



Simplified Prospectus

Respecting:

Units of Norrep Fund

and

Mutual Fund Series and Series F Shares of:

Norrep II Class

Norrep Q Class

Norrep US Class

Norrep Global Class

Norrep Income Growth Class and

Norrep Resource Class

Each of Norrep Opportunities Corp.

Simplified Prospectus

Respecting Mutual Fund Series and Series F Shares of:

Norrep High Yield Class of Norrep Opportunities Corp.

and

Respecting Mutual Fund Series, Series F and Series O Shares of:

Norrep Entrepreneurs Class of Norrep Opportunities Corp.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

April 23, 2010

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INTRODUCTION

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor.

This document is divided into two parts. The first part, from pages 1 through 18, contains information applicable to all of the Funds in the Norrep Group of Funds. The second part, from pages 19 through 43, contains specific information about each Fund in the Norrep Group of Funds described in this document.

Additional information about each Fund is available in the Funds' Annual Information Form, each Fund's most recently filed annual financial statements, any interim financial statements of each Fund filed after those annual financial statements, the most recently filed annual management report of fund performance and any interim management report of fund performance filed after the annual management report of fund performance. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of the Funds' Annual Information Form and those financial statements, at no cost, by:

- writing to the Manager, Norrep Inc., Kipling Square, Suite 175, 601 – 10th Avenue SW, Calgary, AB T2R 0B2;
- calling Hesperian Capital Management Ltd. ("**Hesperian**") toll free at 1-877-531-9355;
- emailing Hesperian at info@hesperiancapital.com;
- visiting the Funds' Website at www.norrepfunds.com; or
- asking your investment advisor.

These documents and other information about each Fund are also available on the Internet at www.sedar.com.

In this Simplified Prospectus:

"**Applicable Market Index**" means in the case of (i) Norrep Fund, the BMO Small Capitalization Equity Only Weighted Total Return Index, (ii) Norrep II, the BMO Small Capitalization Equity Only Weighted Total Return Index, (iii) Norrep Q Class, the S&P/TSX Total Return Index, (iv) Norrep US Class, the Russell Microcap Total Return Index in Local Currency, (v) Norrep Global Class, the S&P Developed Small Cap Total Return Index in Local Currencies (vi) Norrep Income Growth Class, the S&P/TSX Income Trust Total Return Index, (vii) Norrep Resource Class, S&P/TSX Capped Energy Total Return Index and (viii) Norrep High Yield Class, Index Merrill Lynch CAD and USD High Yield, Canadian Issuers Index (Currency Hedged), and (ix) Norrep Entrepreneurs Class, 70% BMO Small Capitalization Equity Only Weighted Total Return Index and 30% S&P Developed Small Cap Total Return Index in Local Currencies.

"**Business Day**" means a day that the Toronto Stock Exchange is open for trading.

"**Class**" or "**Classes**" refers to a class or classes of shares of Norrep Opportunities.

"**Fund(s)**" refers to one or more funds in the Norrep Group of Funds listed on the front cover.

"**Hesperian**" means Hesperian Capital Management Ltd.

"**Manager**" means Norrep Inc.

"**MF Series**" refers to the mutual fund series shares offered in this simplified prospectus.

"**Norrep Fund**" refers to Norrep Fund, a mutual fund trust.

"**Norrep Group of Funds**" means Norrep Fund and all the Classes of Norrep Opportunities.

"**Norrep Opportunities**" refers to Norrep Opportunities Corp., a mutual fund corporation that offers eight Classes of shares: Norrep Q Class, Norrep II Class, Norrep US Class, Norrep Global Class, Norrep Income Growth Class, Norrep Resource Class, Norrep High Yield Class and Norrep Entrepreneurs Class. Each Class is like a separate mutual fund with its own investment objectives.

"**Partnership**" refers to any of the Norrep limited partnerships or such other limited partnerships as are determined from time to time by Hesperian.

"**TSX**" means the Toronto Stock Exchange.

"**Units**" means the units of Norrep Fund offered in this simplified prospectus.

"**We**", "**us**", "**our**" and "**Norrep**" means the Norrep Group of Funds, including the Manager, Hesperian or Trustee, as applicable.

"**You**" and "**your**" means the person who invests in the Norrep Group of Funds.

Classes within Norrep Opportunities offers two series of shares: MF Series and Series F, with the exception of Norrep Entrepreneurs Class that also offers Series O shares.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a mutual fund?

A mutual fund is a pool of money contributed by people with similar investment objectives. People who contribute money become unitholders or shareholders of the mutual fund. The value of an investment in a mutual fund is realized by redeeming the securities held.

How are mutual funds structured?

Norrep Fund is a mutual fund trust and Norrep Opportunities is a mutual fund corporation. Both allow you to pool your money with other investors; however, there are a few differences you should know about:

- You buy units of a mutual fund trust and shares of a mutual fund corporation. Units and shares both represent ownership.
- If a mutual fund corporation has more than one investment objective, each investment objective is represented by a separate class of shares. Each class works like a separate mutual fund. Shares are issued and redeemed on the basis of the net asset value of the class and, where applicable, series thereof.
- A mutual fund trust has one investment objective.
- When you change between classes of a mutual fund corporation, this is called a conversion. A conversion is not considered a sale for tax purposes so no taxes are payable solely as a result of the conversion. If you move from a trust fund to a corporate fund or vice versa, this is considered a sale for tax purposes and may give rise to taxable capital gains or losses.
- A mutual fund corporation is a single legal entity and taxpayer regardless of how many classes it offers. The mutual fund corporation must consolidate its income, capital gains, expenses and capital losses from all the investments made for all classes in order to determine the amount of tax payable. For example, capital gains of one class are offset by capital losses of another class. With trust funds, the capital losses of one trust fund cannot be offset against the capital gains of another trust fund. A trust fund is a separate taxpayer.
- A mutual fund corporation pays dividends, while a mutual fund trust pays distributions. A mutual fund corporation may pay capital gains dividends. A mutual fund corporation will have to pay tax on all sources of income other than capital gains in the event that it pays capital gains dividends. For this reason, the investment objective of classes of a mutual fund corporation is usually capital growth and not income. A trust fund will not pay taxes on any source of income or capital gains as long as it distributes its net taxable income to unitholders.

What are the risks of investing in a mutual fund?

Mutual funds own different types of investments, depending upon the investment objectives of the particular mutual fund. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund's units or shares may go up or down on a daily basis, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

The full amount of your investment in a Fund is not guaranteed. Unlike bank accounts or GICs, mutual fund units and shares are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a Fund may suspend redemptions. (See Purchases, Switches and Redemptions.)

Different investments have different types of investment risk. Mutual funds also have different kinds of risk, depending on the securities they own. Below is a summary of the various types of investment risks that may be applicable to mutual funds generally. Part two of this document will tell you the specific risks that apply to each Fund.

Individuals have different tolerances for risks. You need to take into account your own comfort with risk as well as the amount of risk suitable for your investment goals.

Equity Risk

The value of a mutual fund that invests in equity securities (also called stocks or shares) will be affected by changes in the market price of those securities. The price of a stock is affected by individual company developments and by general economic and financial conditions in those countries where the issuer of the stock is located, does business or where the stock is listed for trading. In addition, a portion of the equity securities invested in may be of issuers whose securities are not listed on any prescribed stock exchange and thus there may be a lack of a liquid market for resale.

Interest Rate Risk

The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of equity securities.

If a mutual fund invests in money market or fixed income securities (such as bonds), its value is affected by changes in the general level of interest rates. When interest rates fall, bond prices rise. That is because existing bonds pay higher rates than newly issued ones, and so are worth more. When interest rates rise, bond prices fall, and so will the unit or share value of funds that hold them.

The income earned by a mutual fund - and the income paid by the mutual fund to unitholders or shareholders - is also affected by changes in interest rates.

Foreign Security Risk

The value of foreign securities may be influenced by foreign government policies, lack of information about foreign companies, political or social instability and the possible levy of foreign withholding tax. There may be lower standards of government supervision and regulation in foreign financial markets. Foreign stock markets may also be less liquid and more volatile. In addition, the securities markets of many countries have at times in the past moved relatively independently of one another due to different economic, financial, political and social factors. This may reduce gains the mutual fund has derived from movements in a particular market. A mutual fund that holds foreign securities may have difficulty enforcing legal rights in jurisdictions outside Canada.

Foreign Currency Risk

The Canadian dollar value of a mutual fund's investments in foreign securities is affected by changes in the value of the Canadian dollar relative to those securities. When the value of the Canadian dollar goes up relative to other currencies, the Canadian dollar value of the fund's investments in securities denominated in those currencies goes down.

Income Trust Risk

Since March 23, 2004, the Minister of Finance has announced numerous and diverse proposals respecting amendments to the taxation of mutual fund trusts and has suggested that developments in the flow through entity market generally would be monitored carefully. On October 31, 2006 the Minister of Finance announced proposed amendments to the treatment of certain publicly listed trusts and their unit holders under the Tax Act, effective generally for 2007 and subsequent taxation years if the units of the income trusts were listed or traded on a stock exchange or other public market. The amendments to the *Income Tax Act* to implement these measures were

enacted in June 2007. Norrep Fund and its unitholders are not affected by these measures because the Units are not listed or traded on a stock exchange or other public market.

Changes in the taxation of mutual fund trusts are possible. Such changes could result in the income tax considerations to holders of mutual fund trusts being materially different than as at the date hereof in certain respects.

Small, Mid-Capitalization and Micro-Capitalization Company Risk

Investments in small, mid-capitalization and micro-capitalization companies may involve greater risks than in larger, more established companies since such companies may have more limited markets and financial resources and their securities may be more sensitive to market changes. As well, the liquidity of the securities may be limited. Consequently, in order to fund redemptions, a mutual fund may have to liquidate its shareholdings in the more liquid large and medium-sized companies. As well, to the extent that the liquidity is limited, the mutual fund's ability to realize profits and/or minimize losses may be limited, which could adversely affect the net asset value of the mutual fund.

Regulatory Risk

Some industries, such as resource, financial services, health care and telecommunications, are heavily regulated and may receive government funding. Investments in these sectors may be substantially affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding. The value of a mutual fund that buys these investments may rise and fall substantially due to changes in these factors.

Derivative Risk

A derivative is a contract or security whose value and cash flow pattern is derived from another underlying security, such as a stock or bond, or from an economic indicator, such as an interest rate or stock market index. Some examples of the most common derivatives are:

- A forward contract is an agreement to buy and sell currency, commodities or securities at an agreed price for future delivery. Forward contracts are often used to reduce risk.
- An option gives the buyer the right, but not the obligation, to buy or sell currency, commodities or securities at an agreed price within a certain period of time.

Mutual funds may use derivatives to limit potential losses associated with currencies, stock markets and interest rates. This process is called hedging. Mutual funds may also use derivatives for non-hedging purposes to reduce transaction costs, achieve greater liquidity, generate income, and increase speed and flexibility in trading.

The Funds may invest in exchange-traded options, futures contracts and options on futures, over-the-counter options, and forward contracts (the "**permitted derivatives**") to the extent and for the purposes permitted by Canadian securities authorities. The Funds may also write covered call options. An investment in a permitted derivative is a means of obtaining a leveraged position in the underlying security. The value of a permitted derivative will change more than proportionately to changes in value of the underlying security. Writing covered call options is a means of obtaining income related to the premium associated with the option at the time of writing, although any capital gains would be limited by the exercise price of the option. The Fund may use permitted derivatives for both hedging and non-hedging purposes.

The primary risk associated with an investment in a permitted derivative is that its value can be reduced to nil or a nominal amount if the price of the underlying security should decrease significantly below the exercise price (in the case of a call option) or increase significantly above the exercise price (in the case of a put option). Also, because permitted derivatives have a limited term; their value is influenced by the length of time to expiry.

Stock index options and futures contracts present the additional risk that index prices may be distorted if trading of certain stocks included in the index is interrupted. Trading in these derivative instruments also may be interrupted if trading is halted in a substantial number of stocks included in the index. If this occurred, the Fund would be unable to close out its options and futures positions and, if restrictions on exercise of the options or performance of the futures contracts were imposed, the Fund might experience a substantial loss.

Some other risks of investing in derivatives are:

- The use of derivatives for hedging may not be effective. There may be an imperfect correlation between changes in the market value of the investment being hedged and the hedging derivative.
- Some derivatives may limit a mutual fund's potential for gain as well as loss.
- The cost of entering and maintaining derivative contracts may reduce a mutual fund's total return to investors.
- The price of a derivative may not accurately reflect the value of the underlying currency or security.
- There is no guarantee that a market will exist when a mutual fund wants to buy or sell the contract. This could prevent the mutual fund from making a profit or limiting its losses.
- If the other party (the counterparty) to a derivative contract is unable to meet its obligations, a mutual fund may experience a loss.
- Securities exchanges may set daily trading limits on derivatives. This could prevent a mutual fund from closing a contract.
- There is a risk of loss of margin deposits in the event of bankruptcy of a dealer with whom the Funds have an open position in an option or futures or forward contract.
- Derivative investments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets.

