Simplified Prospectus

June 8, 2012

QWEST FUNDS CORP.

Offering Series A and Series F shares of

QWEST ENERGY CANADIAN RESOURCE CLASS

and

QWEST INFLATION–DEFLATION TREND ALLOCATION CLASS

No securities regulatory authority has expressed an opinion about the shares of the Funds and it is an offence to claim otherwise. The Funds and the shares of the Funds offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission, and are sold in the United States only in reliance on exemptions from registration.

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Introduction

In this Simplified Prospectus,

- "**we**", "**us**", "**our**" and the "**Corporation**" refers to Qwest Funds Corp.,

- "**Funds**" refer to Qwest Energy Canadian Resource Class and Qwest Inflation-Deflation Trend Allocation Class, and "**Fund**" refers to either of them,

- "**Qwest**" or the "**Manager**" refers to Qwest Investment Fund Management Ltd., the manager of the Funds,

- "**you**" refers to an investor, and

- unless otherwise specified, the term "**shares**" means the special shares of the Funds and the term "**shareholders**" means the holders of the special shares.

This Simplified Prospectus contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor. This Simplified Prospectus is divided into two parts. The first part, from pages 1 to 17, contains general information applicable to the Funds. The second part, from pages 18 to 28, contains specific information about each of the Funds described in this Simplified Prospectus.

Additional information about each Fund is available in the Annual Information Form, the Funds' most recently filed Fund Facts, the Funds' most recently filed annual financial statements, any interim financial statements of the Funds 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 that annual management report of fund performance. 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 part of it. You can get a free copy of these documents, when available, by contacting Qwest Investment Fund Management Ltd. by telephone, toll-free, at 1-866-602-1142, by e-mail at info@qwestfunds.com, or by contacting your dealer. These documents and other information about the Funds are also available on the Manager's website at www.qwestfunds.com or on SEDAR at www.sedar.com.

General Information About Mutual Funds and Qwest Funds Corp.

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 investors with similar investment objectives. The mutual fund's income, expenses, and the gains and losses the fund makes on its investments are shared by investors in proportion to the number of fund shares they own.

There are several benefits to investing in a mutual fund as opposed to investing by yourself. An investment in a mutual fund gives you the opportunity to participate with other investors with similar investment objectives in professionally managed investment portfolios. Professional portfolio advisers make the investment decisions for the mutual fund in accordance with its investment objectives. Mutual funds also enable you to diversify your investment portfolio, which may be difficult for most individual investors to achieve.

How is a Mutual Fund Structured?

A mutual fund may be set up as a trust or a corporation. Qwest Funds Corp. is a mutual fund corporation. The Funds are classes of special shares of the Corporation. These special shares comprise the Funds. The Corporation is authorized to issue an unlimited number of Class A shares, an unlimited number of Class B shares, and an unlimited number of special shares, which are divided into classes. The Corporation may issue additional classes of special shares in the future.

Each Fund currently only offers Series A and Series F shares. Additional series of shares may be offered in the future. There is no limit to the number of shares of the Funds you can buy. For further information, see "Purchases, Switches and Redemptions – Series of Shares" below.

What are the Risks of Investing in a Mutual Fund?

A mutual fund may own different types of investments - stocks, bonds, short-term securities - depending upon the fund's investment objectives. 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 shares may go up and down, 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 principal risks associated with a mutual fund are the same risks that affect the value of investments held by that fund. The principal risks associated with an investment in the Funds are described below under "What are the Risks of Investing in the Funds?".

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

Assets of a mutual fund that consist of securities that are traded on a public exchange are generally valued at their most recent sale price when determining the Funds' net asset value. If the price is not available or if we conclude that the price is not a true reflection of the value of the security, we will use another method to determine the value. This practice is called "fair valuation". It may happen for many reasons, including where the value is affected by events that occur after a market where the security is principally traded has closed or where there has been minimal or infrequent trading in a security.

Under exceptional circumstances, a mutual fund may suspend redemptions. For information regarding the circumstances in which Qwest may suspend redemptions of the Funds, see "Purchases, Switches and Redemptions - Redemptions" below.

The principal risks that may be associated with investing in the Funds are described below in alphabetical order:

Capital gains risk

From time to time in connection with Qwest Energy Canadian Resource Class, the Corporation may acquire the assets of certain limited partnerships or certain former limited partners of certain limited partnerships on a tax-deferred basis that have an adjusted cost base to the Corporation that is less than the amount paid by the Corporation for their acquisition (in some cases, the adjusted cost base of assets to the Corporation may be nil). Therefore, these assets may have significant accrued gains at the time they are acquired by the Corporation and shareholders may receive capital gains dividends as a result of these gains being realized by the Corporation, including when shareholders of Qwest Energy Canadian Resource Class convert their shares to shares of another class of the Corporation (including to Qwest Inflation-Deflation Trend Allocation Class). Investors who are considering purchasing shares other than through a registered plan should consult their tax advisor about this risk before purchasing shares.

The particular classes that the Corporation will pay capital gains dividends on will be determined by the directors of the Corporation from time to time based on the particular circumstances. In certain circumstances, capital gains realized on assets in one Class may result in capital gains dividends being paid to shareholders in another Class. For example, if a shareholder switches from the Qwest Energy Canadian Resource Class to the Fund and forces the Corporation to dispose of assets in the portfolio of the Qwest Energy Canadian Resource Class and realize a capital gain (which capital gains could be unexpectedly large as a result of the assets having low adjusted cost base due to a previous rollover transaction), the directors may determine that it is most equitable to spread any resulting capital gains dividends among the two classes in some manner; perhaps based on net asset value. Paying the capital gains dividend only on the Qwest Energy Canadian Resource Class may not be the most equitable course of action because the shareholder that triggered the gain by converting is no longer in that class.

Class risk

There are currently two classes of special shares of the Corporation - Qwest Inflation-Deflation Trend Allocation Class and Qwest Energy Canadian Resource Class. The Corporation may add additional classes of special shares in the future. If the Corporation cannot pay the expenses attributable to one class of special shares using the proportionate share of the Corporation's assets attributable to that class for any reason, the Corporation will be required to pay those expenses out of one or more of the other classes' proportionate share of the Corporation's assets. This may reduce the value of your investment in a Fund.

Concentration risk

This is the risk that the Funds may have a concentrated number of investments. As a result, the securities in which the Funds may invest may not be diversified across all sectors or may be concentrated in specific regions or countries. By investing in a relatively small number of securities, the portfolio adviser may have a significant portion of the Funds invested in a single security. This may result in higher volatility, as the value of the portfolio will vary more in response to changes in the market value of an individual security.

Currency risk

This is the risk that changes in the value of the Canadian dollar, compared to foreign currencies, will affect the value of shares in the Funds when investments are made outside of Canada.

