



MANAGEMENT REPORT OF FUND PERFORMANCE

NORREP FUND

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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, 333-7th Avenue SW Calgary, Alberta T2P 2Z1 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

Interest in Canadian equities appears to be limited to the larger and more liquid stocks. Investors' interest in a stock seems to be directly correlated with the market cap. One explanation for this is the growth of theme based investment strategies and their impact on the markets. Some of the more prevalent theme type strategies include momentum and sector products. In a low return environment, investment funds attempt to add to their returns by trading their funds more. In order to do this, they require enough liquidity in their investments so they can buy and sell stocks quickly without impacting price.

With this in mind, mid cap companies in Canada are in a bit of a sweet spot today. They provide enough liquidity to trade in and out of a stock without moving the stock price. But more importantly, their narrow focus provides more direct exposure to a given theme. Whereas the larger cap conglomerates have a diluted exposure to a theme due to their diverse operations. The Norrep Fund ("the Fund") has benefitted from this recent trend. With this renewed interest in mid caps in Canada, the Fund has been particularly successful investing in slightly "out of favour" companies, where the investor community and sell-side analysts have been slow to appreciate positive developments within these companies.

For the six month period ending April 30, 2018, the Fund returned negative 0.8%. This compares favourably to the index which returned negative 1.8%. The slight outperformance can be explained by a handful of the Fund's mid cap stocks being rewarded for improved fundamentals. Much of this was offset by weak small cap performance, as described above.

Our overall outlook for small and mid cap stocks in Canada is constructive, albeit with some caution. At times we find mid caps to be overcrowded with both small and large cap funds investing in this area. But currently, we are finding more opportunities here and these companies are showing more earnings and price momentum. Comparatively, small caps in Canada are more challenged, which explains some of our caution. Investors have an element of forgiveness for mid caps if earnings miss expectations and a theme still intact; however, small caps are being treated more harshly if earnings lag expectations. Often times, this lack of investor interest in small caps produces some very good buying opportunities but we are being extra careful not to step in to something that could disappoint. There is no natural tailwind for small caps in Canada. Without earnings momentum, these companies will not have price momentum.

RESULTS OF OPERATIONS (Continued)

For the six months ended April 30, 2018, the Fund earned interest and dividend income amounting to \$21,491 and \$640,653, respectively. The change in unrealized depreciation in current value of investments was a decrease of \$3,835,630. The realized gain on investments was \$3,131,225. Management fees of \$612,057 were paid. General and administrative costs of \$193,927, related to the operation of the Fund, were also incurred. As a result of the above, the decrease in net assets attributable to holders of redeemable units was \$848,245. Net assets attributable to holders of redeemable units at the beginning of the period were \$67,534,496. Proceeds from the issuance of units were \$655,336; reinvestment of distributions was \$3,385,710 and redemptions were \$7,294,114. Distributions declared to holders of redeemable units were \$3,603,426. By April 30, 2018, the Fund had net assets attributable to holders of redeemable units of \$59,829,757.

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 \$612,057 were paid to Norrep, the Fund's Manager and Portfolio Manager. Management fees are 2% for the Series A and 1.25% for the Series F, of the series net asset value of the Fund and are calculated and paid monthly. Administration fees of \$42,110 were paid to Norrep. Administration fees are charged by Norrep at or below cost and relate to accounting, trading, recordkeeping, 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 annual financial statements and unaudited interim financial statements.

Net asset value (NAV) per unit ⁽¹⁾⁽²⁾ – Series A	2018	2017	2016	2015	2014
Net Asset Value, beginning of period	\$38.28	\$35.56	\$34.00	\$39.57	\$36.16
Increase (decrease) from operations:					
Total revenue	0.38	0.44	0.76	0.66	0.82
Total expenses	(0.47)	(0.95)	(0.91)	(0.91)	(1.02)
Realized gains (losses) for the period	1.83	5.13	1.17	2.30	6.59
Unrealized gains (losses) for the period	(2.21)	(1.09)	0.46	(3.63)	(2.05)
Total increase (decrease) from operations	(0.47)	3.53	1.48	(1.58)	4.34
Distributions:					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	(2.08)	(0.88)	Nil	(3.82)	(0.58)
Total distributions ⁽³⁾	(2.08)	(0.88)	Nil	(3.82)	(0.58)
Net Asset Value, end of period ⁽⁴⁾	\$35.75	\$38.28	\$35.56	\$34.00	\$39.57

(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 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⁾	2018	2017	2016	2015	2014
Net Assets (000's of \$)	55,571	60,538	70,852	89,614	110,983
Number of units outstanding	1,554,482	1,581,473	1,992,542	2,635,505	2,804,996
Management expense ratio (MER) ⁽²⁾	2.49%	2.46%	2.44%	2.36%	2.32%
MER before waivers or absorptions ⁽²⁾	2.49%	2.46%	2.44%	2.36%	2.32%
Portfolio turnover rate ⁽³⁾	13.93%	31.29%	48.72%	23.96%	36.12%
Trading expense ratio ⁽⁴⁾	0.14%	0.20%	0.21%	0.17%	0.16%

(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 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 annual financial statements and unaudited interim financial statements.