Class Risk

Each Class of Norrep Opportunities has its own investment objective and own fees and expenses, which are tracked separately. However, there is a risk that the expenses or liabilities of one Class may affect the value of the other Classes. If one Class is unable to pay its expenses, Norrep Opportunities as a whole is legally responsible for covering the shortfall.

Series Risk

A holder of units or shares may be subject to certain risks if a mutual fund issues multiple series of units or shares. Each series has its own fees and expenses, which will be tracked separately. It is possible that a mutual fund could not pay the expenses of one series using that series' proportionate share of the mutual fund's assets. If that were to happen, a mutual fund could be required to pay those expenses out of the other series' share of the assets. This could lower the investment return of the other series.

Short Selling Risk

A short sale by the Fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, the proceeds from the sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the

lender). Short selling involves risk. There is no assurance that securities will decline in value during the period of the short sale and make a profit for the Fund. Securities sold short may instead appreciate in value creating a loss for the Fund. The Fund may experience difficulties repurchasing and returning the borrowed security if a liquid market for the security does not exist. The lender may also recall borrowed securities at any time. The lender from whom the Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender. The Fund will adhere to controls and limits that are intended to offset these risks by short selling only liquid securities and by limiting the amount of exposure for short sales. The Fund will also deposit collateral only with Canadian lenders that are regulated financial institutions or regulated dealers and only up to certain limits.

Exchange Traded Fund Risk

The Fund has received approval from the Canadian securities regulators to invest in securities of Horizon BetaPro Exchange Traded Funds ("**HBP ETFs**") on a limited and controlled basis. The HBP ETFs are exchange-traded funds that seek to provide returns similar to a particular benchmark market, industry sector index, or commodity; and utilize leverage in an attempt to magnify returns by either a multiple or an inverse multiple of that benchmark, index or commodity. Investments in the HBP ETFs are highly speculative and involve a high degree of risk. The HBP ETFs are also subject to increased volatility as they seek to achieve a multiple or inverse multiple of a benchmark index or commodity.

Low Rated or Unrated Debt Obligations

A portion of the Fund's portfolio may consist of instruments that have a credit quality rated below investment grade by internationally recognized credit rating organizations or may be unrated. These securities involve significant risk exposure as there is uncertainty regarding the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations. Low rated and unrated debt instruments generally offer a higher current yield than that available from higher grade issuers, but typically involve greater risk

Investments in Unsecured Indebtedness

The Fund may invest, from time to time, in unsecured debt obligations of small capitalization companies. In the event of a default in the repayment of these obligations, the Fund's investment in such indebtedness may be lost in whole or in part.

Norrep Partnerships

In addition, Norrep Opportunities has an additional risk in relation to the annual rollover transaction pursuant to which the assets of certain of the Partnerships will be transferred to one of the Classes on a tax deferred basis, in exchange for securities of the Class, following which the securities of the Class will be distributed to limited partners of the Partnerships on a pro rata and a tax deferred basis upon dissolution of the Partnership. In this case, the Class shall be subject to the risks of investing in the assets of the Partnerships. For a description of the risks associated with investing in the Partnerships, please see the public disclosure documents of the Partnerships, which are available anytime on the internet at www.sedar.com. The content of this public disclosure is expressly not incorporated by reference into this simplified prospectus.

Organization and Management of the Norrep Group of Funds

The table below shows the companies responsible for providing important services to each Fund.

<i>Role</i>	<i>Service provided</i>
Manager Norrep Inc. Suite 175, 601 – 10th Avenue SW Calgary, Alberta T2R 0B2	Provides overall management and direction for the Funds including the appointment of the Portfolio Manager.
Trustee of Norrep Fund BNY Trust Company of Canada	When you invest in a Fund that is organized as a trust, you are buying units of a trust. The trustee holds actual title to the

Suite 1101, 4 King Street West
Toronto, Ontario M5H 1B6

property of the Fund – cash and securities – on your behalf.

Portfolio Manager

Hesperian Capital Management Ltd.
Suite 175, 601 – 10th Avenue SW
Calgary, Alberta T2R 0B2

Provides investment management services and manages the day-to-day operation of the Funds.

Transfer Agent and Registrar

Citigroup Fund Services Canada, Inc.
2920 Matheson Blvd. East
Mississauga, Ontario L4W 5J4

Responsible for day-to-day administration and record keeping of the Funds.

Custodian

CIBC Mellon Trust Company
6th Floor, 320 Bay Street
Toronto, Ontario M5H 4A6

Responsible for the safekeeping of the investments of the Funds.

Auditors

KPMG LLP
Suite 2700, 205 - 5th Avenue S.W.
Calgary, Alberta T2P 4B9

Examines and expresses an opinion on the financial statements of the Funds.

Independent Review Committee

James B. Rooney, Q.C.
Michael J. Robinson, C.M.
Ian T. Brown, BSc. P.Geol, ICD.D

The Independent Review Committee provides input on the Norrep Group of Funds' written policies and procedures on conflicts of interest matters involving the Funds. It also reviews conflicts of interest matters referred to it by the Manager. The Committee prepares, at least annually, a report of its activities for securityholders which is available at the Funds' website at www.norrepfunds.com, or at the securityholder's request, at no cost, by contacting the Fund at info@hesperiancapital.com. Additional information about the Independent Review Committee is available in the Funds' Annual Information Form.

PURCHASES, SWITCHES AND REDEMPTIONS

General

Classes under Norrep Opportunities Corp. offer two series of shares: MF Series shares and Series F shares, with the exception of the Norrep Entrepreneurs Class, which also offers Series O shares. Norrep Fund offered MF Series units only. MF Series shares are available to all investors while Series F shares may only be purchased by investors who are participants in a fee-for-service or wrap account program sponsored by certain securities dealers, or at Hesperian's discretion. Your investment advisor must notify Hesperian if you are no longer enrolled in a fee-for-service or wrap account program.

If Hesperian is notified that you no longer meet the eligibility criteria for Series F, we will sell or convert your Series F shares in accordance with the instructions from your investment advisor. In the absence of instructions, we may automatically sell your Series F shares or convert them to MF Series Shares. There may be tax implications arising from any sale. See *Income Tax Considerations for Investors* for more details.

Series O shares are available to certain investors at Hesperian's discretion, including the other Classes under Norrep Opportunities Corp. To qualify to purchase Series O shares, you must have entered into a Series O share agreement with Hesperian.

You can buy, switch or sell units or shares of the Funds through your mutual fund or securities dealer. Selling your units or shares is also known as redeeming. All transactions are based on the Fund's net asset value per unit or series net asset value per share next determined after we receive your purchase, switch, or sale request in good order.

We usually calculate the net asset value per unit or series net asset value per share at the end of each Business Day. A Business Day is any day that The Toronto Stock Exchange (TSX) is open. In unusual circumstances, we may suspend the calculation of Fund prices.

We calculate the net asset value of each series of each class within Norrep Opportunities by adding up the assets attributable to the series and subtracting the liabilities attributable to the series. The series net asset value per share is equal to the series net asset value divided by the number of shares of that series outstanding.

Since Norrep Fund is available in units only, the net asset value of each unit of Norrep Fund is simply the sum of the assets of the Fund minus the sum of the liabilities of the Fund divided by the number of units outstanding.

Purchases

Orders to purchase units or shares must be placed with your mutual fund dealer or securities dealer. Your units or shares must continue to be held in a dealers account. Shares and units are not currently available to residents of Quebec, the Territories or residents of the United States.

Unless Hesperian otherwise agrees, the minimum initial investment in MF Series shares or Series F shares of any Class within Norrep Opportunities is \$5,000 and any additional investment (other than reinvestments) must be at least \$1,000. The minimum initial investment in Series O shares of Norrep Entrepreneurs Class is \$500,000 and any additional investment (other than reinvestments) must be at least \$1,000.

The Norrep Fund was closed to new and additional purchases, except with respect to reinvested distributions and rebated management fees, on March 1, 2005. The Norrep II Class, which was closed to new and additional purchases, except with respect to reinvested dividends, on March 1, 2006, was re-opened to new and additional purchases on September 1, 2009. Notwithstanding the foregoing, the Manager in its discretion may open or close the Norrep II Class to new and additional purchases at any time.

Purchases of MF Series shares of any Class of Norrep Opportunities are made under either the Front End Sales Charge option or the Low Load Deferred Sales Charge option (as discussed under *Fees and Expenses Payable Directly by You*). The sales charge option you choose will affect the compensation paid to your dealer. Your dealer is the company that your financial advisor works for. No commission or servicing charge is payable for the purchase of Series F shares. See *Fees and Expenses Payable Directly by You* for more information.

The purchase price for units or shares will be the net asset value per unit or the series net asset value per share of the relevant Fund calculated on the same Business Day if the purchase order is received by the Fund before 4:00 p.m. (Toronto Time). If the purchase order is received after 4:00 p.m. (Toronto Time) on a Business Day or on a day that is not a Business Day, it will be processed on the next Business Day. We calculate the net asset values at 4:00 p.m. (Toronto Time) every day that the Toronto Stock Exchange is open for trading.

We reserve the right to reject a purchase of units or shares within one business day after receipt by the mutual fund of the order. In such case, we will refund all cash received immediately.

If, for any reason, we do not receive payment on or before the third Business Day following the date on which the purchase order was processed, the units or shares that were purchased may be redeemed on the next Business Day. If the proceeds of the redemption exceed the purchase price, the Fund will be entitled to retain the difference. If the proceeds of redemption are less than the purchase price, we will pay the difference to the Fund and will be entitled to collect such amount together with all costs, charges and expenses in so doing, from the dealer or the investor from whom the purchase order was received. An administration fee of \$30.00 is charged to an investor in respect of any dishonoured cheque submitted in payment for a purchase order.

Limited Partnership Rollovers

Investors may receive shares of Norrep Opportunities on a rollover from a Partnership. While no commission is payable on the rollover, your dealer will receive a servicing commission on the market value of the shares at Front

End Sales Charge rates which is currently 1% per annum for all Classes of Norrep Opportunities Corp., other than the Norrep Income Growth Class, which is currently 0.65% per annum. See *Dealer Compensation*.

Switches

A switch is a conversion of a series of shares of any Class of Norrep Opportunities to another series of shares from the same or another Class. You may switch shares of a Class on any Business Day by delivering a written request to your mutual fund or securities dealer that specifies the number and series of shares to be switched.

When you switch your shares your dealer may charge you a fee. You and your dealer negotiate this fee. Switches from any series of shares owned less than 90 days are subject to Switch Fees. See *Fees and Expenses Payable Directly by You* for more information.

Switching between Series of the Same or Different Classes

Shares of a series of a Class of Norrep Opportunities are convertible at the option of the holder into shares of any other series of any other Class subject to certain restrictions. Switches from MF Series shares to Series F are permitted subject to your dealer providing a fee for service or wrap program that qualifies him to sell Series F shares. See *Purchases, Switches and Redemptions, General*. If you purchased MF series shares under the Low Load Deferred Sales Charge Shares option you may only switch them to another MF series/Low Load Deferred Sales Charge option share.

Switching between a series of a Class to a series of the same or a different Class constitutes a conversion. A conversion is not a taxable transaction because you still own shares of Norrep Opportunities Corp. This means that you will not incur a capital gain or loss for tax purposes at the time of the conversion. When you convert shares between Classes, the value of your investment will not change, but the number of shares you hold will change. This is because each series of a Class has a different share price. For a further discussion of the tax consequences, see *Income Tax Considerations for Investors*.

Switching shares received on a rollover

For investors receiving any series of shares of any Class of Norrep Opportunities on a rollover from a Limited Partnership, no redemption or switch fees are payable as a result of one switch to any other series of shares of any Class of Norrep Opportunities.

Switching between Norrep Fund and Norrep Opportunities

Switching your units of Norrep Fund to any series of any Class of Norrep Opportunities is not permitted. You can, however, redeem your units of Norrep Fund and purchase shares of any series of any Class of Norrep Opportunities. All terms and conditions of the purchase such as switch fees and redemption fees will apply commencing with the date of purchase. See *Fees and Expenses* for details.

Redeeming your Norrep Fund units is considered a sale for income tax purposes. If you hold your units or shares in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable. For a further discussion of the tax consequences, see *Income Tax Considerations for Investors*.

Redemptions

You may redeem Units or shares of a Fund on any Business Day by delivering a written request to your mutual fund or securities dealer that specifies the number and series of units or shares to be redeemed.

When you redeem units or shares, we will charge the redemption fee amount as described under *Fees and Expenses*. These fees are designed to deter excessive trading and to protect unitholders and shareholders from other investors moving quickly in and out of the Funds. Frequent trading can hurt a Fund's performance by forcing the portfolio

manager to keep more cash in the Fund than would otherwise be needed or to sell investments at an inappropriate time.

The amount of the redemption fee depends primarily on the sales charge option that was selected, the amount of your original investment and the length of time you own the shares. See *Fees and Expenses* for more information about these fees.