Derivatives risk

A derivative is a contract between two parties, the value of which is based on the performance of other investments, such as equities, bonds, currencies or a market index. Derivatives may be traded in the over-the-counter market or on a stock exchange. A derivative is commonly a future or a forward contract or an option but there are other types of derivative instruments as well. Futures or forward contracts are agreements to buy or sell a security, commodity or currency for a certain price on a certain future date. Options give the buyer the right to buy or sell a security, commodity or currency for a certain price on a certain future date. Derivatives may be used to limit, or hedge against, losses that may occur because of the Fund's investment in a security or exposure to a currency or market. This is called "hedging". Derivatives may also be used to obtain exposure to financial markets, reduce transaction costs, create liquidity or increase the speed of portfolio transactions. These investments are made for non-hedging purposes. The Funds will only use derivatives for hedging purposes. The following risks are also associated with using derivatives:

- the use of derivatives for hedging may not be effective;
- a derivative contract may not be obtained when desired by a Fund because (i) there may be a lack of parties wanting to buy or sell a derivative contract, or (ii) the exchanges on which some derivatives are traded may set daily trading limits on futures contracts, preventing the Fund from closing a contract;
- the other party to the derivative contract may not be able to meet its obligations and may default;
- if an exchange halts trading in a certain option, the Fund may not be able to close its position in an option;
- the cost of the derivative contract may increase;
- the price of a derivative may not accurately reflect the value of the underlying investment; and
- the *Income Tax Act* (Canada) (the "**Tax Act**"), or its interpretation, may change in respect of the tax treatment of derivatives.

Emerging markets risk

In emerging market countries, security markets may be smaller than in the more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. Companies in those markets may have limited product lines, markets or resources, making it difficult to measure the value of the company. Political instability and possible corruption, as well as lower standards of regulation increase the possibility of fraud and other legal problems. The value of funds, or portfolios that buy these investments, may rise or fall substantially.

Energy and resource sector risk

Investing in one specific sector of the stock market, such as the energy and resource sector, entails greater risk (and potential reward) than investing in all sectors of the stock market. If a sector declines or falls out of favour, the share values of most or all of the companies in that sector will generally fall faster than the market as a whole. The opposite is also true. In addition, investments in specific sectors are generally more volatile than the overall market.

The assets, earnings and share values of companies involved in the energy and resource industries are subject to risks associated with the world prices of various natural resources, forces of nature, economic cycles, commodity prices, exchange rates and political events, and as a result the value of shares in this sector may be subject to significant fluctuations.

Exchange traded fund risk

The Funds may, from time to time, invest in securities of exchange traded funds ("**ETFs**") that are purchased and sold on a stock exchange. The return on investments in an ETF will be reduced by the operating expenses, including investment advisory fees, of the ETF. By investing in the ETF, the Funds will bear their *pro rata* portion of the ETF's expenses. These expenses are in addition to the direct expenses of the Fund's own operations. In addition, by investing in ETFs, the Funds will also be exposed to the risks associated with an investment in an ETF, including the following: (i) the market price of ETF securities may trade at a premium or a discount to their net asset value; (ii) an active trading market for an ETF's securities may not develop or be maintained; and (iii) there is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged.

Exchange transaction conflict of interest risk

It is expected that the Fund will acquire a substantial portion of its assets from certain limited partnerships organized by companies that are related to the Manager or from former limited partners of such limited partnerships. These assets will be transferred to the Fund on a tax-deferred basis in exchange for shares of the Fund. These limited partnerships are organized and managed by companies that are related to the Manager, and therefore these exchange transactions will give rise to a potential conflict of interest and will be referred to and considered by the independent review committee of the Funds and the applicable limited partnership, as required by National Instrument 81-107 *Independent review committee for investment* ("**NI 81-107**"). For further information on the independent review committee of the Funds, see "Organization and Management of the Fund - Independent Review Committee" below.

Foreign investment risk

There is a risk that investments in foreign companies outside Canada and the United States will be affected by world economic factors in addition to changes in the value of the Canadian dollar. In addition, information about foreign companies may not be as complete and may not be subject to the same extensive accounting, auditing, financial reporting standards and practices, and other disclosure requirements that apply in Canada and the United States.

Different financial, political, social and environmental factors can significantly affect the value of the Funds' investments. Foreign markets may be volatile or lack liquidity, which may cause a Fund's prices to fluctuate more than if the Fund limited its investments to Canadian and United States securities. The costs of buying, selling and holding securities in foreign markets may be higher than those involved in domestic transactions.

Pursuant to new U.S. tax rules, starting in 2013, unitholders of the Funds may be required to provide identity and residency information to the Funds, which may be provided by the Funds to U.S. tax authorities in order to avoid a U.S. withholding tax being imposed on U.S. and certain non-U.S. source income and proceeds of disposition received by the Funds or on certain amounts (including distributions) paid by the Funds to certain unitholders.

Illiquid asset risk

The Fund may, from time to time, invest in illiquid assets. An illiquid asset is an asset which is difficult to sell, either because the asset cannot be sold through public markets or the resale of the asset is prohibited as a result of representations, undertakings or certain agreements made by the Fund or the asset's previous owner. If the Fund is unable to sell an asset, the Fund may not be able to realize profits and/or minimize losses with respect to the asset and this in turn may adversely affect the net asset value of the Fund and the return on investment in shares of the Fund. In addition, in order to fund redemptions of shares, the Fund may have to liquidate its holdings in more liquid, large and medium sized companies as a result of the illiquidity of some or all of that portion of the Fund's portfolio comprised of illiquid assets. Although the Fund intends to maintain sufficient liquid assets to cover any redemption requests, there is a risk that the Fund's investment in illiquid assets could make it difficult for the Fund to fund redemption requests.

Interest rate risk

A mutual fund that invests partially or completely in bonds or other fixed income securities is affected most by changes in interest rates. If interest rates increase, the value of the bond or other fixed income security purchased tends to fall.

Large transaction risk

Shares of the Funds may be purchased by a third-party mutual fund (as part of that mutual fund's "fund-of-funds" portfolio) or other investment product. Any significant transaction made by such an investor could significantly impact the Funds' cash flow. If the third party buys large amounts of shares of the Funds, the Funds could temporarily have a high cash balance. Conversely, if the third party redeems large amounts of shares of the Funds, the Funds 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.

Market risk

Companies issue equities, or stocks, to help finance their operations and future growth. Mutual funds that purchase equities become part owners in these companies. The price of a stock is influenced by the company's outlook, market activity and the larger economic picture. When the economy is expanding, the outlook for many companies will also be good, and the value of their stocks should rise. The opposite is also true. Usually, the greater the potential reward, the greater the potential risk. For small companies and companies in emerging sectors the "risk/reward" ratio is usually greater. Except in limited circumstances the Funds will not sell securities that make up its portfolios in the event of a specific or general market decline.

