

Financial Statements of

QWEST FUNDS CORP.

June 30, 2021 (Unaudited)

AlphaDelta Tactical Growth Class

Statement of Financial Position

As at June 30, 2021 and December 31, 2020 (Unaudited)

	June 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash	\$ 5,923,664	\$ 677,441
Dividends receivable	12,902	3,979
Due from related parties (note 4)	84,646	84,646
Receivable for investment sold	779,699	364,736
Prepaid expenses	21,316	9,792
Investments	12,251,200	15,099,414
	<u>19,073,427</u>	<u>16,240,008</u>
LIABILITIES		
Current liabilities		
Payable for investments purchased	2,724,905	296,628
Accounts payable and accrued liabilities	87,107	103,913
Management fees payable (note 4)	21,774	21,529
Unrealized depreciation of forward contracts	11,395	—
	<u>2,845,181</u>	<u>422,070</u>
Net assets attributable to holders of redeemable shares	<u>\$ 16,228,246</u>	<u>\$ 15,817,938</u>
Net assets attributable to holders of redeemable shares per series		
Series A	\$ 1,603,065	\$ 1,947,167
Series F	11,401,225	10,701,360
Series I	3,223,956	3,169,411
	<u>\$ 16,228,246</u>	<u>\$ 15,817,938</u>
Number of redeemable shares outstanding (note 5)		
Series A	115,106	135,131
Series F	774,869	706,613
Series I	210,412	201,754
Net assets attributable to holders of redeemable shares per share		
Series A	\$ 13.93	\$ 14.41
Series F	14.71	15.14
Series I	15.32	15.71

Commitments (note 6)

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors of Qwest Funds Corp.

 Director
 Maurice Levesque

 Director
 Victor Therrien

AlphaDelta Tactical Growth Class

Statement of Comprehensive Income

For the six months ended June 30, 2021 and 2020 (Unaudited)

	2021	2020
Income		
Dividend income	\$ 53,864	\$ 298,833
Interest income	—	1,749
Class action proceeds	—	2,912
Foreign exchange gain (loss) on cash	16,842	(10,954)
Net realized gain (loss) on sale of investments	2,188,421	(1,452,016)
Change in unrealized (depreciation) appreciation of investments	(2,409,210)	2,322,477
Net realized loss on forward contracts	(12,308)	—
Change in unrealized depreciation of forward contracts	(11,395)	—
	<u>(173,786)</u>	<u>1,163,001</u>
Expenses		
Management fee (note 4)	127,168	95,364
Transaction costs (note 7)	59,538	18,949
Audit	34,373	20,954
Shareholder recordkeeping and fund accounting fees	30,613	39,410
Legal	17,673	11,704
Tax review	10,294	3,505
Custodian fees	9,962	9,604
Translation fee	9,243	6,874
Filing fees	8,152	18,992
Foreign withholding taxes	6,417	81,011
Independent review committee fees	4,042	4,528
Securityholder reports	1,439	1,598
Bank charges	1,373	353
Interest	3	132
Expenses reimbursements (note 4)	—	(14,967)
	<u>320,290</u>	<u>298,011</u>
(Decrease) increase in net assets attributable to holders of redeemable shares	<u>\$ (494,076)</u>	<u>\$ 864,990</u>
(Decrease) increase in net assets attributable to holders of redeemable shares per series		
Series A	\$ (71,854)	\$ 104,712
Series F	(343,383)	561,587
Series I	(78,839)	198,691
	<u>\$ (494,076)</u>	<u>\$ 864,990</u>
(Decrease) increase in net assets attributable to holders of redeemable shares per share		
Series A	\$ (0.54)	\$ 0.79
Series F	(0.47)	0.88
Series I	(0.39)	0.98

AlphaDelta Tactical Growth Class

Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30, 2021 and 2020 (Unaudited)

	Net assets attributable to holders of redeemable shares, beginning of period	Proceeds from redeemable shares issued*	Redemption of redeemable shares*	Decrease in net assets attributable to holders of redeemable shares	Net assets attributable to holders of redeemable shares, end of period
June 30, 2021					
Series A	\$ 1,947,167	\$ 63,287	\$ (335,535)	\$ (71,854)	\$ 1,603,065
Series F	10,701,360	1,340,725	(297,477)	(343,383)	11,401,225
Series I	3,169,411	173,384	(40,000)	(78,839)	3,223,956
	<u>\$ 15,817,938</u>	<u>\$ 1,577,396</u>	<u>\$ (673,012)</u>	<u>\$ (494,076)</u>	<u>\$ 16,228,246</u>

* Total proceeds from redeemable shares relating to switch-ins and redemptions of redeemable shares relating to switch-outs for the period ended June 30, 2021 were \$323,119 and \$(323,119), respectively.