If you purchase shares under the Low Load Deferred Sales Charge Option, you can redeem up to 10% of your shares of a Fund without paying redemption fees. At the beginning of each year, we calculate your 10% free redemption amount. This amount is equal to 10% of the number of shares you own. During the year, this amount is adjusted by adding 10% of the new shares purchased under the Low Load Deferred Sales Charge Option and by deducting the number of 10% free shares redeemed earlier in the year. If you do not use all of your 10% free redemption amount in a calendar year, you cannot carry it forward into the next year. We may change or cancel the use of the 10% free redemption program at any time. We will give you at least 60 days notice of the change or cancellation.

Shares subject to the 10% free redemption amount are deemed to be redeemed first. After this, your oldest shares are redeemed. In addition, you pay no redemption fee in respect of reinvested shares due to adjustments we make.

A redemption request received by a Fund before the close of business (4:00 p.m. Toronto time) on a Business Day will be processed at the net asset value per unit or the series net asset value per share calculated at the close of business on that Business Day. A redemption request received after the close of business on a Business Day, or on a day that is not a Business Day, will be processed in the same way on the next Business Day.

If we have not received all required documents on or before the third Business Day following the date on which your redemption request was received, we will notify you that your order is incomplete. If we still have not received all required documents by the tenth Business Day following the date on which your redemption request was received, we will buy back the securities as of the close of business on the tenth Business Day. If the cost is less than the proceeds of redemption, the Fund will be entitled to retain the difference. If the cost is greater than the proceeds of redemption, we will pay the difference to the Fund and will be entitled to collect such amount together with all costs, charges and expenses in so doing, from the dealer or investor from whom the redemption request was received.

Unless redemptions are suspended (which may only occur when the determination of the net asset value per unit or series net asset value per share is suspended), payment of the redemption price for units or shares tendered for redemption will be made (less any fees and tax required to be withheld), upon the direction of the Fund, by the registrar and transfer agent in Canadian currency within three Business Days.

If redemptions are suspended as described below, you may either withdraw your redemption request or receive payment based on the net asset value per unit or series net asset value per share next determined after the termination of the suspension.

Due to the high cost of maintaining small accounts, unit or share holdings with a current value of less than \$2,500 may be redeemed upon 10 days' notice by us to you.

Under extraordinary circumstances, we may suspend your right to require a Fund to redeem your units or shares. Examples of these circumstances include during any period when normal trading is suspended on the TSX or any other stock exchange within or outside Canada on which securities owned by the Fund are listed and traded if those securities represent more than 50% of the net asset value of the Fund before allowance for liabilities. In addition, we may, with the consent of the Alberta Securities Commission, from time to time suspend your right to redeem any units or shares during any period in which we determine that conditions exist which render impractical the sale of the assets of the Fund or impair our ability to determine the value of the assets held by the Fund.

Any suspension shall take effect at such time as we declare and thereafter no units or shares of the Fund will be redeemed until we declare the suspension at an end, except that the suspension will terminate in any event on the first day after the circumstances which gave rise to the suspension cease to exist. All redemptions which would

have taken place during the period of suspension will be deemed to occur at the close of business on the first valuation day after the termination of such suspension unless, prior to such time, you have withdrawn your request for the redemption of such units or shares.

Short-Term Trading

Excessive trading can harm the Funds' performance by forcing the portfolio manager to keep more cash in the Funds than would be otherwise needed or to sell investments at an inappropriate time. The Funds reserve the right to charge a switch fee of 2% if you invest in units or shares of the Funds for a 90-day period or less. See *Fees and Expenses* for more details.

OPTIONAL SERVICES

Automatic Reinvestment of Dividends and Distributions

We automatically reinvest your distributions or dividends in additional units or shares of the same series of a Fund. There is no cost for this service. If you would prefer your dividends and distributions in cash, please contact your dealer and instruct them to make your dividends and distributions payable by cheque.

FEES AND EXPENSES

This table lists the fees and expenses that, as an investor, you may have to pay if you invest in the Norrep Group of Funds. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund.

Fees and Expenses Payable by the Fund

Management Fees	<p>The management fees of the Funds vary.</p> <ul style="list-style-type: none"> (i) With the exception of the Norrep Income Growth Class, a management fee of 1/12 of 2% per month of the Unit net asset value or the MF Series net asset value is paid by the Funds to Norrep Inc. A management fee of 1/12 of 1% per month of the F Series net asset value is paid by the Fund to Norrep Inc. (ii) On the Norrep Income Growth Class, a management fee of 1/12 of 1.65% per month of the MF Series net asset value and 1/12 of 1.0% per month of the F Series net asset value is paid to Norrep Inc. (iii) No management fee is charged to the Series O shares; rather, the investors who hold Series O shares will pay management fees directly to the Manager, in an amount determined by negotiation with the Manager. (iv) To encourage very large investments, and to achieve effective management fees that are competitive for those investments, the Manager may agree to a reduction in the management fees charged in respect of particular investors, <p>Fees payable to Hesperian as portfolio manager of the Funds are paid out of these management fees. In addition, Norrep Inc. may in certain circumstances be entitled to a performance fee from each series of each Class of Norrep Opportunities. See "<i>Performance Fee</i>" below.</p>
Operating Expenses	<p>All operating expenses are paid by the Funds. These expenses include, but are not limited to, administration and accounting costs, applicable taxes, audit and legal fees, custodial fees, the preparation and distribution of unitholder reports and fees payable to, and expenses incurred by, the Independent Review Committee.</p> <p>The Fund will pay its prorated share of all reasonable costs and expenses incurred in compliance of NI 81-107. These include, but are not limited to:</p> <ul style="list-style-type: none"> (a) the compensation and expenses payable to the members of the Independent Review

Committee, which are estimated to be \$89,000 per year;

- (b) the compensation and expenses payable to any independent counsel or other adviser employed by the Independent Review Committee;
- (c) the costs of the orientation and continuing education of the members of the Independent Review Committee;
- (d) the cost of liability insurance for the Independent Review Committee members, which is estimated to be \$25,000 per year; and
- (e) the costs and expenses associated with a special meeting of the Limited Partners called by the General Partner to remove a member or members of the Independent Review Committee, which is only expected to occur in extraordinary circumstances.

The Fund pays all of the fees and expenses of the Independent Review Committee.

The main components of the fees payable to the Independent Review Committee members are as follows:

- (a) Quarterly Retainer Fee — \$2,875 per quarter;
- (b) Meeting Fee - \$3,375 per meeting (4 meetings per year); and
- (c) Quarterly Chairman's Fee - \$2,875 per quarter.

Performance Fee

Classes within Norrep Opportunities accrue daily an estimate of the performance fee ("**Performance Fee**") in respect of each series of shares calculated in the manner described below. The Performance Fee is in addition to the basic management fee. As a result, when you redeem shares in any of these Funds, since the Performance Fee is reflected in the net asset value of the series, you have paid for your proportionate share of the Performance Fee. When you purchase shares of these Funds, the amount you pay has already been reduced by any Performance Fee accrued.

While the Fund accrues the Performance Fee, the Manager is only entitled to be paid the Performance Fee if certain conditions are met.

The Performance Fee is based on the performance of the series of a Class over a "**Performance Measurement Period**" which is a calendar quarter. Generally, in order to determine if a Performance Fee will be payable, the series return is compared to the return of the Applicable Market Index over the Performance Measurement Period. If the series performance exceeds the Applicable Market Index, 20% of this amount will be multiplied by the average series net asset value during the Performance Measurement Period (the "**Outperformance Amount**"). This is 20% times (Series performance minus the Applicable Market Index performance) times (average series net asset value) = Outperformance Amount.

Even if the Outperformance Amount is positive, the Manager will not be paid the Performance Fee unless:

1. the cumulative return of the series is greater than zero since the last time the Performance Fee was paid to the Manager; and
2. the cumulative return for the series has outperformed the Applicable Market Index since the last time the Performance Fee was paid to the Manager.

The Applicable Market Index for each Fund must reflect the markets in which the Fund invests according to its fundamental investment objectives.

Fees and Expenses Payable Directly by You

Series F Sales Charge If you purchase Series F shares you pay no sales charge. However you may be subject to Switch Fees or Redemption Fees. See below.

Series O Sales Charge If you purchase Series O shares you pay no sales charge. However you may be subject to Switch Fees or Redemption Fees. See below.

Low Load Deferred Sales Charge If you select the Low Load Deferred Sales Charge Option when you purchase MF Series shares, you pay no sales charge. However you may be subject to Switch Fees or Redemption Fees. See below.

Front End Sales Charges If you select the Front End Sales Charge option when you purchase units or MF Series shares, you and your financial advisor negotiate the sales charge you pay at the time of purchase. The sales charge can be 0-5% as negotiated between you and your dealer, and is deducted from your investment and paid to your dealer. However, this fee does not apply to units or shares purchased through the reinvestment of dividends or distributions. In addition, you may be subject to Switch Fees or Redemption Fees. See below.

Switch Fees A fee of 2% of the original cost of the amount switched, regardless of the sales charge option chosen, will be charged if you invest in units or shares of a Fund for a 90-day period or less. The Funds may adopt a different standard or fee as may be required by any regulatory changes or to conform to industry guidelines. We will deduct the fee from the switch proceeds. This fee is designed to deter excessive trading and to protect unitholders and shareholders from other investors moving quickly in and out of the Funds. Frequent trading can hurt a Fund's performance by forcing the portfolio manager to keep more cash in the Fund than would otherwise be needed or to sell investments at an inappropriate time.

These Switch Fees do not apply:

- to units or shares you receive from reinvested dividends or distributions;
- to the first switch of any series of shares of any Class of Norrep Opportunities received as a result of a rollover from a Limited Partnership;
- to units or shares sold as a result of the death of the holder;
- if you are exercising a statutory right of withdrawal or rescission; or
- to switches initiated by the Fund.

Your dealer may also charge you an administration fee.

Redemption Fees You pay redemption fees to the Manager if you redeem your shares or units, including shares or units subsequently acquired through switches, within a certain period of time from the original date of purchase. The redemption fee you pay is dependent on the sales charge option you selected at the time of the original purchase and the cost of the securities, and does not change regardless of subsequent switches.

The Redemption Fees do not apply:

- to units or shares you receive from reinvested dividends or distributions;
- to any series of shares of any Class of Norrep Opportunities received as a result of a rollover from a Limited Partnership;
- to units or shares sold as a result of the death of the holder;
- if you are exercising a statutory right of withdrawal or rescission;
- to redemptions initiated by the Fund; or
- the 10% free redemption amount. See *Redemptions*.

Your dealer may also charge you an administration fee.

The following table shows the redemption fees, expressed as a percentage of the cost⁽¹⁾ of units or shares being sold.

If you sell	Series F	Low Load Deferred Sales Charge	Front End Sales Charge
During the first 180 days	2.00%	3.50%	2.00%
During the 1 st year	Nil	3.50%	Nil
During the 2 nd year	Nil	2.75%	Nil
During the 3 rd year	Nil	2.00%	Nil
Thereafter	Nil	Nil	Nil

- (1) The cost of shares subject to redemption fees does not include reinvested distributions and is further reduced under the 10% free redemption amount feature. See *Redemptions* for details.

Impact of Sales Charges

The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of \$1,000 in a Fund, if you held that investment for one, two, three, five and ten years and redeemed immediately before the end of that period. See *Fees and Expenses* above.

	At Time of Purchase	1 Year	2 Years	3 Years	5 Years	10 Years
Sales Charge Option ⁽¹⁾⁽³⁾	\$50.00	Nil	Nil	Nil	Nil	Nil
Redemption Charge Option ⁽²⁾⁽³⁾ (Low Load Deferred Sales Charge)	Nil	\$35.00	\$27.50	\$20.00	Nil	Nil
No Load Option ⁽³⁾ (Series F and Series O Sales Charge)	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) The Front End Sales charge may be 0-5%.
(2) By applying the 10% free redemption amount, you may be able to reduce the amount of redemption fees you might otherwise pay. See *Redemption Fees* for more information.
(3) The fees payable are based upon the original purchase price of the shares at the time of redemption.

DEALER COMPENSATION

Sales Commissions

Your dealer may receive a sales commission when you invest in units of Norrep Fund or MF Series of any Class of Norrep Opportunities. Your financial advisor receives part of this commission. The amount of commission depends upon which sales charge option you choose.

If you choose the Front End Sales Charge option, your dealer receives a commission equal to the amount you negotiate with your financial advisor. The maximum commission under this option is 5% of the amount of your investment.

If you choose the Low Load Deferred Sales Charge option, we pay your dealer a commission of 3.00% of the total amount you invest.

Servicing Commission

We also pay your dealer a servicing commission as compensation for the advice and service they provide you in connection with your investment in units of Norrep Fund or MF Series shares of any Class of Norrep Opportunities. If you choose the Front End Sales Charge option, the commission is 1.00% per annum for MF Series shares of any Class of Norrep Opportunities, with the exception of the Norrep Income Growth Class and the Norrep Fund, which pay commissions of 0.65% and 0.75% per annum respectively. If you choose the Low Load Deferred Sales Charge option to purchase MF Series shares of any Class of Norrep Opportunities the commission is 0.5% per annum, except for the Norrep Income Growth Class, which carries a 0.325% commission per annum. We may change or terminate the payment of these commissions at any time.