Organization and Management of the Funds

Manager Qwest Investment Fund Management Ltd. P.O. Box 11549 Suite 1601, 650 West Georgia Street Vancouver, British Columbia 1-866-602-1142 www.qwestfunds.com	Qwest Investment Fund Management Ltd. is responsible for managing the overall business and operations of the Funds.
Portfolio Adviser Qwest Investment Fund Management Ltd. Vancouver, British Columbia	Qwest Investment Fund Management Ltd. is responsible for managing the investment portfolio of the Funds.
Custodian RBC Dexia Investor Services Trust Vancouver, British Columbia	The custodian is responsible for the safekeeping of the assets of the Funds. It may retain the services of sub-custodians to hold investments of the Funds.
Registrar and Transfer Agent Citigroup Fund Services Canada, Inc. Mississauga, Ontario	The registrar and transfer agent keeps track of the owners of the Funds' shares, processes purchase and redemption orders, issues investor account statements, trade confirmations and annual tax reporting information, and calculates the net asset value of the Funds.
Auditors PricewaterhouseCoopers LLP Vancouver, British Columbia	The auditors audit the annual financial statements of the Funds.
Independent Review Committee	In accordance with NI 81-107, an independent review committee (the "**IRC**") for the Funds has been established. The IRC will review all conflict of interest matters related to the Funds and any other matters that are required to be reviewed or approved by the IRC under NI 81-107 or NI 81-102. The IRC is composed of three members who were appointed effective May 1, 2007 and are independent within the meaning of NI 81-107. The IRC will prepare, at least annually, a report of its activities for you, which will be available on our website at www.qwestfunds.com or at your request and at no cost, by calling toll-free to 1-866-602-1142 or by e-mail at info@qwestfunds.com. The IRC has adopted a written charter and was operational and in compliance with NI 81-107 as of September 25, 2007. Additional information about the IRC, including the names of its members, is available in the Funds' Annual Information Form. Under applicable securities laws, certain merger

	transactions involving the Funds may be completed without the approval of unitholders provided that, among other things, the transaction is approved by the IRC and we provide you with at least 60 days notice of the proposed transaction.

Purchases, Switches and Redemptions

Shares of the Funds may be purchased or redeemed in any province or territory through a registered dealer.

Shares are purchased, switched or redeemed at their net asset value per share. See "Net Asset Value" below for details on how the net asset value for each series of shares is calculated. If a completed purchase, switch or redemption order is received on or before 4:00 p.m. (Eastern Standard Time) on a valuation day, it will be processed at the net asset value per share on that day. If an order is received after that time, it will be processed at the net asset value per share calculated on the next valuation day. For the Funds, a "**valuation day**" is any day on which the Toronto Stock Exchange is open for trading.

Net asset value

The net asset value per share is the basis for calculating the purchase price or redemption price for purchasing or redeeming shares. The net asset value of the Funds is the market value of all the assets of a Fund less its liabilities. The net asset value per share is determined by dividing the net asset value by the total number of shares outstanding.

The Funds maintain a separate net asset value for each series of shares, as if the series were a separate fund. However, the assets of each Fund constitute a single pool for investment purposes. The net asset value for a series is based on series specific amounts, such as amounts paid on the purchase and redemption of shares of the series and expenses attributable solely to the series, and on the series' share of the Funds' investment earnings, market appreciation or depreciation of assets, common expenses and other amounts not attributable to a specific series. The net asset value per share is determined by dividing the net asset value for the series by the total number of outstanding shares of the series. The net asset value per share determined on a valuation day will remain in effect until the net asset value per share is next determined. Further details concerning the valuation of the Series A and Series F shares are included in the Annual Information Form.

Qwest may suspend the calculation of the net asset value per share in certain circumstances. For further information, see "Redemptions" below.

Minimum investment

The minimum initial investment in each of the Funds is $1,000. Each subsequent investment must be at least $100. After you have made your purchase, you will receive written confirmation of the purchase price, the amount of any sales charge paid, and the total number of shares you own.

Series of shares

The Funds are permitted to have an unlimited number of series of shares and may issue an unlimited number of shares of each series. Currently, the Funds only offer Series A and Series F shares. Additional series of shares may be offered in the future.

The consideration that you and other investors pay to purchase shares is tracked in the Funds' administrative records. The assets of the Funds are combined in a single pool to create one portfolio for investment purposes.

Series A shares - Series A shares are available to all investors and may be purchased, switched or redeemed through the Manager or authorized dealers. The Funds pay management fees to the Manager with respect to Series A shares.

Series F shares - Series F shares are available to investors who have fee-based accounts with their dealer. Instead of paying sales charges, investors who purchase Series F shares pay ongoing fees to their dealer for investment advice and other services. Series F shares may only be purchased, switched or redeemed through authorized dealers, and not directly through the Manager. The Funds pay management fees to the Manager with respect to Series F shares.

Short-term trading

You may, at the discretion of the Manager, be required to pay a Fund a fee of 2% of your investment amount if you redeem securities of a Fund within 90 days of purchase. The fee is designed to protect shareholders from the costs associated with investors frequently purchasing and redeeming shares of the Funds. Frequent trading can hurt a Fund's performance by forcing the portfolio manager to keep more cash in the Funds than would otherwise be needed, or to sell investments to meet redemptions. It may also increase the Funds' transaction costs. Short-term trading fees are paid to the Funds, not to the Manager.

Purchases

You may buy shares on any valuation day. To do so, you must complete a purchase order and your dealer must send the order, along with payment, to the Funds' registrar and transfer agent on the same day the dealer receives the order. If the dealer receives the order after the close of business or on a day which is not a valuation day, the dealer must send the order to the Funds' registrar and transfer agent on the next valuation day.

Whenever practicable, the dealer must send purchase orders by courier, fax, or electronic entry to ensure that the Funds' registrar and transfer agent receives it as quickly as possible. The cost of sending the order is the responsibility of the dealer.

If a purchase order is received by the Funds' registrar and transfer agent before 4:00 p.m. (Eastern Standard Time) on a valuation day, the purchase order will be processed at the net asset value per share calculated on the same valuation day. If the purchase order is received by the Funds' registrar and transfer agent after the close of business on a valuation day or on a day which is not a valuation day, it will be processed on the next valuation day.

If payment of the total amount of the purchase order and all necessary documents are not received by the Funds' registrar and transfer agent within three business days after the date on which the price of the shares is determined for the purchase order, the Manager will reverse the purchase order by processing a redemption request on the next business day for the number of shares that were purchased. The redemption proceeds will be used to pay for the amount owing on the purchase. Any excess proceeds belong to the Funds. Any shortfall will initially be paid to the Funds by the Manager, but the Manager will be entitled to collect the shortfall, plus any costs involved, from the dealer who placed the order for the shares. The dealer may, in turn, collect the shortfall plus any costs involved from the investor who placed the order. Where no dealer was involved, the Manager will be entitled to collect the shortfall and costs from the investor who placed the order.

