



# MANAGEMENT REPORT OF FUND PERFORMANCE

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## NORREP TACTICAL OPPORTUNITIES CLASS

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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 1850, 333-7<sup>th</sup> Avenue SW Calgary, Alberta T2P 2Z1 or by visiting our website at [www.norrep.com](http://www.norrep.com) or SEDAR at [www.sedar.com](http://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

Norrep Tactical Opportunities Class returned -3.2% over the six month period ended April 30, 2018. The Fund's benchmark, 60% S&P/TSX Index, 20% Russell 3000 Index, and 20% FTSE TMX Canada Universe Bond Index returned 0.4% over the same period. The Fund therefore underperformed its benchmark after all fees and expenses.

Norrep Tactical Opportunities is a team managed portfolio. The Fund has 8 investment professionals managing various portions of the portfolio. A team of 4 portfolio managers, including 2 multiple award winners; now manage the Canadian equity portion of the portfolio. A team of 2 portfolio managers, both with over 20 years of investment experience, manage the U.S. equity portion of the portfolio. Finally, a team of 2 portfolio managers with over 20 years of investment experience manage the fixed income portion of the portfolio. Each team is responsible for the performance of their respective portion of the portfolio. This ensures individual performance accountability for the Fund, which from our perspective is very important.

As of April 30, 2018, 60.1% of the portfolio is invested in Canadian equities. The Canadian equity markets underperformed their global peers over the period, but performance has recently improved due to strength in the Energy sector. Among the top performing Canadian equities in the portfolio over the period were Parex Resources, Canfor, and Parkland Fuels. Among the laggards over the period were Hudbay Minerals and Chemtrade Logistics. We believe we are in the later innings of this economic cycle. This is positive for the more cyclical Canadian equity markets however and we remain constructive on the outlook of the Canadian equity markets over the near to medium term.

The U.S. equity portion of the Fund is now at 19.2% of the portfolio as of April 30, 2018. Performance of the U.S. portion of the portfolio was lackluster over the period due to a lack of significant Consumer Discretionary, Energy, and Information Technology exposure. These three sectors led the gains in the benchmark over this period. T-Mobile was a new addition to the U.S. portion of the portfolio over the period. This investment was very profitable over a short period of time and has already been sold.

The fixed income portion of the portfolio is at 19.9% of the portfolio as of April 30, 2018. The Fund derives its fixed income exposure by investing in units of the Norrep High Income Fund. For more information on the performance of the Norrep High Income Fund portfolio during the period, please refer to the Norrep High Income Fund Management Report of Fund Performance for further details.

## RESULTS OF OPERATIONS (continued)

For the period ended April 30, 2018, the Fund earned interest and dividend income amounting to \$2,960 and \$147,563, respectively. The change in unrealized depreciation in current value of investments was a decrease of \$966,082 and the change in unrealized gain on derivative instruments was an increase of \$53,916. The realized gain on investments was \$530,779 and the realized loss on derivative instruments was \$33,446. Management fees of \$95,208 were paid. General and administrative costs of \$69,230, related to the operation of the Fund were incurred. Withholding tax of \$3,563 was paid. As a result of the above, the decrease in net assets attributable to holders of redeemable shares was \$432,311. Net assets attributable to holders of redeemable shares at the beginning of the period were \$13,768,888. Proceeds from the issuance of shares were \$163,080, reinvestment of dividends was \$190,250, redemptions were \$3,022,025, and dividends declared to holders of redeemable shares were \$224,217. By April 30, 2018, the Fund had net assets attributable to holders of redeemable shares of \$10,443,665.

## RECENT DEVELOPMENTS

Effective November 1, 2017, the Fund adopted IFRS 9 Financial Instruments. The new standard requires assets to be carried at amortized cost or fair value, with changes in fair value recognized in profit and loss (FVTPL) or fair value through other comprehensive income (FVOCI) based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Assessment and decision on the business model approach used is an accounting judgement.

Upon transition to IFRS 9, the Fund's financial assets and financial liabilities that were classified as fair value through profit and loss (FVTPL) under IAS 39 continued to be categorized as fair value through profit and loss. There were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9.

Under IFRS 9, derivatives are classified as FVTPL like other financial assets and liabilities, so there is no requirement to present separately the different component amounts on the Statement of Comprehensive Income as they fall within the same classification; this is a change from the requirement under IAS 39 where derivatives were classified as Held for Trading.

