Container Co. LLC, Term Loans, 4.545%, 2024/05/10	2.5%
Iron Mountain Canada Operations ULC, Callable, 6.125%, 2021/08/15	2.5%
DHX Media Ltd., Term Loans, 3.750%, 2021/05/10	2.5%
Canadian Energy Services & Technology Corp., Callable, 7.375%, 2020/04/17	2.5%
Confie Seguros Holding II Co., Term Loans, 6.545%, 2022/04/19	2.4%
Berlin Packaging LLC, Term Loans, 4.298%, 2021/10/01	2.4%
Lundin Mining Corp., Callable, 7.500%, 2020/11/01 (Par Value in USD)	2.0%
Wajax Corp., Restricted, Callable, 6.125%, 2020/10/23	2.0%
Parkland Fuel Corp., Callable, 5.500%, 2021/05/28	2.0%
Mattamy Group Corp., Callable, 6.875%, 2020/11/15	1.9%
Gateway Casinos & Entertainment Ltd., Term Loans, 5.000%, 2023/02/22	1.9%
Travel Leaders Group LLC, Term Loans, 6.295%, 2024/01/19	1.9%
Other Securities	24.1%
Total Securities	89.4%
Other	
Cash and equivalents	18.4%
Other assets – net of liabilities	(7.8%)
Total net asset value	100.0%
Industry Sectors	
Bonds and secured loans	89.4%
Other	10.6%
Total	100.0%

The investments held by the Fund change due to ongoing portfolio transactions. A revised summary is posted on our website at www.norrep.com no later than 60 days after each quarter end.

OTHER MATERIAL INFORMATION

The Simplified Prospectus and all other Fund related materials can be obtained by calling us toll-free at (877) 531-9355, by writing to us at 1100, 606 - 4th Street SW Calgary, Alberta T2P 1T1 or from our website at www.norrep.com.



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