At the time of a purchase, you negotiate a sales charge with your dealer. This is referred to later in this Simplified Prospectus as the "Sales Charge Option." For further information, see "Fees and Expenses" and "Dealer Compensation".

The Manager has the right to accept or reject any purchase order, but must make a decision to reject an order within one business day after receiving the order with complete documentation. The payment received with that order must be refunded immediately. If your cheque for the purchase of shares is not honoured, we may reverse the purchase order and hold you responsible for any costs incurred.

Switches

You may switch shares of one series of a Fund for shares of another series of that Fund. You may also switch shares of a Fund for shares of the other Fund, which are shares within the same corporation.

We do not charge any fees to switch between series of the Funds. Switching shares of one series to shares of another series of a Fund, or switching shares of one Fund for the other Fund, is not considered a disposition for tax purposes.

Redemptions

You may redeem shares of the Funds on any valuation day. To do so, you must complete a written redemption request. If the redemption request is deposited with a dealer, the dealer must send the redemption request to the Funds' registrar and transfer agent on the same day. If the dealer receives the redemption request after 4:00 p.m. (Eastern Standard Time) or on a day that is not a valuation day, the dealer must send it to the Funds' registrar and transfer agent on the next valuation day.

A redemption request received by the Funds' registrar and transfer agent before 4:00 p.m. (Eastern Standard Time) on a valuation day will be processed at the net asset value per share calculated at the close of business on that valuation day. A redemption request received by the Funds' registrar and transfer agent after the close of business on a valuation day or on a day which is not a valuation day will be processed in the same way on the next valuation day.

Whenever practicable, a dealer must send your redemption request by courier, fax, or electronic entry to ensure that the Funds' registrar and transfer agent receives it as quickly as possible. The cost of sending the redemption request must be paid by the dealer. As a security measure, a redemption request sent by fax directly by an investor will not be accepted.

For the protection of other shareholders, your signature on any redemption request must be guaranteed by a Canadian chartered bank, trust company or a dealer. This procedure must be followed carefully. Other documentation may be required for redemption by corporations or other investors that are not individuals.

If all necessary redemption documents have been properly completed and sent to the Funds' registrar and transfer agent with the redemption request, the Manager will pay the redemption amount within three business days of the business day on which the redemption is processed. Otherwise, the redemption amount will be paid within three business days after the Funds' registrar and transfer agent receives the missing documentation. If all necessary documents are not received by the Funds' registrar and transfer agent within ten business days following the date on which the redemption was requested, the Manager will reverse the redemption order by processing a purchase order on the tenth business day after the redemption order, for the number of shares that were redeemed. The redemption proceeds will be used to pay for the shares purchased. Any excess proceeds belong to the applicable Fund. Any shortfall will initially be paid to the Funds by the Manager, but the Manager will be entitled to collect the shortfall, plus any costs involved, from the dealer who placed the redemption request. The dealer may, in turn, collect the shortfall plus any costs involved from the investor who placed the redemption request. Where no dealer has been involved, the Manager will be entitled to collect the shortfall and costs from the investor who placed the redemption request.

There is no charge for redemptions, unless you are redeeming shares within 90 days of a purchase (see "Fees and Expenses").

If you hold shares of a Fund in a registered plan, the redemption amount will be paid to the trustee of the plan because the necessary tax forms must be prepared and, in some cases, income tax deducted before payment can be released to you.

The Manager has the right to redeem your shares of a Fund if your investment has a value less than $1,000. The Manager will give you 30 days notice that the redemption will take place. You will have the option to make an additional investment to increase your investment in a Fund to more than $1,000. If a partial redemption of shares reduces the value of an investment to less than $1,000, the Fund has the right to automatically redeem the balance.

Your right to redeem shares of the Funds may be suspended with the consent of the Canadian securities regulatory authorities, or for any period when normal trading is suspended on any stock exchange, in or outside Canada, where more than 50% of the securities held by the applicable Fund by market value, or underlying market exposure, are listed or traded if those securities are not traded on any other exchange that represent a reasonably practical alternative for the Funds.

Optional Services

The Funds do not currently offer any optional services.

Fees and Expenses

The Funds may hold securities of other mutual funds. There are fees and expenses payable by the other mutual funds in addition to the fees and expenses payable by the Funds. No management fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the other mutual fund for the same service. No sales fees or redemption fees are payable by the Funds in relation to its purchases or redemptions of the securities of the other mutual fund if the other mutual fund is managed by the Manager or an affiliate of the Manager. No sales fees or redemptions fees are payable by the Funds in relation to their purchases or redemptions of securities of other mutual funds that, to a reasonable person, would duplicate a fee payable by an investor in the Funds.

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

<table>
<tr><th colspan="2">FEES AND EXPENSES PAYABLE BY THE FUND</th></tr>
<tr><td>Management Fees</td><td>The Funds pay an annual management fee to the Manager to cover the costs of managing the Fund. The fee is calculated as a percentage of the net asset value of each series of shares, and accrued on each valuation day and paid monthly. The management fee is subject to HST. The management fee applicable to each series of shares is set out below.
<table><tr><th colspan="2">Annual management fee</th></tr><tr><th>Series A</th><th>Series F</th></tr><tr><td>2.5%</td><td>1.5%</td></tr></table>
To encourage large purchases in the Fund, such as purchases made by institutional investors, the Manager may rebate to an investor a portion of the management fee. The management fee may be rebated based on the consideration of several factors including the size of the investment, the expected level of account activity and the assets under administration. All management fee rebates will be reinvested in additional shares of the Fund unless otherwise requested.</td></tr>
<tr><td>Operating Expenses</td><td>The Funds pay all expenses needed to operate and carry on its business. These expenses include:
• accounting, audit, legal, transfer agent and custodial fees;
• taxes and brokerage commissions;
• expenses related to the calculation of the net asset value of the Fund;
• expenses for the issue, switch and redemption of securities;
• costs of securityholder reports and prospectuses; and
• compensation payable to and expenses incurred by members of the Funds' IRC, which may include their compensation, travel expenses, insurance premiums and fees associated with their continuing education, and other costs and expenses reasonably associated with the IRC.
As noted above, the operating expenses of the Funds may include the compensation payable to and expenses incurred by members of the IRC, and other costs and expenses reasonably associated with the IRC. During the year ended December 31, 2011, $18,148 was charged to the Funds. Each member of the IRC is paid an annual retainer of $10,800 and the chair of the IRC is paid an additional retainer of $3,600**,** which amounts are allocated among the Funds and other investment funds managed by the Manager or its affiliates.</td></tr>
</table>

FEES AND EXPENSES PAYABLE DIRECTLY BY YOU	
Sales Charges	The initial sales charge on the purchase of Series A shares is up to 5% of the amount invested.
Switch Fees	Nil
Redemption Fees	Nil
Short Term Trading	You may be required to pay the Funds a fee of 2% of your investment amount if you redeem securities of the Funds within 90 days of purchase.
NSF Cheque Fees	$50

Management fees and other expenses vary from mutual fund to mutual fund. The consent of shareholders generally will be required (a) for any change in the basis of the calculation of a fee or expense charged to the Funds that could result in an increase in charges to the Funds, or (b) if a new fee or expense is introduced that could result in an increase in charges to the Funds. However, in either case, shareholder consent will not be required if the change or new fee or expense is a result of a change made by a third party at arm's length to the Funds. In this case, you will be sent written notice at least 60 days before the effective date of the change.