For purchases of Series F shares or Series O shares, we do not pay any servicing commission to your dealer. Your dealer is paid a negotiated fee under the terms of your arrangement with your registered dealer.

DEALER COMPENSATION FROM MANAGEMENT FEES

For the year ended October 31, 2009, we paid 30% of our management fees in cash compensation.

OTHER KINDS OF DEALER COMPENSATION

We may provide your dealer with marketing material about the Funds and other investment literature. We may also contribute to the direct costs of your dealer that relate to sales communications or investor education in accordance with the requirements of National Instrument 81-105 - *Mutual Fund Sales Practices*. We may also provide non-monetary benefits of a promotional nature and of minimal value.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This section is a general summary of how your investment in a Fund is taxed. This summary assumes that you are a Canadian resident individual and that you hold your units or shares as capital property.

What follows is only a general summary. You should consult your tax advisor about your own tax situation.

Units or Shares Held in a Registered Plan

The units or shares of the Funds are qualified investments under the *Income Tax Act* (Canada) for registered plans. If you hold your units or shares in a registered plan such as a registered retirement savings plan, registered retirement income fund, registered education savings plan or a deferred profit sharing plans, you do not have to pay any taxes on distributions received on those units or shares until amounts are withdrawn from the plan. Also, if those units or shares are redeemed or sold, generally the proceeds will not be taxable until they are withdrawn from the plan. If you hold units or shares in a tax free savings account ("TFSA"), you do not have to pay any taxes on the distributions or dividends paid by the Fund or the capital gains generated from a disposition of the units or shares.

Units or Shares Held in a Non-Registered Plan

Turnover Rate

A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Classes of Norrep Opportunities Held in a Non-Registered Account

Distributions

Distributions from a Fund will be made either as taxable dividends or as capital gains dividends.

Capital gains dividends are distributions of capital gains realized by the Fund. Distributions in the form of capital gains dividends will be treated in your hands in the same way as capital gains arising on the sale of shares of a Fund. Ordinary dividends are treated as taxable dividends you received directly and are subject to the gross-up and dividend tax credit rules that normally apply to taxable dividends paid by taxable Canadian corporations. You will receive a tax slip each year that shows your share of the Fund's distributions of:

- taxable dividends; and
- capital gains dividends.

You must report these amounts when completing your tax return regardless of whether the amounts were paid to you in cash or reinvested in additional shares.

Conversions

A conversion between Classes or Series of Norrep Opportunities Corp. is not a disposition. You can convert between Classes of Norrep Opportunities or amongst a series of shares of the same Class (to the extent permitted) without triggering a capital gain or loss.

Units of Norrep Fund Held in a Non-Registered Account

Distributions

Distributions from the Fund will be made either as trust income, foreign source income, taxable dividends or capital gains dividends.

Distributions that are designated as taxable dividends received by the Fund from taxable Canadian corporations will be subject to the gross-up and dividend tax credit rules normally applicable to such dividends, in the same way as if you had received such dividends directly.

Distributions that are designated as capital gains will be treated in your hands in the same way as capital gains arising on the sale of units of this Fund, as described below.

You will receive a tax slip each year that shows your share of the Fund's distributions of:

- taxable dividends;
- foreign source income;
- capital gains; and
- other income.

You must report these amounts when completing your tax return regardless of whether the amounts were paid to you in cash or reinvested in additional units.

If you receive an amount in excess of your share of the net income of the Fund, this amount generally will not be required to be included in your income but, except to the extent that it constitutes your share of the non-taxable portion of capital gains realized by the Fund, generally will reduce the adjusted cost base of your units.

Sales or Redemptions in Non-Registered Accounts

At the time you purchase units or shares of a Fund, your cost (the net asset value or series net asset value) of the units or shares may reflect income and gains that have accrued or been realized in the Fund but have not yet been distributed. Such income or gains, which are subsequently distributed to you, will be taxable. For example, if the Norrep Fund distributes its income and capital gains once a year in December (which is the current distribution policy of the Fund) and you buy units or shares late in the year, you may effectively have to pay tax on the income and gains the Fund earned for the whole year.

If you redeem or otherwise dispose of units or shares of a Fund (including a deemed disposition on death) for more than their adjusted cost base, you will realize a capital gain. If you redeem or otherwise dispose of units or shares for less than their adjusted cost base, you will realize a capital loss.

To calculate your capital gain or capital loss, you must determine the adjusted cost base of the units or shares of a series sold or redeemed. If you have purchased units or shares of a series of a Fund over a period of time you probably paid a different price each time. The weighted average price (including commission) paid by you for units or shares of a series of a Fund, including units or shares of a series acquired with reinvested distributions, is called your adjusted cost base. The adjusted cost base to you of units of Norrep Fund may be reduced if you receive distributions from such Fund in excess of your share of the Fund's net income (see above). Your capital gain or capital loss is the difference between the proceeds of disposition of the units or shares of a series sold or redeemed, net of any fees or other expenses paid by you as part of the sale, and the adjusted cost base of those units or shares of a series.

One-half of any capital gain realized by you on a disposition of shares or units of a series, and one-half of any capital gains dividend paid to you by any Class or any capital gain designated to you by Norrep Fund (each called a "**taxable capital gain**") must be included in your income for tax purposes. One-half of any capital loss realized by you on a disposition of units or shares of a series (called an "**allowable capital loss**") must be deducted against taxable capital gains realized or deemed to be realized by you in the same taxation year. If you have allowable capital losses in excess of taxable capital gains in a taxation year, that excess may generally be carried back up to three taxation years or forward indefinitely, and deducted against taxable capital gains realized by you in those other taxation years.

Dividends and capital gains may give rise to alternative minimum tax.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy units or shares of the Funds within two business days of receiving the Simplified Prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy units or shares of the Funds and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory, or consult your lawyer.

FUND SPECIFIC INFORMATION

The following explanations are provided to help you more easily understand the specific information about each of the Funds in the Norrep Group of Funds described in this Simplified Prospectus. Any information that is common to the Funds is described previously on pages 1 to 18, inclusive. You should refer back to those pages when reading the individual Fund description to make sure you have complete information about a particular Fund.

We use the term "**management expense ratio**" in this document. The management expense ratio is a ratio that is calculated by taking the total expenses paid by Norrep Fund or a series of a Class for a year and expressing it as an annualized percentage of daily average net asset value or series net asset value of the Fund for the year. We also use the term "**portfolio turnover ratio**". The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser 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 the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains or losses in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Organization and Management of the Norrep Group of Funds

The table below shows the companies responsible for providing important services to each Fund.

Role	Service provided
Manager Norrep Inc. Suite 175, 601 – 10th Avenue SW Calgary, Alberta T2R 0B2	Provides overall management and direction for the Funds including the appointment of the Portfolio Manager.
Trustee of Norrep Fund BNY Trust Company of Canada Suite 1101, 4 King Street West Toronto, Ontario M5H 1B6	When you invest in a Fund that is organized as a trust, you are buying units of a trust. The trustee holds actual title to the property of the Fund – cash and securities – on your behalf.
Portfolio Manager Hesperian Capital Management Ltd. Suite 175, 601 – 10th Avenue SW Calgary, Alberta T2R 0B2	Provides investment management services and manages the day-to-day operation of the Funds.
Transfer Agent and Registrar Citigroup Fund Services Canada, Inc. 2920 Matheson Blvd. East Mississauga, Ontario L4W 5J4	Responsible for day-to-day administration and record keeping of the Funds.
Custodian CIBC Mellon Trust Company 6th Floor, 320 Bay Street Toronto, Ontario M5H 4A6	Responsible for the safekeeping of the investments of the Funds.
Auditors KPMG LLP Suite 2700, 205 - 5th Avenue S.W. Calgary, Alberta T2P 4B9	Examines and expresses an opinion on the financial statements of the Funds.

Independent Review Committee

The Independent Review Committee's mandate is to review for, and provide input to, Hesperian on its written policies and procedures which deal with Conflict of Interest Matters and to review for, and provide its decision to, Hesperian on such Conflict of Interest Matters, in accordance with National Instrument 81-107 – *Independent Review Committee for Mutual Funds*.

The Committee prepares, at least annually, a report of its activities for securityholders which is available at the Funds' website at www.norrepfunds.com, or at the securityholder's request, at no cost, by contacting the Fund at info@hesperiancapital.com.

Currently, the members of the IRC are James B. Rooney, Q.C., Michael J. Robinson, C.M. and Ian T. Brown, BSc., P.Geol, ICD.D.

Additional information about the Independent Review Committee is available in the Funds' Annual Information Form.

SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT



NORREP FUND: FUND DETAILS

Type of Fund	Canadian Small Cap Equity
Start up	April 12, 2000 (Prior to this date and commencing May, 1997, Norrep Fund was a private mutual fund)
Securities Offered	Mutual Fund Units
Registered Tax Plan Status	Units are eligible for registered plans
Closed	March 1, 2005
Fund Code	NRP101 (Front End Sales Load)
Benchmark	BMO Small Capitalization Equity Only Weighted Total Return Index(1)

Note:

- (1) *As at December 31, 2004, the benchmark noted above was referred to as the "BMO Nesbitt Burns Small Capitalization Total Return Index", and subsequent to this date securities of income trust issuers were added to it and used in performance comparisons. Management of the Fund is of the view that the benchmark noted above, which is substantially similar to the original index, is a more applicable index to measure performance of Norrep Fund going forward because each are heavily, if not entirely, weighted towards equity securities.*

The Norrep Fund was closed to new and additional purchases except with respect to reinvested distributions and rebated management fees, on March 1, 2005.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund is designed to achieve long-term capital appreciation by investing in securities of small and mid capitalization equities. The portfolio may consist of all types of equity and debt obligations of issuers in Canada and the United States that may or may not be listed for trading upon the facilities of stock exchanges or other organized and regulated trading facilities in Canada and the United States. Assets of the Fund may also be invested in debt obligations or held in cash to the extent that economic, market or other conditions make it appropriate.

No material change in the investment objectives of the Fund may be made without the approval of a two-thirds majority of the votes cast at a meeting of the Fund duly called for that purpose.

Investment Strategies

The Fund invests in a combination of securities including but not limited to government and corporate bonds, short term debt instruments, convertible securities (including convertible bonds and warrants), income trust units, rights as well as common and preferred shares. These securities are primarily Canadian, but may also, as market

opportunities dictate, include U.S. securities as well. The proportions of the different securities in the Fund's portfolio will vary from time to time based upon the Portfolio Manager's assessment of market conditions.

The Fund uses a value approach to investments as a primary method to securities selection. This means searching for superior long-term earnings and/or cash flow per share growth companies exhibiting a strong position in the market in which it operates, quality management and balance sheet strength. This analysis is supplemented by quantitative techniques that examine movements in general market trends as well as trends in earnings and the price of securities.

Pending the selection and purchase of suitable investments, the payment of expenses or other anticipated distributions, a portion of the assets of the Fund may be held in cash. In addition, during periods in which the Portfolio Manager believes that market conditions make it advisable, the Portfolio Manager may reduce the Fund's holdings of investments and hold a portion of the Fund's assets in cash. Such cash balances will be held on deposit in cash accounts at any Canadian bank or trust company or may be invested in short term investment funds or guaranteed investment certificates.

Portions of the assets of the Fund may be invested in foreign property. Currently, there is no limit on the percentage of foreign property that a fund may hold in order to qualify for investment by registered retirement savings plans and other similar plans and accordingly, this Fund qualifies for investment by such plans.

The Fund may write covered call options and cash covered put options and purchase call options and put options with the effect of closing out existing call options and put options written by the Fund. The Fund may also purchase put options in order to protect the Fund from declines in the market prices of the individual securities in the portfolio or in the value of the portfolio as a whole. The Fund may enter into trades to close out positions in such permitted derivatives. The Fund may also use derivatives to hedge the Fund's foreign currency exposure. Such permitted derivatives may include exchange-traded options, futures contracts, and options on futures, over-the-counter options and forward contracts.

The Fund may also engage in short selling as a result of exemptive relief it obtained from the Canadian securities regulatory authorities. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), the Portfolio Manager will utilize the same analysis in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity may be considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity may be considered for a short sale. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's total net assets and its aggregate short exposure to 20% of its total net assets, (iii) the Fund will hold cash cover in an amount (including the Fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

The Fund may purchase securities of HBP ETFs, provided that the investment is in accordance with the Fund's investment objective and that no more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of securities of HBP ETFs. In addition, if short selling relief has been obtained in respect of the Fund, the Fund may not purchase securities of a Bear HBP ETF or sell any security short if, immediately after the transaction, the aggregate market value of (i) all the securities sold short by the Fund, and (ii) all the securities of Bear HBP ETFs held by the Fund, would exceed 20% of the Fund's net assets, taken at market value at the time of the transaction. Also, the Fund will not invest in a HBP ETF with an underlying index based, directly or indirectly through a specified derivative or otherwise, on a physical commodity other than gold.