	Net assets attributable to holders of redeemable shares, beginning of period	Proceeds from redeemable shares issued**	Redemption of redeemable shares**	Increase in net assets attributable to holders of redeemable shares	Net assets attributable to holders of redeemable shares, end of period
June 30, 2020					
Series A	\$ 1,593,100	\$ 90,353	\$ (29,998)	\$ 104,712	\$ 1,758,167
Series F	8,676,640	401,996	(930,955)	561,587	8,709,268
Series I	2,850,051	—	(230,000)	198,691	2,818,742
	<u>\$ 13,119,791</u>	<u>\$ 492,349</u>	<u>\$ (1,190,953)</u>	<u>\$ 864,990</u>	<u>\$ 13,286,177</u>

** Total proceeds from redeemable shares relating to switch-ins and redemptions of redeemable shares relating to switch-outs for the period ended June 30, 2020 were \$nil and \$nil, respectively.

AlphaDelta Tactical Growth Class

Statement of Cash Flows

For the six months ended June 30, 2021 and 2020 (Unaudited)

	2021	2020
Cash provided by (used in):		
Operating Activities		
(Decrease) increase in net assets attributable to holders of redeemable shares	\$ (494,076)	\$ 864,990
Adjustments for non-cash items		
Foreign exchange (gain) loss on cash	(16,842)	10,954
Net realized (gain) loss on sale of investments	(2,188,421)	1,452,016
Change in unrealized depreciation (appreciation) of investments	2,409,210	(2,322,477)
Change in unrealized depreciation of forward contracts	11,395	—
Dividend income	(47,447)	(217,822)
Interest income	—	(1,749)
Interest expense	3	132
Change in non-cash balances		
Due from related parties	—	(14,967)
Receivable for investment sold	(414,963)	(313,687)
Prepaid expenses	(11,524)	1,591
Payable for investments purchased	2,428,277	(49,788)
Accounts payable and accrued liabilities	(16,806)	(20,965)
Management fee payable	245	(1,128)
Dividend received	38,524	223,481
Interest received	—	1,749
Interest paid	(3)	(132)
Proceeds from sale of investments	38,900,758	20,024,340
Purchase of investments	(36,273,333)	(19,809,563)
Cash provided by (used in) operating activities	<u>4,324,997</u>	<u>(173,025)</u>
Financing Activities		
Proceeds from redeemable shares issued	1,254,277	492,349
Redemption of redeemable shares	(349,893)	(1,200,953)
Distribution paid in cash	—	(7)
Cash provided by (used in) financing activities	<u>904,384</u>	<u>(708,611)</u>
Increase (decrease) in cash during the period	5,229,381	(881,636)
Foreign exchange gain (loss) on cash	16,842	(10,954)
Cash, beginning of period	<u>677,441</u>	<u>1,037,325</u>
Cash, end of period	<u>\$ 5,923,664</u>	<u>\$ 144,735</u>

AlphaDelta Tactical Growth Class

Schedule of Investment Portfolio as at June 30, 2021 (Unaudited)

Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
Investments owned (75.49%)				
Equities (75.49%)				
Basic Materials (6.41%)				
Commercial Metals Co.	USD	27,300 \$	1,042,138 \$	1,040,311
Total Basic Materials			1,042,138	1,040,311
Communications (0.01%)				
Lands' End Inc.	USD	25	1,199	1,273
Total Communications			1,199	1,273
Consumer, Cyclical (21.42%)				
Academy Sports & Outdoors Inc.	USD	24,200	1,098,350	1,237,979
Lions Gate Entertainment Corp.	USD	49,000	1,071,069	1,112,312
Pool Corp.	USD	1,980	1,089,575	1,126,511
Total Consumer, Cyclical			3,258,994	3,476,802
Consumer, Non-cyclical (14.26%)				
Coinbase Global Inc.	USD	3,800	1,113,627	1,193,982
Vanda Pharmaceuticals Inc.	USD	42,000	1,122,289	1,120,647
Total Consumer, Non-cyclical			2,235,916	2,314,629
Financial (2.21%)				
TCG BDC Inc.	USD	21,900	375,996	358,861
Total Financial			375,996	358,861
Industrial (9.62%)				
Garmin Ltd.	USD	4,850	738,810	870,181
TFI International Inc.	CAD	6,100	704,168	690,337
Total Industrial			1,442,978	1,560,518
Funds (7.44%)				
KraneShares Global Carbon ETF	USD	26,300	1,113,199	1,206,756
Total Industry N/A			1,113,199	1,206,756
Technology (14.12%)				
Applied Materials Inc.	USD	2,500	440,176	441,600
Onto Innovation Inc.	USD	8,100	721,229	733,880
Zebra Technologies Corp.	USD	1,700	1,124,693	1,116,570
Total Technology			2,286,098	2,292,050
Total Equities			11,756,518	12,251,200

AlphaDelta Tactical Growth Class

Schedule of Investment Portfolio as at June 30, 2021 (Unaudited) (continued)

Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
Total investments owned		\$	11,756,518 \$	12,251,200
Commissions and other portfolio transaction costs			(7,473)	—
Net investments owned (75.49%)			11,749,045	12,251,200
Unrealized loss, foreign exchange forward contracts (schedule 1) (-0.07%)				(11,395)
Cash (36.50%)				5,923,664
Other liabilities, net (-11.92%)				(1,935,223)
Net Assets Attributable to Holders of Redeemable Shares (100%)				16,228,246

AlphaDelta Tactical Growth Class

Discussion of Financial Instruments and Risk Management

June 30, 2021
(Unaudited)

1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Funds refer to note 8 to the financial statements.