Impact of Sales Charges

The table below is intended to show the amount of fees that you would have to pay under different purchase options if you made an investment of $1,000 in a Fund, if you held that investment for one, three, five or ten years and if you redeemed the investment immediately before the end of that period. Shares of the Funds are currently only sold under the sales charge option and are not available under any other purchase option.

Purchase Options	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Sales Charge Option(1)	Up to $50.00	Nil	Nil	Nil	Nil
Redemption Charge Option(1)	N/A	N/A	N/A	N/A	N/A
No Load Option(1)	N/A	N/A	N/A	N/A	N/A

(1) Series A shares of the Funds are currently only sold under the sales charge option and are not available under any other purchase option. Series F shares of the Funds are not subject to a sales charge.

Dealer Compensation

Sales Commissions

A dealer who sells shares of the Funds to you receives the sales charge negotiated with you at the time of purchase. The sales charge may be up to 5.0% ($50.00 for each $1,000 investment). This charge is deducted from the amount you invested or paid by you directly to the dealer.

Trailer Fees

For Series A shares, a dealer will receive an annual trailer fee from us of 1.00% ($10.00 for each $1,000 investment) of the average value of net assets held in Series A shares in the Funds by the dealer's clients during each complete calendar quarter. We also pay trailer fees to discount brokers for securities you purchase through your discount brokerage account. Payments are calculated and paid quarterly at the rate of 1/4 of 1.00% of the average value of assets held in Series A shares in the Funds by the dealer's clients during each quarter. The Manager and not the Funds will pay these fees.

There are no trailer fees for Series F shares.

Marketing Support

We may make various payments to registered dealers, relating to educational and marketing activities, in accordance with National Instrument 81-105 - *Mutual Fund Sales Practices*. These include paying up to 50% of the cost of sales communications and investor seminars, up to 100% of the cost of third party educational courses taken by representatives and up to 10% of the cost of conferences put on by dealers. We may also provide representatives with non-monetary items of a promotional nature that have minimal value.

Equity Interests

None of the Corporation, the Manager or the portfolio adviser of the Funds, or any of their affiliated companies hold any ownership interests in any dealer that sells shares.

Dealer Compensation From Management Fees

The cost of sales and service commissions and sales incentives programs was approximately 40% of the total management fees we received from the Funds during our last financial year ended December 31, 2011.

Income Tax Considerations for Investors

This summary assumes that you are an individual (other than a trust) resident in Canada and that you hold shares of the Funds as capital property for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"). This summary is based on the current provisions of the Tax Act and the regulations thereunder, any specific proposals for amendments thereto that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof, and the current published administrative practices and policies of Canada Revenue Agency. This summary is not exhaustive of all tax considerations and is not intended to constitute legal or tax advice to an investor. You should seek independent advice regarding the tax consequences of investing in securities, based upon your own particular circumstances. More detailed tax information is in the Funds' Annual Information Form.

When You Earn Income

If you hold shares of a Fund, you earn income on your investment:

- when the Corporation pays an ordinary dividend or a capital gains dividend on shares of the Fund; and

- when you redeem your shares of the Fund and realize a capital gain.

Adjusted Cost Base

The adjusted cost base ("**ACB**") of your shares of a Fund is an important concept for income tax considerations. This term will be used throughout the summary and in most situations, can be calculated according to the following formula:

Calculation of ACB	
The amount of your initial investment	
+	additional investments
+	reinvested dividends
+	the ACB of any shares of the other Fund converted into shares of the Fund
-	the ACB of any previous redemptions
-	the ACB of any shares of the Fund converted to the other Fund
=	aggregate ACB of your shares

The adjusted cost base to you of a share of a series of shares of the a Fund will generally be determined by reference to the average adjusted cost base of all shares of the series held by you at the time of the disposition.

Dividends

Dividends from the Funds are taxable in the year they are received. This is the case even though these amounts are reinvested in additional shares. Dividends may include ordinary dividends and capital gains dividends. Ordinary dividends will generally be paid in December and capital gains dividends will generally be paid in February. Dividends may be paid at other times determined by the Manager.

Capital gains dividends will be treated as realized capital gains.

The Corporation may declare and pay a capital gains dividend to shareholders of any of its classes, regardless of whether the related capital gain resulted from a disposition of securities attributable to the particular class' portfolio.

Ordinary dividends will be treated as taxable dividends in your hands and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends paid by taxable Canadian corporations. An enhanced gross-up and dividend tax credit is available for certain "eligible dividends" paid by the Corporation.

The share price of a Fund may include income and capital gains that the Fund has earned, accrued or realized but not yet paid out as a dividend. If you invest in a Fund before a dividend is declared, even if that investment is late in the calendar year, you will have to pay tax on such dividend paid to you. However, the amount of the dividend reinvested in additional shares will be added to your ACB. As a consequence of tax-deferred transfers of property to the Corporation by certain limited partnerships, you may receive capital gains dividends that relate to gains on the property that accrued prior to the property being owned by the Corporation. It is anticipated that a substantial portion of the assets of Qwest Energy

Canadian Resource Class will consist of property transferred to the Corporation by limited partnerships on a tax-deferred basis. We will provide information slips containing detailed information about the dividends paid to you.

Generally, you are required to include in your income any management fee rebates received from the Manager; however, in some circumstances you may instead elect to reduce the ACB of your shares by the amount of the rebate.

Converting and Redeeming Shares

Converting shares of a Fund for shares of the other Fund (which are shares within the same corporation) will not result in a disposition of those shares for tax purposes, and the cost of the shares received will be equal to the ACB of the shares that were converted.

If you redeem shares of a Fund, you will realize a capital gain (or loss). The capital gain (or loss) will be equal to the difference between the amount you receive for the sale, net of any costs (such as a deferred sales charge), and the ACB of the shares.

Generally, one-half of a capital gain must be included in determining your income.

We will provide you with details on the proceeds from the sale after the transaction. However, in order to calculate your gain or loss, you need to know the ACB of your shares before disposition.

Registered Plans

If you hold shares of the Funds in an RRSP, RRIF or other registered plan, you will generally pay no tax on income earned from, or capital gains realized on the disposition of, those securities as long as they remain in the registered plan. However, withdrawals from such registered plans (other than TFSAs, and certain withdrawals from RESPs and RDSPs) will generally be subject to tax.