However, Canadian Security Administrators ("CSA") regulatory requirements under NI 81-106 prescribe the individual line items that are required to be disclosed which includes separate disclosure for derivatives.

## RELATED PARTY TRANSACTIONS

Management fees of \$95,208 were paid to Norrep, the Fund's Manager. Management fees are 2% for Series A, and 1% for Series F, of the series net asset value of the Fund and are calculated and paid monthly. Norrep is entitled to a performance bonus of 20% of the excess of the Fund's performance over its benchmark index. The details of the performance bonus calculation are more fully described in the simplified prospectus. At April 30, 2018 the performance bonus was \$nil. In addition, administrative fees of \$7,801 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 shares 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 annual financial statements and unaudited interim financial statements.

<b>Net asset value (NAV) per share<sup>(1)</sup> – Series A</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Net Asset Value, beginning of period	\$10.51	\$9.80	\$10.13	\$13.14	\$12.92
Increase (decrease) from operations:					
Total revenue	0.13	0.28	0.32	0.44	0.46
Total expenses	(0.15)	(0.32)	(0.31)	(0.33)	(0.77)
Realized gains (losses) for the period	0.43	1.29	(2.17)	(3.24)	2.91
Unrealized gains (losses) for the period	(0.81)	(0.14)	1.95	0.31	(1.53)
Total increase (decrease) from operations	(0.40)	1.11	(0.21)	(2.82)	1.07
Distributions:					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	(0.21)	(0.30)	(0.39)	(0.45)	(0.42)
From capital gains	Nil	(0.10)	Nil	Nil	(0.76)
Total distributions <sup>(2)</sup>	(0.21)	(0.40)	(0.39)	(0.45)	(1.18)
Net Asset Value, end of period <sup>(3)</sup>	\$ 9.92	\$ 10.51	\$ 9.80	\$10.13	\$13.14

(1) This information is provided as at October 31 for the periods presented. The information is in accordance with International Financial Reporting Standards. The opening net asset values for 2015 and 2014 are restated in accordance with International Financial Reporting Standards.

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

(3) Net asset value and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares 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.

<b>Ratios and Supplemental Data – Series A<sup>(1)</sup></b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Net Assets (000's of \$)	7,332	10,039	19,517	37,109	87,323
Number of shares outstanding	739,461	954,766	1,991,692	3,662,460	6,643,384
Management expense ratio (MER) <sup>(2)</sup>	3.22%	3.01%	2.74%	2.51%	4.62%
MER before waivers or absorptions <sup>(2)</sup>	3.22%	3.01%	2.74%	2.51%	4.62%
Portfolio turnover rate <sup>(3)</sup>	8.50%	41.81%	86.23%	154.40%	209.23%
Trading expense ratio <sup>(4)</sup>	0.13%	0.20%	0.39%	0.31%	0.74%

(1) This information is provided as at October 31 for the periods presented. The information is in accordance with International Financial Reporting Standards.

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

(3) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Manager 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 shares 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 annual financial statements and unaudited interim financial statements.

<b>Net asset value (NAV) per share<sup>(1)</sup> – Series F</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Net Asset Value, beginning of period	\$11.24	\$10.37	\$10.59	\$13.55	\$13.18
Increase (decrease) from operations:					
Total revenue	0.15	0.32	0.30	0.44	0.46
Total expenses	(0.19)	(0.23)	(0.21)	(0.22)	(0.63)
Realized gains (losses) for the period	0.45	1.33	(2.43)	(3.24)	2.91
Unrealized gains (losses) for the period	(0.78)	(0.10)	2.11	0.31	(1.53)
Total increase (decrease) from operations	(0.37)	1.32	(0.23)	(2.71)	1.21
Distributions:					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	(0.22)	(0.32)	(0.41)	(0.47)	(0.43)
From capital gains	Nil	(0.11)	Nil	Nil	(0.79)
Total distributions <sup>(2)</sup>	(0.22)	(0.43)	(0.41)	(0.47)	(1.22)
Net Asset Value, end of period <sup>(3)</sup>	\$10.66	\$11.24	\$10.37	\$10.59	\$13.55

(1) This information is provided as at April 30, 2018 and October 31 for the periods presented. The information is in accordance with International Financial Reporting Standards. The opening net asset values for 2015 and 2014 are restated in accordance with International Financial Reporting Standards.

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

(3) Net asset value and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares 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.