What are the Risks of Investing in the Fund?

The Fund invests primarily in small and mid capitalization equities and may be subject to the following risks:

- Equity Risk

- Interest Rate Risk
- Foreign Security Risk
- Small, Mid Capitalization and Micro Capitalization
- Regulatory Risk
- Derivative Risk
- Short Selling Risk
- Exchange Traded Fund Risk

These risks are explained in detail under "What are the risks of investing in a mutual fund" on page 3 of this document.

Who Should Invest in this Fund?

The Fund is suitable for only moderate to high-risk investors seeking long-term growth who can tolerate volatility. Like most investments, past performance is not guaranteed and therefore, an investor must be willing to risk a loss.

Distribution Policy

Distributions for the Fund are made once a year in mid December. Unless you otherwise direct in writing, any cash distributions will be automatically reinvested, without charge, in additional units at the net asset value per unit determined on the date of such distribution or, if such date is not a valuation day, on the next valuation day. The Fund will take all steps as may be necessary to permit the distribution and subsequent transfers of such additional units in compliance with the requirements of all applicable securities legislation, free of any resale restrictions.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See *Fees and Expenses* for details.

The chart allows you to compare the costs of investing in the Fund with the cost of other mutual funds. It shows the cumulative expenses you would have paid over various time periods if you:

- invested \$1,000 in Norrep Fund;
- earned a total annual return of 5%, which may be different from Norrep Fund's actual return in any given year and is only used for illustrative purposes as required by securities regulators; and
- paid the same management expense ratio each year as you did in the Fund's last completed financial year.

	One Year	Three Years	Five Years	Ten Years
Expenses Payable Over	\$27.20	\$85.73	\$150.27	\$342.06

The chart does not account for fees directly borne by you. See *Fees and Expenses* for details.



NORREP II CLASS OF NORREP OPPORTUNITIES CORP.: FUND DETAILS

Type of Fund	Canadian Small Cap Equity
Start up	February 15, 2002 (The Fund made its securities available privately prior to this date and became part of the amalgamated Norrep Opportunities on December 16, 2004)
Securities Offered	MF Series shares and Series F shares
Registered Tax Plan Status	Shares are eligible for registered plans
Re-opened	September 1, 2009
MF Series Codes	NRP201 (Front End Sales Load) NRP202 (Low Load Deferred Sales Charge)
Series F Code	NRP200
Benchmark	BMO Small Capitalization Equity Only Weighted Total Return Index(1)

Note:

- (1) *As at October 31, 2005, the benchmark noted above was referred to as the "BMO Nesbitt Burns Small Capitalization Total Return Index", and subsequent to this date securities of income trust issuers were added to it and used in performance comparisons. Management of the Fund is of the view that the benchmark noted above, which is substantially similar to the original index, is a more applicable index to measure performance of Norrep II Class going forward because each are heavily, if not entirely, weighted towards equity securities.*

The Norrep II Class, which was closed to new and additional purchases, except with respect to reinvested dividends, on March 1, 2006, was re-opened to new and additional purchases on September 1, 2009. Notwithstanding the foregoing, the Manager in its discretion may open or close the Norrep II Class to new and additional purchases at any time. At the discretion of the Manager, unitholders of the Norrep Flow-Through Limited Partnerships may be permitted, upon windup, to exchange their partnership units for shares of Norrep II Class.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund is designed to achieve long-term capital appreciation by investing in securities of small and mid capitalization equities. Its portfolio may consist of all types of equity and debt obligations of issuers in Canada and the United States that may or may not be listed for trading upon the facilities of stock exchanges or other organized and regulated trading facilities in Canada and the United States. Assets of the Fund may also be invested in debt obligations or held in cash to the extent that economic, market or other conditions make it appropriate.

No material change in the investment objectives of the Fund may be made without the approval of a two-thirds majority of the votes cast at a meeting of the Fund duly called for that purpose.

Investment Strategies

The Fund invests in a combination of securities including but not limited to government and corporate bonds, short term debt instruments, convertible securities (including convertible bonds and warrants), income trust units, rights as well as common and preferred shares. These securities are primarily Canadian, but may also, as market opportunities dictate, include U.S. securities as well. The proportions of the different securities in the Fund's portfolio will vary from time to time based upon the Portfolio Manager's assessment of market conditions.

The Fund uses a value approach to investments as a primary method to securities selection. This means searching for superior long-term earnings and/or cash flow per share growth companies exhibiting a strong position in the market in which it operates, quality management and balance sheet strength. This analysis is supplemented by quantitative techniques that examine movements in general market trends as well as trends in earnings and the price of securities.

Pending the selection and purchase of suitable investments, the payment of expenses or other anticipated distributions, a portion of the assets of the Fund may be held in cash. In addition, during periods in which the Portfolio Manager believes that market conditions make it advisable, the Portfolio Manager may reduce the Fund's holdings of investments and hold a portion of the Fund's assets in cash. Such cash balances will be held on deposit in cash accounts at any Canadian bank or trust company or may be invested in short term investment funds or guaranteed investment certificates.

Portions of the assets of the Fund may be invested in foreign property. Currently, there is no limit on the percentage of foreign property that a fund may hold in order to qualify for investment by registered retirement savings plans and other similar plans and accordingly, this Fund qualifies for investment by such plans.

The Fund may write covered call options and cash covered put options and purchase call options and put options with the effect of closing out existing call options and put options written by the Fund. The Fund may also purchase put options in order to protect the Fund from declines in the market prices of the individual securities in the portfolio or in the value of the portfolio as a whole. The Fund may enter into trades to close out positions in such permitted derivatives. The Fund may also use derivatives to hedge the Fund's foreign currency exposure. Such permitted derivatives may include exchange-traded options, futures contracts, and options on futures, over-the-counter options and forward contracts.

The Fund may also engage in short selling as a result of exemptive relief it obtained from the Canadian securities regulatory authorities. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), the Portfolio Manager will utilize the same analysis in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity may be considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity may be considered for a short sale. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's total net assets and its aggregate short exposure to 20% of its total net assets, (iii) the Fund will hold cash cover in an amount (including the Fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

The Fund may purchase securities of HBP ETFs, provided that the investment is in accordance with the Fund's investment objective and that no more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of securities of HBP ETFs. In addition, if short selling relief has been obtained in respect of the Fund, the Fund may not purchase securities of a Bear HBP ETF or sell any security short if, immediately after the transaction, the aggregate market value of (i) all the securities sold short by the Fund, and (ii) all the securities of Bear HBP ETFs held by the Fund, would exceed 20% of the Fund's net assets, taken at market value at the time of the transaction. Also, the Fund will not invest in a HBP ETF with an underlying index based, directly or indirectly through a specified derivative or otherwise, on a physical commodity other than gold.

What are the Risks of Investing in the Fund?

The Fund invests primarily in small and mid capitalization equities and may be subject to the following risks:

- Equity Risk
- Interest Rate Risk
- Foreign Security Risk
- Small, Mid Capitalization and Micro Capitalization
- Regulatory Risk
- Derivative Risk
- Class Risk
- Series Risk
- Short Selling Risk
- Exchange Traded Fund Risk
- Norrep Partnerships

These risks are explained in detail under "What are the risks of investing in a mutual fund" on page 3 of this document.

Who Should Invest in this Fund?

The Fund is suitable for only moderate to high-risk investors seeking long-term growth who can tolerate volatility. Like most investments, past performance is not guaranteed and therefore, an investor must be willing to risk a loss.

Distribution Policy

Dividends for the Fund are paid once a year at the end of October. Unless you otherwise direct in writing, any dividends will be automatically reinvested, without charge, in additional shares of the same series at the series net asset value per share determined on the date of such dividend or, if such date is not a valuation day, on the next following valuation day. Each Class of Norrep Opportunities will rank equally with respect to dividends based on their respective Class net asset values and each series of a Class of Norrep Opportunities will rank equally with respect to dividends based on their respective series net asset values.

The Fund will take all steps as may be necessary to permit the distribution and subsequent transfers of such additional shares in compliance with the requirements of all applicable securities legislation, free of any resale restrictions.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See *Fees and Expenses* for details.

The chart allows you to compare the costs of investing in shares of the Fund with the cost of other mutual funds. The chart below shows the cumulative expenses you would have paid over various time periods if you:

- invested \$1,000 in the Fund;
- earned a total annual return of 5%, which may be different from the Fund's actual return in any given year and is only used for illustrative purposes as required by securities regulators; and
- paid the same management expense ratio each year as you did in the Fund's last completed financial year excluding the performance fee paid by the Fund to the Manager which, based on historical market

**Norrep II Class of
Norrep Opportunities Corp.**

performance, would not have been paid if the Fund had only earned a return of 5%. The management expense ratio may be higher or lower depending on the performance of the Fund.

Expenses Payable Over	One Year	Three Years	Five Years	Ten Years
MF Series	\$28.46	\$89.71	\$157.24	\$357.91
Series F	\$17.43	\$54.95	\$96.32	\$219.25

The chart does not account for fees directly borne by you. See *Fees and Expenses* for details.



NORREP Q CLASS OF NORREP OPPORTUNITIES CORP.: FUND DETAILS

Type of Fund	Canadian Equity
Start up	March 31, 2004
Securities Offered	MF Series shares and Series F shares
Registered Tax Plan Status	Shares are eligible for registered plans
MF Series Codes	NRP301 (Front End Sales Load) NRP302 (Low Load Deferred Sales Charge)
Series F Code	NRP300
Benchmark	S&P/TSX – Total Return Index

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund is designed to achieve long-term capital appreciation by investing of securities of large and mid capitalization equities. The portfolio may consist of all types of equity and debt obligations of issuers in Canada and the United States that are listed for trading upon the facilities of stock exchanges or other organized and regulated trading facilities in Canada and/or the United States. Assets of the Fund may also be invested in debt obligations or held in cash to the extent that economic, market or other conditions make it appropriate.

No material change in the investment objectives of the Fund may be made without the approval of a two-thirds majority of the votes cast at a meeting of the Fund duly called for that purpose.

Investment Strategies

The Fund invests in a combination of securities including but not limited to government and corporate bonds, short-term debt instruments, convertible securities (including convertible bonds and warrants), income trust units, rights, as well as common and preferred shares. These securities are primarily Canadian, but may also, as market opportunities dictate, include U.S. securities as well. The proportions of the different securities in the Fund's portfolio will vary from time to time based upon the Portfolio Manager's assessment of market conditions.

Quantitative managers invest in companies with characteristics that are changing for the better and whose underlying fundamentals are improving more rapidly than the overall stock market. Quantitative managers are usually more willing to give up some of the initial price movement in a stock in order to obtain confirmation that the company's underlying fundamentals are actually improving. They typically have a shorter investment horizon than other types of fund managers. Large upward movement in stock prices that can occur over short time periods reward them. Since change is the catalyst, this style tends to generate higher portfolio turnover. Norrep Q Class will engage in active and frequent trading of securities to help achieve its investment objectives.

A quantitative model assists in the search for stocks exhibiting strong earnings and price momentum (earnings surprises, estimate revisions, relative strength, etc) without sacrificing quality on the portfolio as a whole (low trailing and forward price to earnings and price to cash flow ratios, high return on equity, low earnings variability,

low debt/equity, high yield, etc.). A list of companies is then formed which is used to create a reasonably diversified portfolio of 25 – 35 names.

The Fund is continually monitored with the objective of quickly identifying companies with deteriorating fundamentals so they can be sold before their relative performance declines significantly.

Pending the selection and purchase of suitable investments, the payment of expenses or other anticipated distributions, a portion of the assets of the Fund may be held in cash. In addition, during periods in which the Portfolio Manager believes that market conditions make it advisable, the Portfolio Manager may reduce the Fund's holdings of investments and hold a portion of the Fund's assets in cash. Such cash balances will be held on deposit in cash accounts at any Canadian bank or trust company or may be invested in short term investment funds or guaranteed investment certificates.

Being a Canadian equity fund, Norrep Q Class must have a minimum weight of 95% in Canadian assets. Consequently, up to five percent of the assets of the Norrep Q Class may be invested in foreign property. Currently, there is no limit on the percentage of foreign property that a fund may hold in order to qualify for investment by registered retirement savings plans and other similar plans and, accordingly, this Fund qualifies for investment by such plans.

The Fund may write covered call options and cash covered put options and purchase call options and put options with the effect of closing out existing call options and put options written by the Fund. The Fund may also purchase put options in order to protect the Fund from declines in the market prices of the individual securities in the portfolio or in the value of the portfolio as a whole. The Fund may enter into trades to close out positions in such permitted derivatives. The Fund may also use derivatives to hedge the Fund's foreign currency exposure. Such permitted derivatives may include exchange-traded options, futures contracts, and options on futures, over-the-counter options and forward contracts.