The Fund maintains positions in a variety of non-derivative financial instruments in accordance with its investment strategy. The Fund's investment objective is to provide long-term capital appreciation by investing primarily in equity (and equity equivalent) securities of individual companies, as well as exchange trade funds ("ETFs"), listed on securities exchanges in North America. The Fund may hold a portion of its assets in cash or short-term money market securities (including short-term fixed income ETFs) while seeking investment opportunities or for defensive purposes to reflect adverse market, economic, political or other conditions. The Fund may use derivatives for both hedging and income generation purposes.

Financial risks applicable to the AlphaDelta Tactical Growth Class are discussed in more detail below.

(a) Credit risk:

The Fund is not exposed to significant credit risk.

(b) Liquidity risk:

The Fund's prospectus provides for the daily creation and cancellation of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time.

The Fund's investments in listed securities are considered to be readily realizable because they are traded on major Canadian and American stock exchanges. As a result, the Fund is able to liquidate investments in these instruments in due time to meet its liquidity obligations.

The Fund's financial liabilities are due within three months of the Fund's period end.

(c) Market risks:

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The Fund will seek to achieve its investment objective by implementing an investment strategy under which the Fund will concentrate its investments in the sectors or industry groups that the Manager believes to represent attractive quantitative, fundamental and technical characteristics relative to the broad North American equities markets.

The Fund's market risk is managed on a daily basis by the Manager in accordance with the policies and procedures in place. As part of its tactical investment strategy, the Fund may, in certain economic and market environments, undergo relatively quick shifts in industry and section allocations, as well as, overall asset allocation. In addition, the Fund may, on occasion, partially or completely exit individual equities, and the stock market in general, in favor of cash and /or short-term money market securities.

AlphaDelta Tactical Growth Class

Discussion of Financial Instruments and Risk Management

June 30, 2021

(Unaudited)

1. Financial risk management (continued):

(c) Market risks (continued):

(i) Interest rate risk:

The Fund is not exposed to significant interest rate risk.

(ii) Currency risk:

The Fund may invest up to 100% of its assets in foreign securities. To manage its currency risk the Fund may use over-the-counter forward or swap contracts and /or listed futures contracts to hedge some or all of the foreign currency exposures inherent in the Fund's foreign holdings.

The impact on the assets of a 5% increase or decrease in the foreign exchange rate which the Fund had exposure to, assuming all other variables remain constant, is detailed in the table below:

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
June 30, 2021						
U.S. Dollar	\$ 2,800,427	\$ 11,560,863	\$ 14,361,290	\$ 140,021	\$ 578,043	\$ 718,064
	\$ 2,800,427	\$ 11,560,863	\$ 14,361,290	\$ 140,021	\$ 578,043	\$ 718,064
% of Net Assets						
Attributable to Holders of Redeemable Shares	17.3	71.2	88.5	0.9	3.6	4.5

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
December 31, 2020						
U.S. Dollar	\$ 548,730	\$ 13,526,916	\$ 14,075,646	\$ 27,437	\$ 676,346	\$ 703,783
	\$ 548,730	\$ 13,526,916	\$ 14,075,646	\$ 27,437	\$ 676,346	\$ 703,783
% of Net Assets						
Attributable to Holders of Redeemable Shares	3.5	85.5	89.0	0.2	4.3	4.5

AlphaDelta Tactical Growth Class

Discussion of Financial Instruments and Risk Management

June 30, 2021

(Unaudited)

1. Financial risk management (continued):

(c) Market risk (continued):

(iii) Other price risk:

Price risk is managed by the Manager by diversifying the portfolio and economically hedging using derivative financial instruments such as over-the-counter forward or swap contracts and/or listed futures contracts to hedge some or all of the foreign currency exposures inherent in the Fund's foreign (mainly U.S.) holdings. Generally, the Fund will not purchase a security of an issuer if the purchase would result in more than 10% of the net asset value of the Fund being invested in the securities of any one issuer.

The Fund's policy for the concentration of its investment portfolio profile is as follows:

Listed equity investments of net assets	Up to 100%
Unlisted equity investments of net assets	Up to 10%
Unlisted open-ended investment funds of net assets	Up to 10%

There are no restrictions with respect to minimum or maximum sector or industry exposures. Accounting for changes in market value, no single position can be greater than 15% of the net asset value of the Fund.