<b>Ratios and Supplemental Data – Series F<sup>(1)</sup></b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Net Assets (000's of \$)	2,065	2,407	3,038	7,221	27,112
Number of shares outstanding	193,800	214,191	293,124	681,582	2,000,531
Management expense ratio (MER) <sup>(2)</sup>	2.13%	1.91%	1.64%	1.41%	3.53%
MER before waivers or absorptions <sup>(2)</sup>	2.13%	1.91%	1.64%	1.41%	3.53%
Portfolio turnover rate <sup>(3)</sup>	8.50%	41.81%	86.23%	154.40%	209.23%
Trading expense ratio <sup>(4)</sup>	0.13%	0.20%	0.39%	0.31%	0.74%

(1) This information is provided as at April 30, 2018 and October 31 for the periods presented. The information is in accordance with International Financial Reporting Standards.

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

(3) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Manager 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 shares 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 annual financial statements and unaudited interim financial statements.

<b>Net asset value (NAV) per share <sup>(1)</sup> – Series I</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Net Asset Value, beginning of period	\$11.98	\$10.94	\$11.05	\$13.93	\$13.41
Increase (decrease) from operations:					
Total revenue	0.15	0.33	0.35	0.44	0.46
Total expenses	(0.06)	(0.11)	(0.11)	(0.10)	(0.48)
Realized gains (losses) for the period	0.50	1.46	(2.35)	(3.24)	2.91
Unrealized gains (losses) for the period	(0.89)	(0.21)	2.19	0.31	(1.53)
<b>Total increase (decrease) from operations</b>	<b>(0.30)</b>	<b>1.47</b>	<b>0.08</b>	<b>(2.59)</b>	<b>1.36</b>
Distributions:					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	(0.24)	(0.34)	(0.43)	(0.49)	(0.44)
From capital gains	Nil	(0.12)	Nil	Nil	(0.81)
<b>Total distributions <sup>(2)</sup></b>	<b>(0.24)</b>	<b>(0.46)</b>	<b>(0.43)</b>	<b>(0.49)</b>	<b>(1.25)</b>
<b>Net Asset Value, end of period <sup>(3)</sup></b>	<b>\$11.43</b>	<b>\$11.98</b>	<b>\$10.94</b>	<b>\$11.05</b>	<b>\$13.93</b>

(1) This information is provided as at April 30, 2018 and October 31 for the periods presented. The information is in accordance with International Financial Reporting Standards. The opening net asset values for 2015 and 2014 are restated in accordance with International Financial Reporting Standards.

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

(3) Net asset value and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares 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.

<b>Ratios and Supplemental Data – Series I <sup>(1)</sup></b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Net Assets (000's of \$)	1,046	1,323	1,780	3,584	25,494
Number of shares outstanding	91,492	110,429	162,709	324,349	1,829,511
Management expense ratio (MER) <sup>(2)</sup>	0.97%	0.77%	0.51%	0.29%	2.40%
MER before waivers or absorptions <sup>(2)</sup>	0.97%	0.77%	0.51%	0.29%	2.40%
Portfolio turnover rate <sup>(3)</sup>	8.50%	41.81%	86.23%	154.40%	209.23%
Trading expense ratio <sup>(4)</sup>	0.13%	0.20%	0.39%	0.31%	0.74%

(1) This information is provided as at April 30, 2018 and October 31 for the periods presented. The information is in accordance with International Financial Reporting Standards.

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

(3) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Manager 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.

## MANAGEMENT FEES

The Fund pays an annual management fee of 2% for the Series A, and 1% for the Series F, 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 period ended April 30, 2018, management fees amounted to \$95,208. Norrep paid servicing commissions of \$40,643 (i.e. 42.69%) from these management fees to investment dealers.

Norrep also received fees for portfolio management and administrative services with respect to this Fund as well as all the other funds in the Norrep group. Norrep is entitled to a performance bonus of 20% of the excess performance of the Fund compared to its benchmark index multiplied by the weighted average net asset value of the Fund. The performance bonus is more fully described in the simplified prospectus. For the period ended April 30, 2018, the performance bonus reported was \$nil.