Net asset value (NAV) per unit ^{(1) (2)} – Series F	2018	2017	2016	2015 ⁽⁴⁾
Net Asset Value, beginning of period	\$39.05	\$36.02	\$34.21	\$37.07
Increase (decrease) from operations:				
Total revenue	0.38	0.44	0.72	0.22
Total expenses	(0.35)	(0.68)	(0.66)	(0.20)
Realized gains (losses) for the period	1.42	5.04	1.09	0.75
Unrealized gains (losses) for the period	(1.99)	(1.33)	1.88	(1.19)
Total increase (decrease) from operations	(0.54)	3.47	3.03	(0.42)
Distributions:				
From income	Nil	Nil	Nil	Nil
From dividends	Nil	Nil	Nil	Nil
From capital gains	(2.12)	(0.89)	Nil	Nil
Total distributions ⁽²⁾	(2.12)	(0.89)	Nil	Nil
Net Asset Value, end of period ⁽³⁾	\$36.61	\$39.05	\$36.02	\$34.21

(1) This information is provided as at April 30, 2018 and October 31 for the periods presented and is 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 Fund Series F commenced operations July 6, 2015.

Ratios and Supplemental Data – Series F ⁽¹⁾	2018	2017	2016	2015 ⁽⁵⁾
Net Assets (000's of \$)	4,259	6,996	9,499	3,489
Number of units outstanding	116,344	179,185	263,719	101,982
Management expense ratio (MER) ⁽²⁾	1.75%	1.71%	1.74%	1.66%
MER before waivers or absorptions ⁽²⁾	1.75%	1.71%	1.74%	1.66%
Portfolio turnover rate ⁽³⁾	13.93%	31.29%	48.72%	23.96%
Trading expense ratio ⁽⁴⁾	0.14%	0.20%	0.21%	0.17%

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

(2) The 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 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.

(5) Norrep Fund Series F commenced operations July 6, 2015.

MANAGEMENT FEES

The Fund pays an annual management fee of 1/12 of 2% for the Series A, and 1/12 of 1.25% for the Series F, multiplied by the net asset value of the Fund, to Norrep, the Fund's Manager and Portfolio Manager. The management fee is calculated and paid monthly. For the six months ended April 30, 2018 management fees amounted to \$612,057. Norrep paid servicing commissions of \$213,492 (i.e. 34.88%) 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.

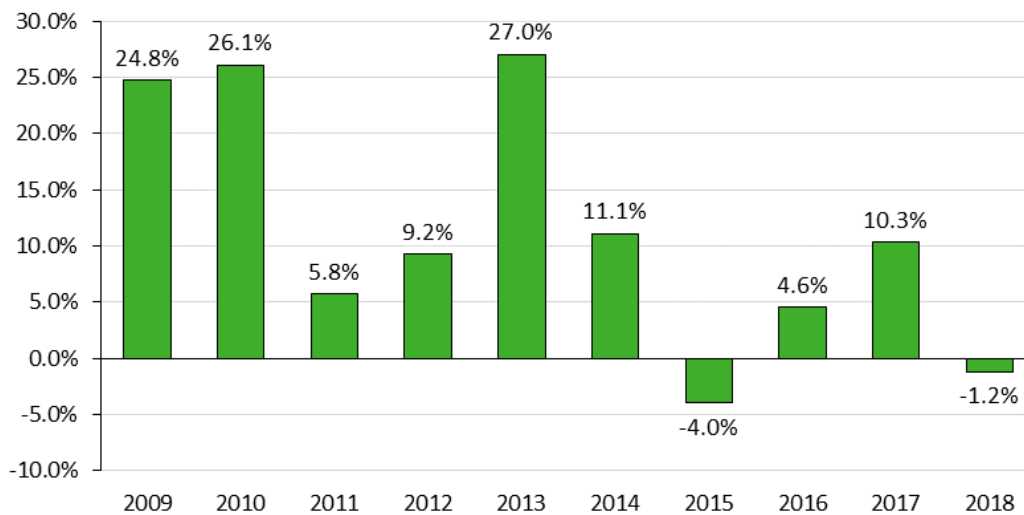
PAST PERFORMANCE

The charts below illustrate the performance of the Fund for its last 10 fiscal periods as a public mutual fund. The Series F inception was July 6, 2015. 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.