The Fund may also engage in short selling as a result of exemptive relief it obtained from the Canadian securities regulatory authorities. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), the Portfolio Manager will utilize the same analysis in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity may be considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity may be considered for a short sale. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's total net assets and its aggregate short exposure to 20% of its total net assets, (iii) the Fund will hold cash cover in an amount (including the Fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

The Fund may purchase securities of HBP ETFs, provided that the investment is in accordance with the Fund's investment objective and that no more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of securities of HBP ETFs. In addition, if short selling relief has been obtained in respect of the Fund, the Fund may not purchase securities of a Bear HBP ETF or sell any security short if, immediately after the transaction, the aggregate market value of (i) all the securities sold short by the Fund, and (ii) all the securities of Bear HBP ETFs held by the Fund, would exceed 20% of the Fund's net assets, taken at market value at the time of the transaction. Also, the Fund will not invest in a HBP ETF with an underlying index based, directly or indirectly through a specified derivative or otherwise, on a physical commodity other than gold.

What are the Risks of Investing in the Fund?

The Fund invests primarily in mid and large capitalization equities and may be subject to the following risks:

- Equity Risk

- Interest Rate Risk
- Foreign Security Risk
- Small, Mid Capitalization and Micro Capitalization
- Regulatory Risk
- Derivative Risk
- Class Risk
- Series Risk
- Short Selling Risk
- Exchange Traded Fund Risk

These risks are explained in detail under "What are the risks of investing in a mutual fund" on page 3 of this document.

Who Should Invest in this Fund?

The Fund is suitable for investors who are prepared to accept moderate risk while seeking long-term growth and can tolerate some volatility. Like most investments, past performance is not guaranteed and therefore, an investor must be willing to risk a loss.

Distribution Policy

Dividends for the Fund are paid once a year at the end of October. Unless you otherwise direct in writing, any dividends will be automatically reinvested, without charge, in additional shares of the same series at the series net asset value per share determined on the date of such dividend or, if such date is not a valuation day, on the next following valuation day. Each Class of Norrep Opportunities will rank equally with respect to dividends based on their respective Class net asset values and each series of a Class of Norrep Opportunities will rank equally with respect to dividends based on their respective series net asset values.

The Fund will take all steps as may be necessary to permit the distribution and subsequent transfers of such additional shares in compliance with the requirements of all applicable securities legislation, free of any resale restrictions.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See *Fees and Expenses* for details.

The chart allows you to compare the costs of investing in shares of the Fund with the cost of other mutual funds. The chart below shows the cumulative expenses you would have paid over various time periods if you:

- invested \$1,000 in the Fund;
- earned a total annual return of 5%, which may be different from the Fund's actual return in any given year and is only used for illustrative purposes as required by securities regulators; and
- paid the same management expense ratio each year as you did in the Fund's last completed financial year excluding the performance fee paid by the Fund to the Manager which, based upon historical market performance, would not have been paid if the Fund had only earned a return of 5%. The management expense ratio may be higher or lower depending on the performance of the Fund.

Expenses Payable Over	One Year	Three Years	Five Years	Ten Years
MF Series	\$28.55	\$90.01	\$157.76	\$359.10
Series F	\$17.52	\$55.24	\$96.83	\$220.42

The chart does not account for fees directly borne by you. See *Fees and Expenses* for details.



NORREP US CLASS OF NORREP OPPORTUNITIES CORP.: FUND DETAILS

Type of Fund	Equity
Start up	December 31, 2005
Securities Offered	MF Series shares and Series F shares
Registered Tax Plan Status	Shares are eligible for registered plans
MF Series Codes	NRP601 (Front End Sales Load) NRP602 (Low Load Deferred Sales Charge)
Series F Code	NRP600
Benchmark	Russell Microcap Total Return Index in Local Currency.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund is designed to achieve long term capital appreciation by investing in securities of small and micro capitalization U.S. equities. The portfolio may consist of all types of equity and debt obligations of issuers in the United States and Canada that may or may not be listed for trading upon the facilities of stock exchanges or other organized and regulated trading facilities. Assets of the Fund may also be invested in debt obligations or held in cash to the extent that economic, market or other conditions make it appropriate.

No material change in the investment objectives of the Fund may be made without the approval of a two-thirds majority of the votes cast at a meeting of the Fund duly called for that purpose.

Investment Strategies

The Fund uses a value approach to investments as a primary method to securities selection. This means searching for superior long-term earnings and cash flow per share growth, companies exhibiting a strong position in the market in which it operates, quality management and balance sheet strength. This analysis is supplemented by quantitative techniques that examine movements in general market trends as well as trends in earnings and the price of securities.

Pending the selection and purchase of suitable investments, the payment of expenses or other anticipated distributions, a portion of the assets of the Fund may be held in cash. In addition, during periods in which the Portfolio Manager believes that market conditions make it advisable, the Portfolio Manager may reduce the Fund's holdings of investments and hold a portion of the Fund's assets in cash. Such cash balances will be held on deposit in cash accounts at any Canadian bank or trust company or may be invested in short term investment funds or guaranteed investment certificates.

The Fund may write covered call options and cash covered put options and purchase call options and put options with the effect of closing out existing call options and put options written by the Fund. The Fund may also purchase put options in order to protect the Fund from declines in the market prices of the individual securities in the portfolio or in the value of the portfolio as a whole. The Fund may enter into trades to close out positions in such permitted

derivatives. The Fund may also use derivatives to hedge the Fund's foreign currency exposure. Such permitted derivatives may include exchange-traded options, futures contracts, and options on futures, over-the-counter options and forward contracts.

The Fund invests in a combination of securities including, but not limited to, common and preferred shares, government and corporate bonds, short-term debt instruments, convertible securities (including convertible bonds and warrants), and income trust units. These securities are primarily American, but may also, as market opportunities dictate, include Canadian securities well. The proportions of the different securities in the Fund's portfolio will vary from time to time based upon the Portfolio Manager's assessment of market conditions.

The Fund may also engage in short selling as a result of exemptive relief it obtained from the Canadian securities regulatory authorities. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), the Portfolio Manager will utilize the same analysis in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity may be considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity may be considered for a short sale. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's total net assets and its aggregate short exposure to 20% of its total net assets, (iii) the Fund will hold cash cover in an amount (including the Fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

The Fund may purchase securities of HBP ETFs, provided that the investment is in accordance with the Fund's investment objective and that no more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of securities of HBP ETFs. In addition, if short selling relief has been obtained in respect of the Fund, the Fund may not purchase securities of a Bear HBP ETF or sell any security short if, immediately after the transaction, the aggregate market value of (i) all the securities sold short by the Fund, and (ii) all the securities of Bear HBP ETFs held by the Fund, would exceed 20% of the Fund's net assets, taken at market value at the time of the transaction. Also, the Fund will not invest in a HBP ETF with an underlying index based, directly or indirectly through a specified derivative or otherwise, on a physical commodity other than gold.

What are the Risks of Investing in the Fund?

The Fund invests primarily in small and micro capitalization U.S. equities and may be subject to the following risks:

- Equity Risk
- Interest Rate Risk
- Foreign Security Risk
- Small, Mid Capitalization and Micro Capitalization
- Regulatory Risk
- Derivative Risk
- Class Risk
- Series Risk
- Short Selling Risk
- Exchange Traded Fund Risk

These risks are explained in detail under "What are the risks of investing in a mutual fund" on page 3 of this document.

Who Should Invest in this Fund?

The Fund is suitable for only moderate to high-risk investors seeking long-term growth who can tolerate volatility. Like most investments, past performance is not guaranteed and therefore, an investor must be willing to risk a loss.

Distribution Policy

Dividends for the Fund are paid once a year at the end of October. Unless you otherwise direct in writing, any dividends will be automatically reinvested, without charge, in additional shares of the same series at the series net asset value per share determined on the date of such dividend or, if such date is not a valuation day, on the next following valuation day. Each Class of Norrep Opportunities will rank equally with respect to dividends based on their respective Class net asset values and each series of a Class of Norrep Opportunities will rank equally with respect to dividends based on their respective series net asset values.

The Fund will take all steps as may be necessary to permit the distribution and subsequent transfers of such additional shares in compliance with the requirements of all applicable securities legislation, free of any resale restrictions.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See *Fees and Expenses* for details.

The chart allows you to compare the costs of investing in shares of the Fund with the cost of other mutual funds. The chart below shows the cumulative expenses you would have paid over various time periods if you:

- invested \$1,000 in the Fund;
- earned a total annual return of 5%, which may be different from the Fund's actual return in any given year and is only used for illustrative purposes as required by securities regulators; and
- paid the same management expense ratio each year as you did in the Fund's last completed financial year excluding the performance fee paid by the Fund to the Manager which, based upon historical market performance, would not have been paid if the Fund had only earned a return of 5%. The management expense ratio may be higher or lower depending on the performance of the Fund.

Expenses Payable Over	One Year	Three Years	Five Years	Ten Years
MF Series	\$31.47	\$99.20	\$173.88	\$395.80
Series F	\$20.43	\$64.41	\$112.90	\$257.00

The chart does not account for fees directly borne by you. See *Fees and Expenses* for details.



NORREP GLOBAL CLASS OF NORREP OPPORTUNITIES CORP.: FUND DETAILS

Type of Fund	Equity
Start up	May 31, 2006
Securities Offered	MF Series shares and Series F shares
Registered Tax Plan Status	Shares are eligible for registered plans
MF Series Codes	NRP401 (Front End Sales Load) NRP402 (Low Load Deferred Sales Charge)
Series F Code	NRP400
Benchmark	S&P Developed SmallCap Total Return Index in Local Currencies. ⁽¹⁾

Note:

- (1) The S&P/Citigroup EMI World Total Return Index was renamed the S&P Developed SmallCap Total Return Index, effective October 1, 2008.
- (2) Effective April 6, 2010, Norrep G Class changed its name to Norrep Global Class.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund is designed to achieve long-term capital appreciation by investing in securities of primarily small capitalization equities across the globe. The portfolio may consist of all types of equity and debt obligations of issuers that may or may not be listed for trading upon the facilities of stock exchanges or other organized and regulated trading facilities. Assets of the Fund may also be invested in debt obligations or held in cash to the extent that economic, market or other conditions make it appropriate.

No material change in the investment objectives of the Fund may be made without the approval of a two-thirds majority of the votes cast at a meeting of the Fund duly called for that purpose.

Investment Strategies

The Fund uses a value approach to investments as a primary method to securities selection. This means searching for superior long-term earnings and cash flow per share growth, companies exhibiting a strong position in the market in which it operates, quality management and balance sheet strength. This analysis is supplemented by quantitative techniques that examine movements in general market trends as well as trends in earnings and the price of securities.

Pending the selection and purchase of suitable investments, the payment of expenses or other anticipated distributions, a portion of the assets of the Fund may be held in cash. In addition, during periods in which the Portfolio Manager believes that market conditions make it advisable, the Portfolio Manager may reduce the Fund's holdings of investments and hold a portion of the Fund's assets in cash. Such cash balances will be held on deposit in cash accounts at any Canadian bank or trust company or may be invested in short term investment funds or guaranteed investment certificates.

The Fund invests in a combination of securities including, but not limited to, common and preferred shares, government and corporate bonds, short-term debt instruments, convertible securities (including convertible bonds and warrants), and income trust units. These securities are primarily global, but may also, as market opportunities dictate, include Canadian securities as well. The proportions of the different securities in the Fund's portfolio will vary from time to time based upon the Portfolio Manager's assessment of market conditions.

The Fund may write covered call options and cash covered put options and purchase call options and put options with the effect of closing out existing call options and put options written by the Fund. The Fund may also purchase put options in order to protect the Fund from declines in the market prices of the individual securities in the portfolio or in the value of the portfolio as a whole. The Fund may enter into trades to close out positions in such permitted derivatives. The Fund may also use derivatives to hedge the Fund's foreign currency exposure. Such permitted derivatives may include exchange-traded options, futures contracts, and options on futures, over-the-counter options and forward contracts.

The Fund may also engage in short selling as a result of exemptive relief it obtained from the Canadian securities regulatory authorities. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), the Portfolio Manager will utilize the same analysis in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity may be considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity may be considered for a short sale. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's total net assets and its aggregate short exposure to 20% of its total net assets, (iii) the Fund will hold cash cover in an amount (including the Fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

The Fund may purchase securities of HBP ETFs, provided that the investment is in accordance with the Fund's investment objective and that no more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of securities of HBP ETFs. In addition, if short selling relief has been obtained in respect of the Fund, the Fund may not purchase securities of a Bear HBP ETF or sell any security short if, immediately after the transaction, the aggregate market value of (i) all the securities sold short by the Fund, and (ii) all the securities of Bear HBP ETFs held by the Fund, would exceed 20% of the Fund's net assets, taken at market value at the time of the transaction. Also, the Fund will not invest in a HBP ETF with an underlying index based, directly or indirectly through a specified derivative or otherwise, on a physical commodity other than gold.

What are the Risks of Investing in the Fund?

The Fund invests primarily in small capitalization equities across the globe and may be subject to the following risks:

- Equity Risk
- Interest Rate Risk
- Foreign Security Risk
- Small, Mid Capitalization and Micro Capitalization
- Regulatory Risk
- Derivative Risk
- Class Risk
- Series Risk
- Short Selling Risk
- Exchange Traded Fund Risk

These risks explained in detail under "What are the risks of investing in a mutual fund" on page 3 of this document.