If the price risk is not in accordance with the investment policy or guidelines of the Fund, then the Manager is obliged to rebalance the portfolio as soon as reasonably possible.

The maximum exposure resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments.

The value of the Fund's investments are affected by both general market factors as well as specific company factors. If the value of the Fund's investments were to increase by 10%, the resulting impact on net assets would be \$1,225,120 (December 31, 2020 - \$1,509,941).

The Manager monitors the concentration of risk for equity based on counterparties and industries. The industry breakdown of investments is disclosed in the Fund's schedule of investment portfolio.

There were no significant concentrations of risk to issuers at June 30, 2021 and December 31, 2020. No exposure to any individual issuer exceeded 15% of the net assets attributable to the holders of redeemable shares either at June 30, 2021 and December 31, 2020.

AlphaDelta Tactical Growth Class

Discussion of Financial Instruments and Risk Management

June 30, 2021

(Unaudited)

2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 9 to the financial statements.

(a) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

June 30, 2021

	Level 1	Level 2	Level 3	Total
Assets				
Investments - equities	\$ 12,251,200	\$ –	\$ –	\$ 12,251,200
	\$ 12,251,200	\$ –	\$ –	\$ 12,251,200
Liabilities				
Investments - forward contracts	\$ –	\$ 11,395	\$ –	\$ 11,395
	\$ –	\$ 11,395	\$ –	\$ 11,395

December 31, 2020

	Level 1	Level 2	Level 3	Total
Assets				
Investments - equities	\$ 15,099,414	\$ –	\$ –	\$ 15,099,414
	\$ 15,099,414	\$ –	\$ –	\$ 15,099,414

The carrying amount of the Fund's net assets attributable to redeemable shares also approximates fair value as they are measured at the redemption amount and are classified as Level 2 in the fair value hierarchy.

The Fund's equity positions are classified as Level 1 because the securities are actively traded and a reliable price is observable.

There were no financial instruments transferred between the three levels during the period ended June 30, 2021 and year ended December 31, 2020.

AlphaDelta Canadian Growth of Dividend Income Class

Statement of Financial Position

As at June 30, 2021 and December 31, 2020 (Unaudited)

	June 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash	\$ 412,466	\$ 194,572
Dividends receivable	11,051	1,455
Subscriptions receivable	560,500	5,040
Prepaid expenses	25,393	11,510
Due from related parties (note 4)	47,639	43,914
Investments	3,402,675	607,231
	<u>4,459,724</u>	<u>863,722</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	17,516	25,984
Distribution payable	874	1,434
Management fees payable (note 4)	1,943	9
Payable for investments purchased	372,106	110,860
	<u>392,439</u>	<u>138,287</u>
Net assets attributable to holders of redeemable shares	<u>\$ 4,067,285</u>	<u>\$ 725,435</u>
Net assets attributable to holders of redeemable shares per series		
Series A	\$ 524,216	\$ 1,261
Series F	820,904	1,261
Series G	1,388	1,261
Series H	652,961	1,261
Series I	2,067,816	720,391
	<u>\$ 4,067,285</u>	<u>\$ 725,435</u>
Number of redeemable shares outstanding (note 5)		
Series A	27,120	70
Series F	42,230	70
Series G	71	70
Series H	33,721	70
Series I	162,059	61,175

AlphaDelta Canadian Growth of Dividend Income Class

Statement of Financial Position (continued)

As at June 30, 2021 and December 31, 2020 (Unaudited)

	June 30, 2021	December 31, 2020
Net assets attributable to holders of redeemable shares per share		
Series A	\$ 19.33	\$ 18.01
Series F	19.44	18.01
Series G	19.48	18.01
Series H	19.36	18.01
Series I	12.76	11.78

Commitments (note 6)

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors of Qwest Funds Corp.

 Director	 Director
Maurice Levesque	Victor Therrien

AlphaDelta Canadian Growth of Dividend Income Class

Statement of Comprehensive Income

For the six months ended June 30, 2021 and 2020 (Unaudited)