Funds with a High Portfolio Turnover Rate

The higher the Funds' portfolio turnover rate, the greater the likelihood the Funds will incur capital gains or losses. In the event a Fund realizes capital gains, the gains will, in most cases, be distributed to you by way of capital gains dividends and must be included in computing your income for tax purposes for that year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Additional Information

Potential Conflicts of Interest from Directorships

Certain directors and officers of the Manager, including our portfolio managers, may from time to time hold director positions with issuers whose securities are held in a Fund's portfolio. For example, as at the date of this Simplified Prospectus, Don Short, a Senior Vice-President, Portfolio Manager and Director of the Manager, is a director of Avatar Energy Ltd., an emerging junior oil and gas company listed on the TSX Venture Exchange held in the portfolio of the Qwest Energy Canadian Resource Class. Mr. Short assumed this role because the Manager and Mr. Short have concluded that it would be in the best interests of the Fund for him to do so. However, the Manager understands that this type of relationship does give rise to certain potential conflicts of interest between the individual's position and duties as a director of the issuer and his or her duties and obligations as a director and officer of the Manager and where applicable, as a registrant. For example, as a director of a public company, the director or officer of the

Manager may receive material undisclosed information relating to the company and any time that the director or officer is in possession of such information, they will, and the Manager may, be prevented under applicable securities laws from buying or selling securities of the company until there has been full public disclosure of that information. This could occur where the Manager may otherwise feel that it is in the Fund's best interests to sell securities of the company. Accordingly, the Manager has adopted policies and procedures designed to minimize the circumstances in which the Manager is prevented from buying or selling securities for the Funds for these reasons, and to otherwise address and minimize the potential for conflicts that may arise as a result of these types of relationships.

Specific Information About Each of the Mutual Funds Described in this Document

Introduction

This section provides additional information that will help you to better understand the description of each of the Funds that appears on the following pages.

What are the risks of investing in the funds?

Understanding risk and your comfort with risk is an important part of investing. In each of the Fund profiles, the section "What are the risks of investing in the fund?" highlights the specific risks of each Fund. The risks are listed in the order of relevance for each Fund. You will find general information about the risks of investing and descriptions of each specific risk in the section "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?" on page 2.

Who should invest in the funds?

In each of the Fund profiles, the section "Who should invest in this fund?" explains the type of investor for whom the Fund may be suitable. As an investor, the most important part of your financial plan is understanding:

- your objectives – what are you expecting from your investments – income, growth or a balance of the two;
- your investment time horizon – how long are you planning to invest; and
- your risk tolerance – how much volatility in your investment are you willing to accept.

When looking at the risks for each Fund, you should also consider how the Fund will work with your other investment holdings. For instance, if you are considering an aggressive growth Fund, it may be too risky if it is your only investment. If you plan on holding it as a portion of your overall portfolio, it may be a good way to increase your potential portfolio returns while limiting the overall risk of the portfolio – benefiting from diversification.

We assign fund risk ratings to each Fund as an additional guide to help you decide whether a Fund is right for you.

In accordance with the requirements of the Canadian Securities Administrators, the risk rating assigned to each Fund is categorized as either low, low to medium, medium to high or high risk. Our risk rating is based upon the Investment Fund Institute of Canada's *Recommendations for Fund Managers Regarding Fund Volatility: Risk Classification* (the "**IFIC Risk Classification Guidelines**"). Our analysis of risk classification includes qualitative factors, such as style and sector concentration, that may contribute to the Fund's overall volatility and therefore the risk rating of the Fund. We review the risk rating for each Fund on an annual basis.

The methodology that the Manager uses to identify the risk level of the Funds is available on request, at no cost, by contacting Qwest Investment Fund Management Ltd. by telephone, toll-free, at 1-866-602-1142, by e-mail at info@qwestfunds.com or by writing to Qwest Investment Fund Management Ltd., P.O. Box 11549 Suite 1601, 650 West Georgia Street, Vancouver, British Columbia V6B 4N7.

Qwest Energy Canadian Resource Class

Fund Details

Type of fund	Canadian Resource Equity
Date fund started	April 5, 2006
Securities offered	Series A and Series F shares of a mutual fund corporation
Registered plan status	Qualified investment for TFSAs, RRSPs, RRIFs, RESPs, RDSPs and DPSPs.

What Does the Fund Invest In?

Investment Objectives

The fundamental investment objective of the Fund is to provide long-term capital appreciation by investing primarily in equity securities of Canadian companies involved in the energy and natural resources sector.

Any change in the fundamental investment objective of the Fund must be approved by a majority of the votes cast at a meeting of the Fund's shareholders called for that purpose. However, the investment strategies described below may be changed by the Manager in its discretion.

Investment Strategies

The Fund will invest primarily in the energy and resource sector, which involves companies engaged in industries such as oil and gas, mining and minerals, forestry, alternative energy and other resources. In addition, the Fund may also invest in securities of companies which are dependent on, or provide services to, the energy and resource industries, such as various oilfield services, pipelines, midstream services, utilities and equipment manufacturers. The Fund may take positions in other securities, such as convertible securities, debt securities, exchange traded funds comprised of debt securities and derivative instruments based on such securities, and invest in foreign resource companies listed on major stock exchanges.

The Fund will use derivatives for hedging purposes only.

The Fund may hold a portion of its assets in cash or short-term money market securities while seeking investment opportunities or for defensive purposes to reflect adverse market, economic, political or other conditions.

It is expected that the Fund will acquire a substantial portion of the assets of the Fund from certain limited partnerships organized by companies that are related to the Manager or former limited partners of such limited partnerships. These assets will be transferred to the Fund on a tax-deferred basis in exchange for shares of the Fund. For further information, see "Income Tax Considerations for Investors".

Pursuant to relief granted by securities regulators, the Fund may invest in certain specific commodity pools structured as exchange-traded funds that use financial instruments that correlate to a multiple (or inverse multiple) of the daily performance of a "permitted index" (as defined in National Instrument 81-

102 *Mutual Funds*) except for a permitted index that is based directly or indirectly on a physical commodity other than gold. This relief is limited such that the Fund may not purchase securities of specified commodity pools if, immediately after the purchase, more than 10% of the net assets of the Fund, taken at market value at the time of purchase, would consist of those specified commodity pools. Please see "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What are the Risks of Investing in the Funds? – Exchange traded fund risk" above for a description of the risks associated with investments in such commodity pools.

From time to time, a portion of the Funds' assets may be invested in private companies and other illiquid assets acquired from limited partnerships organized by companies that are related to the Manager or former limited partners of such limited partnerships. An illiquid asset is an asset which is difficult to sell, either because the asset cannot be sold through public markets or the resale of the asset is prohibited as a result of representations, undertakings or certain agreements made by the Fund or the asset's previous owner. The Fund will only purchase illiquid assets where an investment in the illiquid assets is consistent with the investment objectives and strategies of the Fund and where the investment may be made in compliance with applicable securities laws. Please see "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What are the Risks of Investing in the Funds? – Illiquid asset risk" above for information regarding the risks associated with investments in illiquid assets.