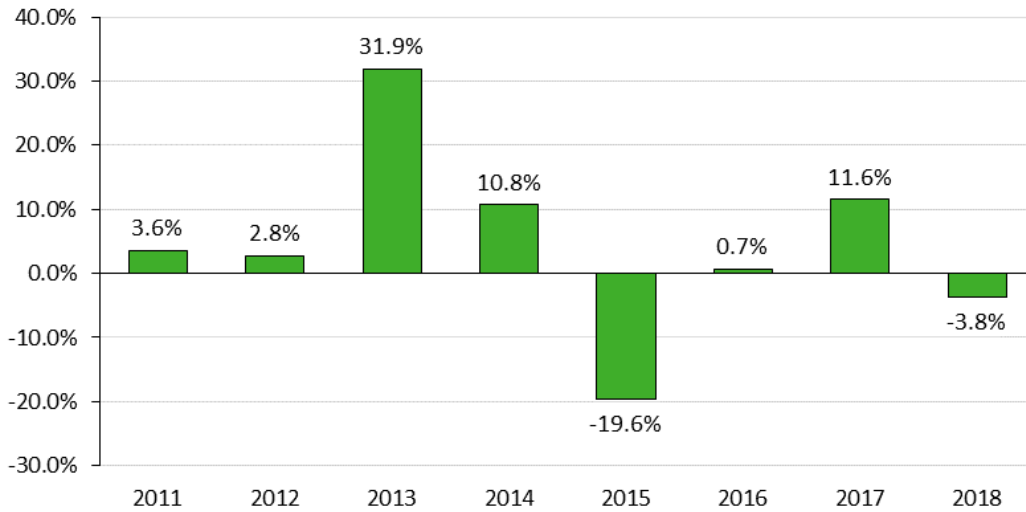
## PAST PERFORMANCE

The charts below illustrate the performance of the Fund since inception on September 16, 2011 to April 30, 2018. The Series I inception was on September 23, 2011. These charts reflect 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 period the Fund's performance changes and past performance does not guarantee future performance.

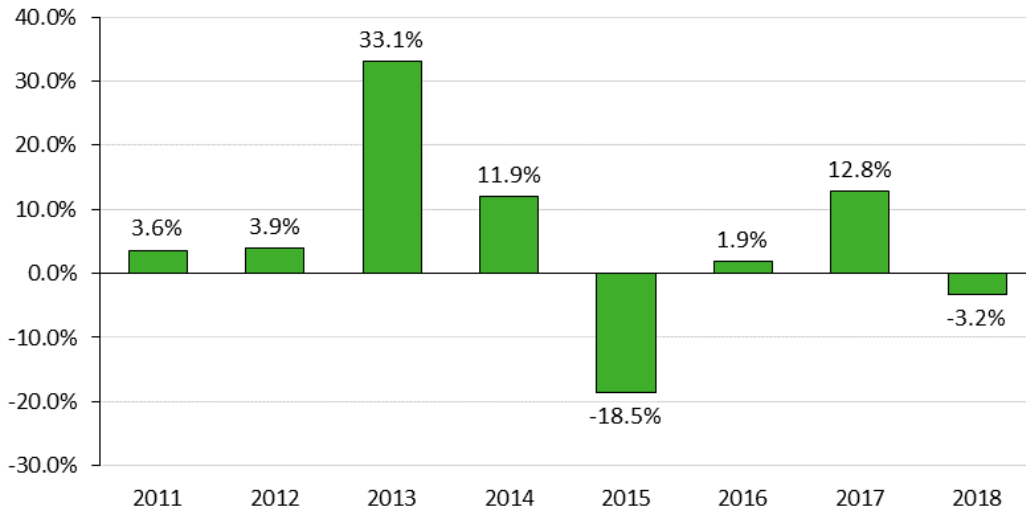
## PERIOD BY PERIOD RETURNS

### Series A



\* September 16, 2011 to October 31, 2011 and November 1 to October 31 thereafter, except 2018 which is November 1 to April 30