They 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, redemption, distribution or other optional charges which would have reduced returns or performance. Each period the Fund's performance has changed and past performance does not guarantee future performance.

PERIOD BY PERIOD RETURNS

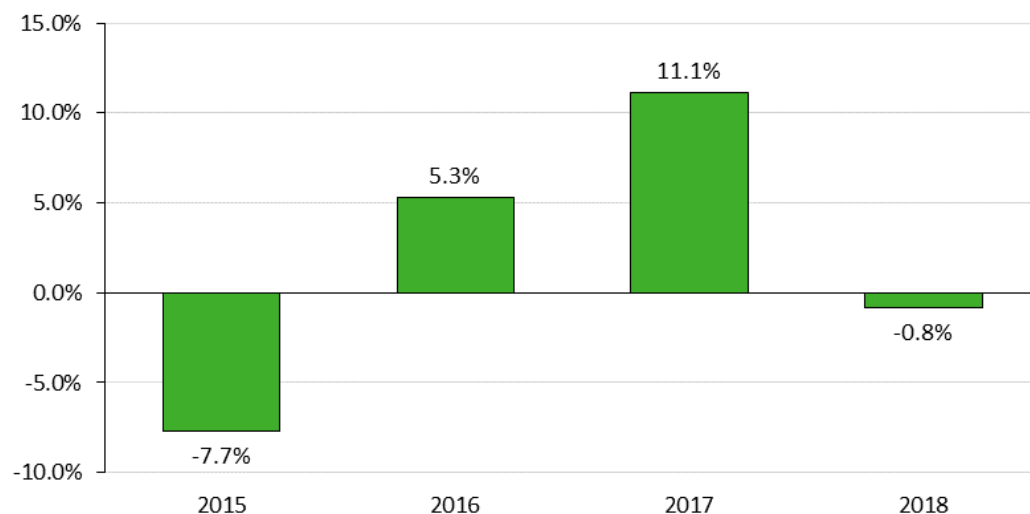
Series A



* November 1 to October 31, except 2018 which is November 1 to April 30

PERIOD BY PERIOD RETURNS (continued)

Series F



* July 6, 2015 to October 31, 2015 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 of the Fund for the periods indicated. It also presents the returns for the BMO Small Capitalization Equity Only Weighted Total Return Index which is the Fund's benchmark index.

	Series A	Series F	Index
One year	1.7%	2.5%	-0.3%
Three Year*	1.6%		3.3%
Five Year*	7.2%		5.3%
Ten Year*	5.5%		3.2%
Since Inception* – MF Series (April 12, 2000)	14.9%		6.2%**
Since Inception* – Series F (July 06, 2015)		2.4%	5.3%**

* annualized

**estimated

SUMMARY OF INVESTMENT PORTFOLIO

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

Securities	Percent of net assets
Parkland Fuel Corp.	5.0%
Major Drilling Group International Inc.	4.9%
Parex Resources Inc.	4.1%
Sleep Country Canada Holdings Inc.	4.1%
Whitecap Resources Inc.	3.8%
Enerflex Ltd.	3.4%
CAE Inc.	3.4%
TFI International Inc.	3.4%
Chorus Aviation Inc.	3.3%
Chemtrade Logistics Income Fund	3.3%
Air Canada	3.2%
Lundin Mining Corp.	3.2%
FirstService Corp.	3.2%
Descartes Systems Group Inc. (The)	3.1%
Badger Daylighting Ltd.	3.1%
Altus Group Ltd.	3.0%
Kelt Exploration Ltd.	3.0%
EnerCare Inc.	2.9%
Transcontinental Inc., Class 'A'	2.9%
Superior Plus Corp.	2.7%
Celestica Inc.	2.6%
Ensign Energy Services Inc.	2.6%
Russel Metals Inc.	2.6%
Intertape Polymer Group Inc.	2.6%
Raging River Exploration Inc.	2.5%
Other Securities	12.8%
Total Securities	94.7%
Other	
Cash	5.5%
Other assets - net of liabilities	(0.2)%
Total Net Asset Value	100.0%
Industry Sectors	
Energy	26.9%
Materials	23.4%
Industrials	24.6%
Consumer Discretionary	7.9%
Information Technology	5.7%
Real Estate	6.2%
Other	5.3%
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 other Fund related materials can be obtained by calling us toll-free at (877) 531-9355, by writing to us at 1850, 333-7th Avenue SW Calgary, Alberta T2P 2Z1, or on our website at www.norrep.com.

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