The portfolio adviser:

- uses an in-depth, analytical approach to selecting investments that focuses on commodity, industry and company-specific attributes;
- seeks investments in companies with a combination of sound financial fundamentals, excellent growth prospects and a strong management team; and
- has a medium-term "buy and hold" philosophy but also pays attention to short-term price movements and momentum in the marketplace to take advantage of buying and selling opportunities.

The Fund's investment strategies may involve active and frequent trading. This may increase the trading costs payable by the Fund and lower the Fund's returns. In addition, this will increase the chance that you will receive a dividend from the Fund. For further information, see "Income Tax Considerations for Investors".

The Fund does not intend to invest any of its assets in foreign securities.

What are the Risks of Investing in the Fund?

The specific risks relating to an investment in this Fund are:

- Capital gains risk
- Energy and resource sector risk
- Illiquid asset risk
- Exchange transaction conflict of interest risk
- Concentration risk
- Exchange traded fund risk
- Market risk

- Currency risk
- Derivatives risk
- Foreign investment risk
- Class risk
- Interest rate risk
- Large transaction risk

See "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What are the Risks of Investing in the Funds?" for a description of these risks.

During the 12 month period ended May 31, 2012, up to 14.72%, 14.48% and 13.69% of the net asset value of the Fund was invested in securities of iShares Dex Short Term Bond Index Fund, Americas Petrogras Inc. and Hyperion Exploration Corp., respectively.

See "Specific Information About Each of the Mutual Funds Described in this Document – Who should invest in the funds?" for a description of how the Manager determines the risk classification of the Fund.

Who Should Invest in this Fund?

Investors who are:

- seeking long-term capital growth from investments in the Canadian energy and resource sector;
- not concerned with short-term price fluctuations; and
- willing to accept high risk.

The Manager determined the appropriate level of investor risk tolerance that would be appropriate for investment in this Fund by following the guidelines provided in the IFIC Risk Classification Guidelines for the fund type of the Fund.

Distribution Policy

The Fund will pay annually to shareholders ordinary dividends and capital gains dividends. Ordinary dividends will generally be paid in December and capital gains dividends will generally be paid in February. Dividends may be paid at other times determined by the Manager. We will automatically invest dividends in additional shares of the Fund. No sales charge will be payable with respect to the purchase of shares made under this automatic reinvestment program.

Fund Expenses Indirectly Borne by Investors

The Fund pays for its expenses directly out of its assets. As a result, shareholders indirectly pay for the expenses of the Fund. The table below is designed to help you compare the cumulative cost of investing $1,000 in the Fund with the cost of investing in other mutual funds. The table assumes a total annual return of the Fund of 5% in each year, and assumes that the Fund's management expense ratio remains at 4.09% for Series A shares and 2.98% for Series F shares, respectively.

Based on the above assumptions, your costs would be as shown in the table below. Your actual costs, of course, may be higher or lower.

Funds and expenses payable over	1 year	3 years	5 years	10 years
Series A shares	$42.95	$129.75	$217.78	$443.34
Series F shares	$31.29	$95.64	$162.41	$340.60

These results are included with the intention of helping you compare the cost of investing in the Fund with the costs of investing in other mutual funds, allowing you to see the amount of fees and expenses paid by the Fund that are indirectly borne by you, and describing the assumptions used for those calculations.

You will find more information about fees and expenses under the heading "Fees and Expenses" starting on page 11.

Qwest Inflation-Deflation Trend Allocation Class

Fund Details

Type of fund	Tactical Balanced
Date fund started	November 25, 2010
Securities offered	Series A and Series F shares of a mutual fund corporation
Registered plan status	Qualified investment for TFSAs, RRSPs, RRIFs, RESPs, RDSPs and DPSPs.

What Does the Fund Invest In?

Investment Objectives

The fundamental investment objective of the Fund is to provide long-term capital appreciation by investing primarily in investments that provide the Fund with exposure to a diversified portfolio of equity and fixed income securities of companies, governments and other issuers located around the world. The Fund will allocate its investments based principally on the Qwest Asset Inflation-Deflation Timer Model (defined below as the "**Model**"), a proprietary quantitative investment model developed by the portfolio adviser. See "Investment Strategies – Description of the Qwest Asset Inflation-Deflation Timer Model" for a description of the Model.

Any change in the fundamental investment objective of the Fund must be approved by a majority of the votes cast at a meeting of the Fund's shareholders called for that purpose. However, the investment strategies described below may be changed by the Manager in its discretion.

Investment Strategies

The Fund will invest primarily in investments that provide the Fund with exposure to a diversified portfolio of equity and fixed income securities of companies, governments and other issuers located around the world. In addition to direct investments in equity and fixed income securities, the Fund will also invest in securities of exchange traded funds ("**ETFs**") that provide the Fund with exposure to these types of investments where such investment is permitted by applicable securities laws.

The Fund will generally allocate the assets of the Fund among the following asset classes based principally on the Qwest Asset Inflation-Deflation Timer Model (the "**Model**"), a proprietary quantitative investment model developed by the portfolio adviser:

- Investments designed to provide a hedge against the effects of rising inflation, such as inflation protected fixed-income securities or ETFs holding inflation protected fixed-income securities, equity securities of companies engaged in resource extraction activities, equity securities of issuers judged by the portfolio adviser to be in growth-oriented sectors, such as equity securities of issuers located in emerging markets and securities of ETFs that provide the Fund with exposure to these types of securities, and derivatives or other investments that provide the Fund with exposure to gold in a manner permitted by applicable securities laws;

- Equity securities and securities of equity-related ETFs listed on a stock exchange in Canada or the United States; and

- Fixed income securities issued by governments and corporations from around the world, and securities of ETFs listed on a stock exchange in Canada or the United States that provide the Fund with exposure to fixed income securities issued by governments and corporations from around the world.

The Fund may use derivatives for hedging purposes only.

Pursuant to relief granted by securities regulators, the Fund may invest in certain specific commodity pools structured as exchange-traded funds that use financial instruments that correlate to a multiple (or inverse multiple) of the daily performance of a "permitted index" (as defined in National Instrument 81-102 *Mutual Funds*) except for a permitted index that is based directly or indirectly on a physical commodity other than gold. This relief is limited such that the Fund may not purchase securities of specified commodity pools if, immediately after the purchase, more than 10% of the net assets of the Fund, taken at market value at the time of purchase, would consist of those specified commodity pools. Please see "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What are the Risks of Investing in the Funds? – Exchange traded fund risk" below for a description of the risks associated with investments in such commodity pools.

The Fund may hold a portion of its assets in cash or short-term money market securities while seeking investment opportunities or for defensive purposes to reflect adverse market, economic, political or other conditions.