	2021	2020
Income		
Dividend income	\$ 27,529	\$ 33,114
Interest income	—	38
Foreign exchange (loss) gain on cash	(3,567)	379
Change in unrealized depreciation of forward contracts	—	(1,377)
Net realized gain (loss) on sale of investments	3,983	(139,546)
Change in unrealized appreciation (depreciation) of investments	119,154	(248,408)
Net realized loss on forward contracts	—	(11,693)
Class action proceeds	—	28
	<u>147,099</u>	<u>(367,465)</u>
Expenses		
Shareholder recordkeeping and fund accounting fees	27,984	39,799
Filing fees	9,273	13,957
Custodian fees	7,512	4,115
Management fee (note 4)	4,054	8,441
Securityholder reports	2,060	2,169
Transaction costs (note 7)	1,990	395
Audit	1,769	2,098
Bank charges	1,373	173
Independent review committee fees	686	662
Legal	675	462
Foreign withholding taxes	605	762
Tax review	539	360
Translation fee	493	706
Interest	—	52
Expenses reimbursements (note 4)	<u>(3,725)</u>	<u>(20,492)</u>
	<u>55,288</u>	<u>53,659</u>
Increase (decrease) in net assets attributable to holders of redeemable shares	<u>\$ 91,811</u>	<u>\$ (421,124)</u>
Increase (decrease) in net assets attributable to holders of redeemable shares per series		
Series A	\$ 3,355	\$ (666)
Series F	7,147	(24,415)
Series G	127	(176,924)
Series H	3,701	(1,929)
Series I	<u>77,481</u>	<u>(217,190)</u>
	<u>\$ 91,811</u>	<u>\$ (421,124)</u>
Increase (decrease) in net assets attributable to holders of redeemable shares per share		
Series A	\$ 0.55	\$ (1.54)
Series F	0.65	(4.99)
Series G	1.79	(3.92)
Series H	0.64	(6.26)
Series I	1.13	(4.03)

AlphaDelta Canadian Growth of Dividend Income Class

Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the six months ended June 30, 2021 and 2020 (Unaudited)

	Net assets attributable to holders of redeemable shares, beginning of period	Proceeds from redeemable shares issued	Redemption of redeemable shares	Distributions to investors	Shares issued on reinvestment of distributions	Increase in net assets attributable to holders of redeemable shares	Net assets attributable to holders of redeemable shares, end of period
June 30, 2021							
Series A	\$ 1,261	\$ 519,600	\$ –	\$ (2,660)	\$ 2,660	\$ 3,355	\$ 524,216
Series F	1,261	835,350	(22,855)	(4,609)	4,610	7,147	820,904
Series G	1,261	–	–	(23)	23	127	1,388
Series H	1,261	647,999	–	(2,760)	2,760	3,701	652,961
Series I	720,391	1,861,031	(583,437)	(16,864)	9,214	77,481	2,067,816
	<u>\$ 725,435</u>	<u>\$ 3,863,980</u>	<u>\$ (606,292)</u>	<u>\$ (26,916)</u>	<u>\$ 19,267</u>	<u>\$ 91,811</u>	<u>\$ 4,067,285</u>

	Net assets attributable to holders of redeemable shares, beginning of period	Proceeds from redeemable shares issued	Redemption of redeemable shares	Distributions to investors	Shares issued on reinvestment of distributions	Decrease in net assets attributable to holders of redeemable shares	Net assets attributable to holders of redeemable shares, end of period
June 30, 2020							
Series A	\$ 4,268	\$ 4,791	\$ (1,500)	\$ (127)	\$ 51	\$ (666)	\$ 6,817
Series F	92,384	–	(20,635)	(1,456)	1,456	(24,415)	47,334
Series G	699,931	21,002	(28,005)	(13,981)	13,980	(176,924)	516,003
Series H	10,883	–	(7,201)	(69)	69	(1,929)	1,753
Series I	855,618	11,300	(33,344)	(16,740)	1,306	(217,190)	600,950
	<u>\$ 1,663,084</u>	<u>\$ 37,093</u>	<u>\$ (90,685)</u>	<u>\$ (32,373)</u>	<u>\$ 16,862</u>	<u>\$ (421,124)</u>	<u>\$ 1,172,857</u>

AlphaDelta Canadian Growth of Dividend Income Class

Statement of Cash Flows

For the six months ended June 30, 2021 and 2020 (Unaudited)

	2021	2020
Cash provided by (used in):		
Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares	\$ 91,811	\$ (421,124)
Adjustments for non-cash items		
Foreign exchange loss (gain) on cash	3,567	(379)
Net realized (gain) loss on sale of investments	(3,983)	139,546
Change in unrealized (appreciation) depreciation of investments	(119,154)	248,408
Change in unrealized depreciation of forward contracts	—	1,377
Dividend income	(26,924)	(32,352)
Interest income	—	(38)
Interest expense	—	52
Change in non-cash balances		
Receivable for investment sold	—	6,771
Prepaid expenses	(13,883)	(5,723)
Due from related parties	(3,725)	(20,492)
Accounts payable and accrued liabilities	(8,468)	(379)
Management fee payable	1,934	(99)
Payable for investments purchased	261,246	(12,305)
Dividend received	17,328	33,267
Interest received	—	38
Interest paid	—	(52)
Proceeds from sale of investments	70,819	348,667
Purchase of investments	(2,743,126)	(202,106)
Cash (used in) provided by operating activities	(2,472,558)	83,077
Financing Activities		
Proceeds from redeemable shares issued	3,308,520	37,093
Redemption of redeemable shares	(606,292)	(90,685)
Distribution paid in cash	(8,209)	(16,374)
Cash provided by (used in) financing activities	2,694,019	(69,966)
Increase in cash during the period	221,461	13,111
Foreign exchange (loss) gain on cash	(3,567)	379
Cash, beginning of period	194,572	20,553
Cash, end of period	\$ 412,466	\$ 34,043