Significant Investor Risk

As at March 31, 2010, Perfam Partners owned 894,525.500 shares of the Norrep Global Class representing 17.55% of the total outstanding Norrep Global Class shares.

If this investor redeems a large amount of their shares of the Fund, the Fund may be required to fund the redemption by selling securities at an inopportune time. This unexpected sale may have a negative impact on the performance of your investment.

Who Should Invest in this Fund?

The Fund is suitable for investors who are prepared to accept moderate to high risk while seeking long term growth and can tolerate volatility. Like most investments, past performance is not guaranteed and therefore, an investor must be willing to risk a loss.

Distribution Policy

Dividends for the Fund are paid once a year at the end of October. Unless you otherwise direct in writing, any dividends will be automatically reinvested, without charge, in additional shares of the same series at the series net asset value per share determined on the date of such dividend or, if such date is not a valuation day, on the next following valuation day. Each Class of Norrep Opportunities will rank equally with respect to dividends based on their respective Class net asset values and each series of a Class of Norrep Opportunities will rank equally with respect to dividends based on their respective series net asset values.

The Fund will take all steps as may be necessary to permit the distribution and subsequent transfers of such additional shares in compliance with the requirements of all applicable securities legislation, free of any resale restrictions.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See *Fees and Expenses* for details.

The chart allows you to compare the costs of investing in shares of the Fund with the cost of other mutual funds. The chart below shows the cumulative expenses you would have paid over various time periods if you:

- invested \$1,000 in the Fund;
- earned a total annual return of 5%, which may be different from the Fund's actual return in any given year and is only used for illustrative purposes as required by securities regulators; and
- paid the same management expense ratio each year as you did in the Fund's last completed financial year excluding the performance fee paid by the Fund to the Manager which, based upon historical market performance, would not have been paid if the Fund had only earned a return of 5%. The management expense ratio may be higher or lower depending on the performance of the Fund.

Expenses Payable Over	One Year	Three Years	Five Years	Ten Years
MF Series	\$30.19	\$95.17	\$166.81	\$379.70
Series F	\$19.17	\$60.44	\$105.94	\$241.15

The chart does not account for fees directly borne by you. See *Fees and Expenses* for details.



NORREP INCOME GROWTH CLASS OF NORREP OPPORTUNITIES CORP.: FUND DETAILS

Type of Fund	Equity
Start up	December 31, 2005
Securities Offered	MF Series shares and Series F shares
Registered Tax Plan Status	Shares are eligible for registered plans
MF Series Codes	NRP501 (Front End Sales Load) NRP502 (Low Load Deferred Sales Charge)
Series F Code	NRP500
Benchmark	S&P/TSX Income Trust Total Return Index

Note:

- (1) Due to legislation changes, the S&P/TSX Income Trust Total Return Index will no longer exist as of December 31, 2010. At that point, the benchmark will be changed to the most appropriate available index, which will also be the industry standard index for the newly determined asset class.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund is designed to provide holders of the Shares with a stable monthly stream of cash distributions, which shall be determined on an annual basis by Hesperian, and the potential for long term capital appreciation by investing in small and mid capitalization high yield securities. The portfolio may consist of all types of equity and debt obligations of issuers in Canada and the United States that may or may not be listed for trading upon the facilities of stock exchanges or other organized and regulated trading facilities. Assets of the Fund may also be invested in debt obligations or held in cash to the extent that economic, market or other conditions make it appropriate.

No material change in the investment objectives of the Fund may be made without the approval of a two-thirds majority of the votes cast at a meeting of the Fund duly called for that purpose.

Investment Strategies

The Fund uses a value approach to high yield investments as a primary method to securities selection. This means searching for organizations that are able to maintain and grow their distributions. In addition we will look for organizations offering superior long-term earnings and cash flow per share growth, organizations exhibiting a strong position in the market in which it operates, quality management and balance sheet strength. This analysis is supplemented by quantitative techniques, which examine movements in general market trends, as well as trends in earnings and the price of securities.

Pending the selection and purchase of suitable investments, the payment of expenses or other anticipated distributions, a portion of the assets of the Fund may be held in cash. In addition, during periods in which the Portfolio Manager believes that market conditions make it advisable, the Portfolio Manager may reduce the Fund's

holdings of investments and hold a portion of the Fund's assets in cash. Such cash balances will be held on deposit in cash accounts at any Canadian bank or trust company or may be invested in short term investment funds or guaranteed investment certificates.

The Fund invests in a combination of securities including, but not limited to, common and preferred shares, government and corporate bonds, short-term debt instruments, convertible securities (including convertible bonds and warrants), and income trust units and similar entities. These securities are primarily Canadian, but may also, as market opportunities dictate, include American securities as well. The proportions of the different securities in the Fund's portfolio will vary from time to time based upon the Portfolio Manager's assessment of market conditions.

The Fund may write covered call options and cash covered put options and purchase call options and put options with the effect of closing out existing call options and put options written by the Fund. The Fund may also purchase put options in order to protect the Fund from declines in the market prices of the individual securities in the portfolio or in the value of the portfolio as a whole. The Fund may enter into trades to close out positions in such permitted derivatives. The Fund may also use derivatives to hedge the Fund's foreign currency exposure. Such permitted derivatives may include exchange-traded options, futures contracts, and options on futures, over-the-counter options and forward contracts.

The Fund may also engage in short selling as a result of exemptive relief it obtained from the Canadian securities regulatory authorities. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), the Portfolio Manager will utilize the same analysis in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity may be considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity may be considered for a short sale. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's total net assets and its aggregate short exposure to 20% of its total net assets, (iii) the Fund will hold cash cover in an amount (including the Fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

The Fund may purchase securities of HBP ETFs, provided that the investment is in accordance with the Fund's investment objective and that no more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of securities of HBP ETFs. In addition, if short selling relief has been obtained in respect of the Fund, the Fund may not purchase securities of a Bear HBP ETF or sell any security short if, immediately after the transaction, the aggregate market value of (i) all the securities sold short by the Fund, and (ii) all the securities of Bear HBP ETFs held by the Fund, would exceed 20% of the Fund's net assets, taken at market value at the time of the transaction. Also, the Fund will not invest in a HBP ETF with an underlying index based, directly or indirectly through a specified derivative or otherwise, on a physical commodity other than gold.

What are the Risks of Investing in the Fund?

The Fund invests primarily in small and mid capitalization high yield securities and may be subject to the following risks:

- Equity Risk
- Interest Rate Risk
- Foreign Security Risk
- Income Trust Risk
- Small, Mid Capitalization and Micro Capitalization
- Regulatory Risk
- Derivative Risk
- Class Risk
- Series Risk

- Short Selling Risk
- Exchange Traded Fund Risk
- Low Rated or Unrated Debt Obligations
- Investments in Unsecured Indebtedness

These risks are explained in detail under "What are the risks of investing in a mutual fund" on page 3 of this document.

Who Should Invest in this Fund?

The Fund is suitable for only moderate risk investors seeking long-term growth who can tolerate volatility. Like most investments, past performance is not guaranteed and therefore, an investor must be willing to risk a loss.

Distribution Policy

Dividends for the Fund are paid monthly, at the end of each month, at the discretion of the Board of Directors. Unless you otherwise direct in writing, any dividends will be automatically reinvested, without charge, in additional shares of the same series at the series net asset value per share determined on the date of such dividend or, if such date is not a valuation day, on the next following valuation day. Each Class of Norrep Opportunities will rank equally with respect to dividends based on their respective Class net asset values and each series of a Class of Norrep Opportunities will rank equally with respect to dividends based on their respective series net asset values.

The Fund will take all steps as may be necessary to permit the distribution and subsequent transfers of such additional shares in compliance with the requirements of all applicable securities legislation, free of any resale restrictions.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See *Fees and Expenses* for details.

The chart allows you to compare the costs of investing in shares of the Fund with the cost of other mutual funds. The chart below shows the cumulative expenses you would have paid over various time periods if you:

- invested \$1,000 in the Fund;
- earned a total annual return of 5%, which may be different from the Fund's actual return in any given year and is only used for illustrative purposes as required by securities regulators; and
- paid the same management expense ratio each year as you did in the Fund's last completed financial year excluding the performance fee paid by the Fund to the Manager which, based upon historical market performance, would not have been paid if the Fund had only earned a return of 5%. The management expense ratio may be higher or lower depending on the performance of the Fund.

Expenses Payable Over	One Year	Three Years	Five Years	Ten Years
MF Series	\$23.63	\$74.49	\$130.56	\$297.16
Series F	\$16.46	\$51.90	\$90.97	\$207.07

The chart does not account for fees directly borne by you. See *Fees and Expenses* for details.



NORREP RESOURCE CLASS OF NORREP OPPORTUNITIES CORP.: FUND DETAILS

Type of Fund	Equity
Start up	May 31, 2009
Securities Offered	MF Series shares and Series F shares
Registered Tax Plan Status	Shares are eligible for registered plans
MF Series Codes	NRP701 (Front End Sales Load) NRP702 (Low Load Deferred Sales Charge)
Series F Code	NRP700
Benchmark	S&P/TSX Capped Energy Total Return Index

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund is designed to achieve long-term capital appreciation by investing in both Canadian and foreign resource companies. The portfolio may consist of all types of equity and convertible debt obligations of issuers that may or may not be listed for trading upon the facilities of stock exchanges or other organized and regulated trading facilities. Assets of the Fund may also be invested in debt obligations or held in cash to the extent that economic, market or other conditions make it appropriate.

No material change in the investment objectives of the Fund may be made without the approval of a two-thirds majority of the votes cast at a meeting of the Fund duly called for that purpose.

Investment Strategies

The Fund uses a value approach to investments as a primary method of securities selection. This means searching for resource plays with high potential for value creation. This can either encompass a developing resource prospect, or investing in a sector where supply/demand balances would indicate that the industry multiples should increase.

Pending the selection and purchase of suitable investments, the payment of expenses or other anticipated distributions, a portion of the assets of the Fund may be held in cash. In addition, during periods in which the Portfolio Manager believes that market conditions make it advisable, the Portfolio Manager may reduce the Fund's holdings of investments and hold a portion of the Fund's assets in cash. Such cash balances will be held on deposit in cash accounts at any Canadian bank or trust company or may be invested in short term investment funds or guaranteed investment certificates.

The Fund invests in a combination of securities including, but not limited to, common and preferred shares, government and corporate bonds, short-term debt instruments, convertible securities (including convertible bonds and warrants), and income trust units. These securities are primarily Canadian, but may also, as market opportunities dictate, include global securities as well. The proportions of the different securities in the Fund's portfolio will vary from time to time based upon the Portfolio Manager's assessment of market conditions.

The Fund may write covered call options and cash covered put options and purchase call options and put options with the effect of closing out existing call options and put options written by the Fund. The Fund may also purchase put options in order to protect the Fund from declines in the market prices of the individual securities in the portfolio or in the value of the portfolio as a whole. The Fund may enter into trades to close out positions in such permitted derivatives. The Fund may also use derivatives to hedge the Fund's foreign currency exposure. Such permitted derivatives may include exchange-traded options, futures contracts, and options on futures, over-the-counter options and forward contracts.

The Fund may also engage in short selling as a result of exemptive relief it obtained from the Canadian securities regulatory authorities. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), the Portfolio Manager will utilize the same analysis in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity may be considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity may be considered for a short sale. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's total net assets and its aggregate short exposure to 20% of its total net assets, (iii) the Fund will hold cash cover in an amount (including the Fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

The Fund may purchase securities of HBP ETFs, provided that the investment is in accordance with the Fund's investment objective and that no more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of securities of HBP ETFs. In addition, if short selling relief has been obtained in respect of the Fund, the Fund may not purchase securities of a Bear HBP ETF or sell any security short if, immediately after the transaction, the aggregate market value of (i) all the securities sold short by the Fund, and (ii) all the securities of Bear HBP ETFs held by the Fund, would exceed 20% of the Fund's net assets, taken at market value at the time of the transaction. Also, the Fund will not invest in a HBP ETF with an underlying index based, directly or indirectly through a specified derivative or otherwise, on a physical commodity other than gold.

What are the Risks of Investing in the Fund?

The Fund invests primarily in resource equities and may be subject to the following risks:

- Equity Risk
- Interest Rate Risk
- Foreign Security Risk
- Small, Mid Capitalization and Micro Capitalization
- Regulatory Risk
- Derivative Risk
- Class Risk
- Series Risk
- Short Selling Risk
- Exchange Traded Fund Risk
- Norrep Partnerships

These risks are explained in detail under "What are the risks of investing in a mutual fund" on page 3 of this document.

Distribution Policy

Dividends for the Fund are paid monthly, at the end of each month, at the discretion of the Board of Directors. Unless you otherwise direct in writing, any dividends will be automatically reinvested, without charge, in additional

shares of the same series at the series net asset value per share determined on the date of such dividend or, if such date is not a valuation day, on the next following valuation day. Each Class of Norrep Opportunities will rank equally with respect to dividends based on their respective Class net asset values and each series of a Class of Norrep Opportunities will rank equally with respect to dividends based on their respective series net asset values.