### Series F

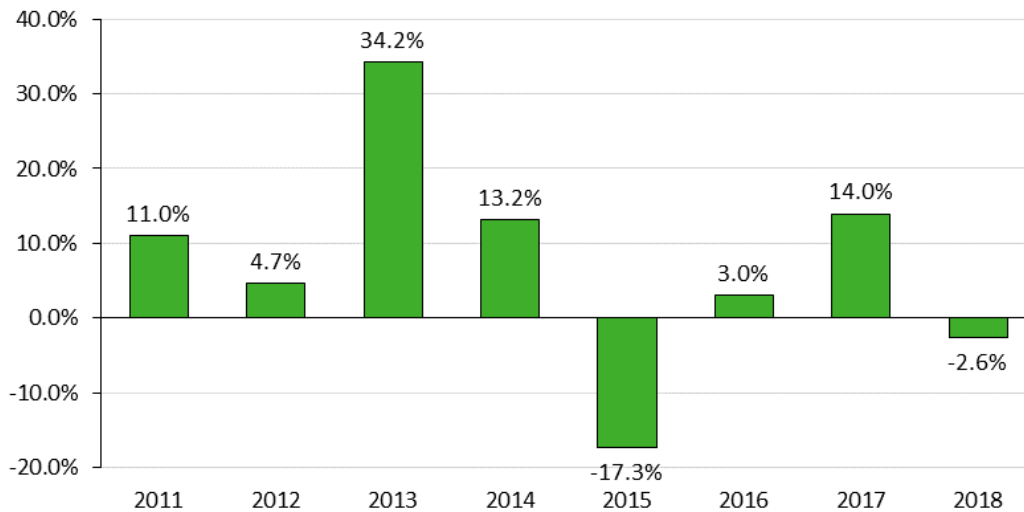


\* September 16, 2011 to October 31, 2011 and November 1 to October 31 thereafter, except 2018 which is November 1 to April 30



## PERIOD BY PERIOD RETURNS (continued)

### Series I



\* September 23, 2011 to October 31, 2011 and November 1 to October 31 thereafter, except 2018 which is November 1 to April 30

## ANNUAL COMPOUND RETURNS

The following table shows the percent compounded returns to April 30, 2018 for each series of the Fund for the periods indicated. It also shows the returns for the Fund's blended benchmark index, which is 60% S&P/TSX Total Return Index, 20% Russell 3000 Index and 20% FTSE TMX Canada Universe Bond Index.

	Series A	Series F	Series I	Index
One year	1.5%	2.6%	3.8%	5.2%
Three Year*	-0.9%	0.2%	1.4%	5.2%
Five Year*	2.5%	3.7%	4.8%	8.2%
Since Inception* – MF Series (September 16, 2011)	4.7%			8.1%
Since Inception* – Series F (September 16, 2011)		5.8%		8.1%
Since Inception* – Series I (September 23, 2011)			8.0%	8.9%

\* annualized

## SUMMARY OF INVESTMENT PORTFOLIO

The following investments were held by the Fund as at April 30, 2018.

Securities	Percent of net assets
Norrep High Income Fund, Series 'I'	19.9%
Parex Resources Inc.	7.6%
Hardwoods Distribution Inc.	4.9%
Air Canada	4.4%
FirstService Corp.	4.2%
CAE Inc.	3.8%
EnerCare Inc.	3.7%
Chemtrade Logistics Income Fund	3.3%
Intertape Polymer Group Inc.	3.1%
Birchcliff Energy Ltd.	3.1%
Carnival Corp.	3.0%
Parkland Fuel Corp.	2.7%
First Republic Bank	2.7%
Canfor Corp.	2.7%
Major Drilling Group International Inc.	2.6%
Hudbay Minerals Inc.	2.5%
Chorus Aviation Inc.	2.5%
Johnson & Johnson	2.5%
Gildan Activewear Inc.	2.4%
Wells Fargo & Co.	2.4%
Lundin Mining Corp.	2.2%
Alphabet Inc., Class 'A'	2.2%
ADF Group Inc.	1.9%
Anheuser-Busch InBev NV, ADR	1.9%
PerkinElmer Inc.	1.8%
Other Securities	5.2%
<b>Total Securities</b>	<b>99.2%</b>
<b>Other</b>	
Cash and cash equivalent	1.6%
Derivative assets (liabilities)	(0.4)%
Other assets – net of liabilities	(0.4)%
<b>Total net asset value</b>	<b>100.0%</b>
<b>Industry Sectors</b>	
Energy	13.4%
Basic Materials	19.1%
Industrials	17.3%
Consumer Discretionary	9.1%
Consumer Staples	1.9%
Health Care	4.3%
Financials	5.1%
Telecommunication Services	2.7%
Information Technology	2.2%
Real Estate	4.2%
Other	20.7%
<b>Total</b>	<b>100.0%</b>

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

## **OTHER MATERIAL INFORMATION**

Norrep Tactical Opportunities Class is a class of Norrep Opportunities Corp. The simplified prospectus and other Fund related materials can be obtained by calling us toll-free at (877) 531-9355, by writing to us at 1850, 333-7<sup>th</sup> Avenue SW Calgary, Alberta T2P 2Z1, or on our website at [www.norrep.com](http://www.norrep.com).



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