AlphaDelta Canadian Growth of Dividend Income Class
Schedule of Investment Portfolio as at June 30, 2021 (Unaudited)
Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
Investments owned (83.66%)				
Equities (83.66%)				
Basic Materials (5.14%)				
DuPont de Nemours Inc.	USD	550 \$	53,890 \$	52,813
Nutrien Ltd.	CAD	1,250	88,084	93,888
Russel Metals Inc.	CAD	1,400	38,095	47,418
The Chemours Co.	USD	350	13,640	15,109
Total Basic Materials			193,709	209,228
Communications (4.83%)				
Cisco Systems Inc.	USD	1,150	72,359	75,605
TELUS Corp.	CAD	4,350	115,593	120,930
Total Communications			187,952	196,535
Consumer, Cyclical (4.93%)				
Exchange Income Corp.	CAD	2,600	101,449	103,636
Hanesbrands Inc.	USD	1,450	31,995	33,581
Westshore Terminals Investment Corp.	CAD	3,700	66,910	63,196
Total Consumer, Cyclical			200,354	200,413
Consumer, Non-cyclical (8.52%)				
CVS Health Corp.	USD	500	51,489	51,752
Diageo PLC	USD	225	51,715	53,501
Gilead Sciences Inc.	USD	300	24,562	25,625
Johnson & Johnson	USD	350	69,902	71,523
Medtronic PLC	USD	400	60,437	61,591
The North West Co Inc.	CAD	2,350	81,864	82,697
Total Consumer, Non-cyclical			339,969	346,689
Energy (14.18%)				
Canadian Natural Resources Ltd.	CAD	2,000	84,403	90,000
Enbridge Inc.	CAD	3,950	184,670	196,039
Gibson Energy Inc.	CAD	3,900	89,514	92,625
TC Energy Corp.	CAD	2,200	135,805	134,948
Valero Energy Corp.	USD	650	59,038	62,955
Total Energy			553,430	576,567

AlphaDelta Canadian Growth of Dividend Income Class

Schedule of Investment Portfolio as at June 30, 2021 (Unaudited) (continued)

Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
Financial (21.08%)				
Canadian Imperial Bank of Commerce	CAD	1,050 \$	138,224 \$	148,166
Chartwell Retirement Residences	CAD	5,950	75,637	78,838
Citizens Financial Group Inc.	USD	550	29,514	31,295
Intact Financial Corp.	CAD	600	95,969	101,046
Manulife Financial Corp.	CAD	400	8,730	9,760
Power Corp of Canada	CAD	2,000	67,998	78,360
Royal Bank of Canada	CAD	1,100	130,825	138,149
STAG Industrial Inc.	USD	900	39,455	41,787
The Bank of Nova Scotia	CAD	2,400	186,957	193,488
The Progressive Corp.	USD	300	35,715	36,547
Total Financial			809,024	857,436
Industrial (14.14%)				
Bird Construction Inc.	CAD	9,850	87,684	86,975
Evertz Technologies Ltd.	CAD	3,850	55,864	55,402
Hillenbrand Inc.	USD	1,250	68,254	68,349
Huntington Ingalls Industries Inc.	USD	50	10,825	13,071
Intertape Polymer Group Inc.	CAD	2,850	79,804	81,909
Johnson Controls International plc	USD	150	11,209	12,770
Lockheed Martin Corp.	USD	250	116,258	117,331
Mullen Group Ltd.	CAD	2,850	35,556	38,076
Neo Performance Materials Inc.	CAD	3,600	64,279	59,364
Waste Management Inc.	USD	50	7,726	8,690
WestRock Co.	USD	500	32,402	33,008
Total Industrial			569,861	574,945
Technology (0.86%)				
Intel Corp.	USD	500	33,076	34,819
Total Technology			33,076	34,819
Utilities (9.98%)				
Brookfield Infrastructure Partners LP	CAD	3,600	233,530	247,751
Brookfield Renewable Partners LP	CAD	1,300	62,033	62,269
Fortis Inc.	CAD	1,750	95,930	96,023
Total Utilities			391,493	406,043
Total Equities			3,278,868	3,402,675

AlphaDelta Canadian Growth of Dividend Income Class

Schedule of Investment Portfolio as at June 30, 2021 (Unaudited) (continued)

Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
Total investments owned		\$	3,278,868	\$ 3,402,675
Commissions and other portfolio transaction costs			(2,341)	—
Net investments owned (83.66%)			<u>3,276,527</u>	<u>3,402,675</u>
Cash (10.14%)				412,466
Other assets, net (6.20%)				252,144
Net Assets Attributable to Holders of Redeemable Shares (100%)				4,067,285

AlphaDelta Canadian Growth of Dividend Income Class

Discussion of Financial Instruments and Risk Management

June 30, 2021
(Unaudited)

1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Funds refer to note 8 to the financial statements.