The Fund will take all steps as may be necessary to permit the distribution and subsequent transfers of such additional shares in compliance with the requirements of all applicable securities legislation, free of any resale restrictions.

Who Should Invest in this Fund?

The Fund is suitable for only high-risk investors seeking long-term growth who can tolerate the cyclical nature of the resource sector. Like most investments, past performance is not guaranteed and therefore, an investor must be willing to risk a loss.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See *Fees and Expenses* for details.

The chart allows you to compare the costs of investing in shares of the Fund with the cost of other mutual funds. The chart below shows the cumulative expenses you would have paid over various time periods if you:

- invested \$1,000 in the Fund;
- earned a total annual return of 5%, which may be different from the Fund's actual return in any given year and is only used for illustrative purposes as required by securities regulators; and
- paid the same management expense ratio each year as you did in the Fund's last completed financial year excluding the performance fee paid by the Fund to the Manager which, based upon historical market performance, would not have been paid if the Fund had only earned a return of 5%. The management expense ratio may be higher or lower depending on the performance of the Fund.

Expenses Payable Over	One Year	Three Years	Five Years	Ten Years
MF Series	\$32.26	\$101.69	\$178.24	\$405.73
Series F	\$21.22	\$66.90	\$117.26	\$266.91

The chart does not account for fees directly borne by you. See *Fees and Expenses* for details.



NORREP HIGH YIELD CLASS OF NORREP OPPORTUNITIES CORP.: FUND DETAILS

Type of Fund	High Yield Fixed Income
Start up	Expected May 31, 2010 ⁽¹⁾
Securities Offered	MF Series shares and Series F shares
Registered Tax Plan Status	Shares are eligible for registered plans
MF Series Codes	NRP801 (Front End Sales Load) NRP802 (Low Load Deferred Sales Charge)
Series F Code	NRP800
Benchmark	Merrill Lynch CAD and USD High Yield, Canadian Issuers (Currency Hedged)

Note:

(1) Norrep has not commenced the sales of Norrep High Yield Class to the public.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund is designed to provide holders of the shares with a stable stream of monthly cash distributions and to achieve long-term capital appreciation by investing primarily in corporate debt securities and other similar investments. The portfolio may consist of all types of debt obligations of issuers that may or may not be listed for trading upon the facilities of stock exchanges or other organized and regulated trading facilities. Assets of the Fund may also be invested in equity and equity-like securities or held in cash to the extent that economic, market or other conditions make it appropriate.

No material change in the investment objectives of the Fund may be made without the approval of a two-thirds majority of the votes cast at a meeting of the Fund duly called for that purpose.

Investment Strategies

The Fund intends to achieve its investment objective by investing primarily in North American corporate debt securities. The Fund will focus on internally researched investment opportunities. As part of the in-depth company-specific analysis, the Portfolio Manager will research the entire capital structure of the issuer and form opinions as to relative valuation between asset classes and types.

Pending the selection and purchase of suitable investments, the payment of expenses or other anticipated distributions, a portion of the assets of the Fund may be held in cash. In addition, during periods in which the Portfolio Manager believes that market conditions make it advisable, the Portfolio Manager may reduce the Fund's holdings of investments and hold a portion of the Fund's assets in cash. Such cash balances will be held on deposit in cash accounts at any Canadian bank or trust company or may be invested in short term investment funds or guaranteed investment certificates.

The Fund invests in a combination of securities including, but not limited to, common and preferred shares, government and corporate bonds, short-term debt instruments, convertible securities (including convertible bonds

and warrants), and income trust units. These securities are primarily North American, but may also, as market opportunities dictate, include global securities as well. The proportions of the different securities in the Fund's portfolio will vary from time to time based upon the Portfolio Manager's assessment of market conditions.

The Fund may write covered call options and cash covered put options and purchase call options and put options with the effect of closing out existing call options and put options written by the Fund. The Fund may also purchase put options in order to protect the Fund from declines in the market prices of the individual securities in the portfolio or in the value of the portfolio as a whole. The Fund may enter into trades to close out positions in such permitted derivatives. The Fund may also use derivatives to hedge the Fund's foreign currency exposure. Such permitted derivatives may include exchange-traded options, futures contracts, and options on futures, over-the-counter options and forward contracts.

The Fund may also engage in short selling as a result of exemptive relief it obtained from the Canadian securities regulatory authorities. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), the Portfolio Manager will utilize the same analysis in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity may be considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity may be considered for a short sale. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's total net assets and its aggregate short exposure to 20% of its total net assets, (iii) the Fund will hold cash cover in an amount (including the Fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

The Fund may purchase securities of HBP ETFs, provided that the investment is in accordance with the Fund's investment objective and that no more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of securities of HBP ETFs. In addition, if short selling relief has been obtained in respect of the Fund, the Fund may not purchase securities of a Bear HBP ETF or sell any security short if, immediately after the transaction, the aggregate market value of (i) all the securities sold short by the Fund, and (ii) all the securities of Bear HBP ETFs held by the Fund, would exceed 20% of the Fund's net assets, taken at market value at the time of the transaction. Also, the Fund will not invest in a HBP ETF with an underlying index based, directly or indirectly through a specified derivative or otherwise, on a physical commodity other than gold.

What are the Risks of Investing in the Fund?

The Fund invests primarily in corporate debt securities and may be subject to the following risks:

- Equity Risk
- Interest Rate Risk
- Foreign Security Risk
- Regulatory Risk
- Derivative Risk
- Class Risk
- Series Risk
- Short Selling Risk
- Exchange Traded Fund Risk
- Low Rated or Unrated Debt Obligations
- Investments in Unsecured Indebtedness

These risks are explained in detail under "What are the risks of investing in a mutual fund" on page 3 of this document.

Who Should Invest in this Fund?

The Fund is suitable for only moderate-risk investors seeking to move higher up the capital structure of the issuer, receive coupon income, capture capital gains potential and access a wide variety of corporate bonds. Like most investments, past performance is not guaranteed and therefore, an investor must be willing to risk a loss.

Distribution Policy

Dividends for the Fund are paid monthly, at the end of each month, at the discretion of the Board of Directors. Unless you otherwise direct in writing, any dividends will be automatically reinvested, without charge, in additional shares of the same series at the series net asset value per share determined on the date of such dividend or, if such date is not a valuation day, on the next following valuation day. Each Class of Norrep Opportunities will rank equally with respect to dividends based on their respective Class net asset values and each series of a Class of Norrep Opportunities will rank equally with respect to dividends based on their respective series net asset values.

The Fund will take all steps as may be necessary to permit the distribution and subsequent transfers of such additional shares in compliance with the requirements of all applicable securities legislation, free of any resale restrictions.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See *Fees and Expenses* for details.

Detailed information concerning the expenses indirectly borne by investors in this Fund is not available because the fund has not yet commenced operations.



NORREP ENTREPRENEURS CLASS OF NORREP OPPORTUNITIES CORP.: FUND DETAILS

Type of Fund	Equity
Start up	Expected May 31, 2010 ⁽¹⁾
Securities Offered	MF Series shares and Series F shares
Registered Tax Plan Status	Shares are eligible for registered plans
MF Series Codes	NRP901 (Front End Sales Load) NRP902 (Low Load Deferred Sales Charge)
Series F Code	NRP900
Benchmark	70 % - BMO Small Capitalization Equity Only Weighted Total Return Index 30 % - S&P Developed SmallCap Total Return Index in Local Currencies

Note:

- (1) Norrep has not commenced the sales of Norrep Entrepreneurs Class to the public.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund is designed to achieve long-term capital appreciation by investing primarily in securities of smaller capitalization companies. Its portfolio may consist of all types of equity and debt obligations of issuers in Canada and globally that may or may not be listed for trading upon the facilities of stock exchanges or other organized and regulated trading facilities in Canada and globally. Assets of the Fund may also be invested in debt obligations or held in cash to the extent that economic, market or other conditions make it appropriate

No material change in the investment objectives of the Fund may be made without the approval of a two-thirds majority of the votes cast at a meeting of the Fund duly called for that purpose.

Investment Strategies

The Fund uses a value approach to investments as a primary method to securities selection. This means searching for superior long-term earnings and/or cash flow per share growth companies exhibiting a strong position in the market in which it operates, quality management and balance sheet strength. This analysis is supplemented by quantitative techniques that examine movements in general market trends as well as trends in earnings and the price of securities.

Pending the selection and purchase of suitable investments, the payment of expenses or other anticipated distributions, a portion of the assets of the Fund may be held in cash. In addition, during periods in which the Portfolio Manager believes that market conditions make it advisable, the Portfolio Manager may reduce the Fund's holdings of investments and hold a portion of the Fund's assets in cash. Such cash balances will be held on deposit in cash accounts at any Canadian bank or trust company or may be invested in short term investment funds or guaranteed investment certificates.

The Fund invests in a combination of securities including but not limited to government and corporate bonds, short term debt instruments, convertible securities (including convertible bonds and warrants), income trust units, rights as well as common and preferred shares. These securities are largely Canadian, but may also, as market opportunities dictate, include global securities as well. The proportions of the different securities in the Fund's portfolio will vary from time to time based upon the Portfolio Manager's assessment of market conditions.

The Fund may write covered call options and cash covered put options and purchase call options and put options with the effect of closing out existing call options and put options written by the Fund. The Fund may also purchase put options in order to protect the Fund from declines in the market prices of the individual securities in the portfolio or in the value of the portfolio as a whole. The Fund may enter into trades to close out positions in such permitted derivatives. The Fund may also use derivatives to hedge the Fund's foreign currency exposure. Such permitted derivatives may include exchange-traded options, futures contracts, and options on futures, over-the-counter options and forward contracts.

The Fund may also engage in short selling as a result of exemptive relief it obtained from the Canadian securities regulatory authorities. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), the Portfolio Manager will utilize the same analysis in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity may be considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity may be considered for a short sale. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's total net assets and its aggregate short exposure to 20% of its total net assets, (iii) the Fund will hold cash cover in an amount (including the Fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

The Fund may purchase securities of HBP ETFs, provided that the investment is in accordance with the Fund's investment objective and that no more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of securities of HBP ETFs. In addition, if short selling relief has been obtained in respect of the Fund, the Fund may not purchase securities of a Bear HBP ETF or sell any security short if, immediately after the transaction, the aggregate market value of (i) all the securities sold short by the Fund, and (ii) all the securities of Bear HBP ETFs held by the Fund, would exceed 20% of the Fund's net assets, taken at market value at the time of the transaction. Also, the Fund will not invest in a HBP ETF with an underlying index based, directly or indirectly through a specified derivative or otherwise, on a physical commodity other than gold.

What are the Risks of Investing in the Fund?

The Fund invests primarily in smaller capitalization companies and may be subject to the following risks:

- Equity Risk
- Interest Rate Risk
- Foreign Security Risk
- Small, Mid Capitalization and Micro Capitalization
- Regulatory Risk
- Derivative Risk
- Class Risk
- Series Risk
- Short Selling Risk
- Exchange Traded Fund Risk

These risks are explained in detail under "What are the risks of investing in a mutual fund" on page 3 of this document.

Who Should Invest in this Fund?

The Fund is suitable for only moderate to high-risk investors seeking long-term growth who can tolerate volatility. Like most investments, past performance is not guaranteed and therefore, an investor must be willing to risk a loss.

Distribution Policy

Dividends for the Fund are paid once a year at the end of October. Unless you otherwise direct in writing, any dividends will be automatically reinvested, without charge, in additional shares of the same series at the series net asset value per share determined on the date of such dividend or, if such date is not a valuation day, on the next following valuation day. Each Class of Norrep Opportunities will rank equally with respect to dividends based on their respective Class net asset values and each series of a Class of Norrep Opportunities will rank equally with respect to dividends based on their respective series net asset values.

The Fund will take all steps as may be necessary to permit the distribution and subsequent transfers of such additional shares in compliance with the requirements of all applicable securities legislation, free of any resale restrictions.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See *Fees and Expenses* for details.

Detailed information concerning the expenses indirectly borne by investors in this Fund is not available because the fund has not yet commenced operations.



Simplified Prospectus

Respecting:

Units of Norrep Fund

and

Mutual Fund Series and Series F Shares of:

Norrep II Class

Norrep Q Class

Norrep US Class

Norrep Global Class

Norrep Income Growth Class and

Norrep Resource Class

Each of Norrep Opportunities Corp.

Simplified Prospectus

Respecting Mutual Fund Series and Series F Shares of:

Norrep High Yield Class of Norrep Opportunities Corp.

and

Respecting Mutual Fund Series, Series F and Series O Shares of:

Norrep Entrepreneurs Class of Norrep Opportunities Corp.

Additional information about the Funds is available in the Funds' Annual Information Form, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents, at your request, and at no cost, by calling Hesperian Capital Management Ltd. toll free at 1-877-531-9355, or from your dealer or by e-mail at info@hesperiancapital.com. These documents are also available on the Fund's website at www.NorrepFunds.com.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Internet at www.sedar.com.

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