The Fund's investment strategies may involve active and frequent trading. This may increase the trading costs payable by the Fund and lower the Fund's returns. In addition, this will increase the chance that you will receive a dividend from the Fund. For further information, see "Income Tax Considerations for Investors".

The Fund may invest up to 100% of its assets in foreign securities.

Description of the Qwest Asset Inflation-Deflation Timer Model

The Model is a trend-following model. The Model applies price trend following principles to a variety of commodity and global equity prices in order to spot intermediate term price trends, which are signals of global growth and asset inflationary expectations. The resulting trend signals are inflation, deflation and neutral.

When the Model trend signal is "inflation", the normal course of action would be to hold securities designed to hedge against inflation, such as inflation protected fixed-income securities or ETFs holding inflation protected fixed-income securities, equity securities of companies engaged in resource extraction activities, equity securities judged by the portfolio adviser to be in growth-oriented sectors, such as equity securities of issuers located in emerging markets and other commodity price sensitive securities, including ETFs that are based on an index of equity securities of companies engaged in resource extraction activities and equity securities in emerging markets. As the Canadian dollar is generally perceived as a commodity sensitive currency and will tend to rise as commodity prices rise, while commodity prices are typically in U.S. dollars, the other normal course of action during an "inflation" signal would be to hedge the Canadian dollar against the U.S. dollar.

When the Model trend signal is "deflation", the normal course of action would be to primarily hold default free securities, such as United States Treasury bonds. Episodes of deflationary expectations are correlated with fears of recession and widespread default. Default-free securities such as United States Treasury bonds tend to be the safe haven of choice under those circumstances.

When the Model trend signal is "neutral", the normal course of action would be to hold a mix of equities and fixed income securities. The portfolio adviser judges such economic environments to be relatively benign and therefore it is appropriate to take a more balanced view of risk between the equity and fixed income asset classes.

The portfolio advisor believes that long-term macroeconomic uncertainty will persist, which makes an ideal environment for the use of trend following models such as the Model.

The portfolio advisor reserves the right to modify the Model at any time in accordance with the portfolio advisor's evaluation of market conditions.

What are the Risks of Investing in the Fund?

The specific risks of investing in the Fund are:

- Market risk
- Capital gains risk
- Concentration risk
- Exchange traded fund risk
- Foreign investment risk
- Emerging markets risk
- Derivatives risk
- Currency risk
- Interest rate risk
- Class risk
- Large transaction risk

See "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What are the Risks of Investing in the Funds?" for a description of these risks.

During the 12 month period ended May 31, 2012, up to 60.07%, 84.45%, 17.81%, 19.18%, 31.59%, 30.02%, 92.05%, 50.43%, 14.21%, 19.56%, 15.14% and 54.90% of the net asset value of the Fund was invested in securities of iShares Dex Universe Bond Index Fund, iShares S&P/TSX 60 Index Fund, iShares Barclay TIPS Bond Fund, Materials Select Sector SPDR Trust, Energy Select Sector SPDR Fund, iShares MSCI Emerging Market Index Fund, iShares Barclay 20+ Year Treasury Bond Fund, iShares 7-10 Year Treasury Bond Fund, iShares iBoxx $ High Yield Corporate Bond Fund, Consumer Discretionary Select Sector SPDR Fund, Utilities Select Sector SPDR Fund and SPDR S&P 500 Fund, respectively.

See "Specific Information About Each of the Mutual Funds Described in this Document – Who should invest in the funds?" for a description of how the Manager determines the risk classification of the Fund.

Reliance on quantitative model - The investments of the Fund, and ultimately its performance, are based largely on the Model (as described under "Qwest Inflation-Deflation Trend Allocation Class – What Does the Fund Invest In? – Investment Objectives"), a proprietary quantitative investment model developed by the portfolio adviser. The past performance of the Model is hypothetical and does not represent actual performance and does not reflect any transaction costs or trading fees that would be associated with the implementation of the Fund. The past performance of the Model is no indication of the future performance of the Fund. Further, there is no assurance that the Model or any trading system or strategies used by the Fund will be successful under all or any market conditions.

Who Should Invest in this Fund?

Investors who are:

- seeking long-term capital growth and the protection of capital;
- planning to hold their investments for the long or medium term; and
- willing to accept medium level of investment risk.

The Manager determined the appropriate level of investor risk tolerance that would be appropriate for investment in this Fund by following the guidelines provided in the IFIC Risk Classification Guidelines for the fund type of the Fund.

Distribution Policy

The Fund will pay annually to shareholders ordinary dividends and capital gains dividends. Ordinary dividends will generally be paid in December and capital gains dividends will generally be paid in February. Dividends may be paid at other times determined by the Manager. We will automatically invest dividends in additional shares of the same series of the Fund that you hold at the time of the dividend. No sales charge will be payable with respect to the purchase of shares made under this automatic reinvestment program.

Fund Expenses Indirectly Borne by Investors

The Fund pays for its expenses directly out of its assets. As a result, shareholders indirectly pay for the expenses of the Fund. The table below is designed to help you compare the cumulative cost of investing $1,000 in the Fund with the cost of investing in other mutual funds. The table assumes a total annual return of the Fund of 5% in each year, and assumes that the Fund's management expense ratio remains at 6.71% for Series A shares and 5.59% for Series F shares, respectively.

Based on the above assumptions, your costs would be as shown in the table below. Your actual costs, of course, may be higher or lower.

Funds and expenses payable over	**1 year**	**3 years**	**5 years**	**10 years**
Series A shares	$70.46	$207.07	$358.16	$643.11
Series F shares	$58.70	$174.56	$288.42	$564.51

These results are included with the intention of helping you compare the cost of investing in the Fund with the costs of investing in other mutual funds, allowing you to see the amount of fees and expenses paid by the Fund that are indirectly borne by you, and describing the assumptions used for those calculations.

You will find more information about fees and expenses under the heading "Fees and Expenses" starting on page 11.

What Are Your Legal Rights?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual 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 mutual fund securities 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.

QWEST ENERGY CANADIAN RESOURCE CLASS
QWEST INFLATION-DEFLATION TREND ALLOCATION CLASS

Additional information about the Funds is available in the Funds' Annual Information Form, most recently filed Fund Facts, financial statements and management reports of fund performance. 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 it.

You can get a copy of the Funds' Annual Information Form, Fund Facts, financial statements or management reports of fund performance, at no cost, by contacting Qwest Investment Fund Management Ltd. by telephone, toll-free, at 1-866-602-1142, by e-mail at info@qwestfunds.com, or from your dealer.

These documents and other information about the Funds, such as material contracts and information circulars, are also available on the Manager's website at www.qwestfunds.com or on SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

Manager of the Qwest Energy Canadian Resource Class and Qwest Inflation-Deflation Trend Allocation Class

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