The Fund maintains positions in a variety of derivative and non-derivative financial instruments in accordance with its investment strategy. The Fund's investment objective is to provide shareholders of the Fund with income and longer-term capital appreciation by investing primarily in dividend paying equity securities of Canadian and global companies. The Fund invests primarily in larger capitalization, global, dividend paying equity securities (including securities of unit trusts, real estate investment trusts and depository receipts) and their derivatives. The Fund's investment portfolio comprises listed equities and derivative financial instruments. The Fund is currently using derivatives for hedging purposes only. The Fund may take small positions in other securities, such as convertible securities, high-yield debt securities and derivative instruments, and invest in foreign resource companies listed on major stock exchanges. 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.

Financial risks applicable to the AlphaDelta Canadian Growth of Dividend Class are discussed in more detail below.

(a) Credit risk:

The Fund is not exposed to significant credit risk.

(b) Liquidity risk:

The Fund's prospectus provides for the daily creation and cancellation of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time.

The Fund's investments in listed securities are considered to be readily realizable because they are traded on major Canadian and American stock exchanges. As a result, the Fund is able to liquidate investments in these instruments in due time to meet its liquidity obligations.

The Fund's financial liabilities are due within three months of the Fund's period end.

(c) Market risks:

The Fund's strategy for the management of market risk is driven by the Fund's investment objective.

AlphaDelta Canadian Growth of Dividend Income Class

Discussion of Financial Instruments and Risk Management

June 30, 2021
(Unaudited)

1. Financial risk management (continued):

(c) Market risks (continued):

The Fund's market risk is managed on a daily basis by the Manager in accordance with the policies and procedures in place. The Manager attempts to diversify the Fund's investments by individual holdings, industries and sectors to the extent possible given its Canadian focused mandate. This is accomplished by limiting exposure to individual issuers to 5% of the net asset value of the Fund and limiting foreign exposure to 30% of the total investment portfolio.

(i) Currency risk:

The Fund's policy with respect to managing its currency risk is to limit its total foreign currency exposure to less than 30% of the investment portfolio (based on cost).

The impact on the assets of a 5% increase or decrease in the foreign exchange rate which the Fund has exposure to, assuming all other variables remain constant, is detailed in the table below.

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
June 30, 2021						
U.S. Dollar	\$ 194	\$ 901,722	\$ 901,916	\$ 10	\$ 45,086	\$ 45,096
	\$ 194	\$ 901,722	\$ 901,916	\$ 10	\$ 45,086	\$ 45,096
% of Net Assets						
Attributable to Holders						
of Redeemable Shares	0.0	22.2	22.2	0.0	1.1	1.1
Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
December 31, 2020						
U.S. Dollar	\$ 1,096	\$ 160,487	\$ 161,583	\$ 55	\$ 8,024	\$ 8,079
	\$ 1,096	\$ 160,487	\$ 161,583	\$ 55	\$ 8,024	\$ 8,079
% of Net Assets						
Attributable to Holders						
of Redeemable Shares	0.2	22.1	22.3	0.0	1.1	1.1

AlphaDelta Canadian Growth of Dividend Income Class

Discussion of Financial Instruments and Risk Management

June 30, 2021
(Unaudited)

1. Financial risk management (continued):

(c) Market risks (continued):

(ii) Other price risk:

Price risk is managed by the Manager by diversifying the portfolio and economically hedging using derivative financial instruments such as options or futures contracts.

The Fund's policy for the concentration of its investment portfolio profile is as follows:

Listed equity investments	up to 100% of net assets
Unlisted open-ended investment funds	up to 10% of net assets

If the price risk is not in accordance with the investment policy or guidelines of the Fund, then the Manager is obliged to rebalance the portfolio as soon as reasonably possible.

The maximum exposure resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments.

The value of the Fund's investments are affected by both general market factors as well as specific company factors. If the value of the Fund's investments were to increase by 10%, the resulting impact on net assets would be \$340,268 (December 31, 2020 - \$60,723).

The Manager monitors the concentration of risk for equity based on counterparties and industries. The industry breakdown of investments is disclosed in the Fund's Schedule of Investment Portfolio.

There were no significant concentrations of risk to issuers at June 30, 2021 and December 31, 2020. No exposure to any individual issuer exceeded 10% of the net assets attributable to the holders of redeemable shares at June 30, 2021 and December 31, 2020.

AlphaDelta Canadian Growth of Dividend Income Class

Discussion of Financial Instruments and Risk Management

June 30, 2021
(Unaudited)

2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 9 to the financial statements.

(a) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

June 30, 2021

	Level 1	Level 2	Level 3	Total
Assets				
Investments - equities	\$ 3,402,675	\$ –	\$ –	3,402,675
	\$ 3,402,675	\$ –	\$ –	3,402,675

December 31, 2020

	Level 1	Level 2	Level 3	Total
Assets				
Investments - equities	\$ 607,231	\$ –	\$ –	607,231
	\$ 607,231	\$ –	\$ –	607,231

The carrying amount of the Fund's net assets attributable to redeemable shares also approximates fair value as they are measured at the redemption amount and are classified as Level 2 in the fair value hierarchy.

The Fund's equity positions are classified as Level 1 because the securities are actively traded and a reliable price is observable.

There were no financial instruments transferred between the three levels during the period ended June 30, 2021 and year ended December 31, 2020.

There are no foreign exchange forward contracts held by the fund as at June 30, 2021 December 31, 2020.

AlphaDelta Growth of Dividend Income Class

Statement of Financial Position

As at June 30, 2021 and December 31, 2020 (Unaudited)

	June 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash	\$ 29,018	\$ 163,581
Receivable for investment sold	79,000	92,172
Dividends receivable	17,069	16,050
Subscriptions receivable	551	—
Due from related parties (note 4)	218,202	212,931
Prepaid expenses	25,481	15,469
Unrealized appreciation of forward contracts	—	23,714
Investments	11,809,743	9,126,266
	<u>12,179,064</u>	<u>9,650,183</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	76,406	92,928
Payable for investments purchased	89,251	157,521
Distribution payable	14,666	9,795
Management fees payable (note 4)	4,632	4,266
Unrealized depreciation of forward contracts	59,610	—
	<u>244,565</u>	<u>264,510</u>
Net assets attributable to holders of redeemable shares	<u>\$ 11,934,499</u>	<u>\$ 9,385,673</u>
Net assets attributable to holders of redeemable shares per series		
Series A	\$ 1,169,329	\$ 1,106,091
Series A1	16,075	44,234
Series F	574,152	519,073
Series G	8,147,332	7,300,458
Series H	42,657	2,448
Series I	1,984,954	413,369
	<u>\$ 11,934,499</u>	<u>\$ 9,385,673</u>
Number of redeemable shares outstanding (note 5)		
Series A	104,871	115,071
Series A1	1,029	3,275
Series F	49,721	52,276
Series G	644,787	673,425
Series H	2,696	179
Series I	150,661	36,672

AlphaDelta Growth of Dividend Income Class

Statement of Financial Position (continued)

As at June 30, 2021 and December 31, 2020 (Unaudited)

	June 30, 2021	December 31, 2020
Net assets attributable to holders of redeemable shares per share		
Series A	\$ 11.15	\$ 9.61
Series A1	15.62	13.51
Series F	11.55	9.93
Series G	12.64	10.84
Series H	15.82	13.68
Series I	13.17	11.27

Commitments (note 6)

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors of Qwest Funds Corp.

 Director
Maurice Levesque

 Director
Victor Therrien

AlphaDelta Growth of Dividend Income Class

Statement of Comprehensive Income

For the six months ended June 30, 2021 and 2020 (Unaudited)

	2021	2020
Income		
Dividend income	\$ 205,867	\$ 204,910
Interest income	—	6,119
Class action proceeds	—	849
Foreign exchange loss on cash	(3,531)	(9,776)
Net realized gain (loss) on sale of investments	329,407	(630,603)
Net realized gain (loss) on forward contracts	257,733	(357,956)
Change in unrealized appreciation (depreciation) of investments	1,185,147	(1,782,647)
Change in unrealized depreciation of forward contracts	(83,324)	(86,852)
	<u>1,891,299</u>	<u>(2,655,956)</u>
Expenses		
Shareholder recordkeeping and fund accounting fees	40,083	48,384
Management fee (note 4)	35,888	43,513
Audit	19,984	22,714
Foreign withholding taxes	15,838	19,878
Custodian fees	15,445	11,872
Legal	9,906	13,654
Filing fees	9,432	23,837
Tax review	5,987	3,775
Translation fee	5,390	7,404
Independent review committee fees	3,021	3,140
Interest	2,720	549
Bank charges	2,707	589
Securityholder reports	2,369	2,763
Transaction costs (note 7)	2,233	4,020
Expenses reimbursements (note 4)	(5,271)	(48,867)
	<u>165,732</u>	<u>157,225</u>
Increase (decrease) in net assets attributable to holders of redeemable shares	<u>\$ 1,725,567</u>	<u>\$ (2,813,181)</u>
Increase (decrease) in net assets attributable to holders of redeemable shares per series		
Series A	\$ 193,549	\$ (332,728)
Series A1	4,042	(17,396)
Series F	94,525	(261,264)
Series G	1,333,120	(2,134,674)
Series H	409	(1,818)
Series I	99,922	(65,301)
	<u>\$ 1,725,567</u>	<u>\$ (2,813,181)</u>
Increase (decrease) in net assets attributable to holders of redeemable shares per share		
Series A	\$ 1.76	\$ (2.52)
Series A1	3.40	(4.30)
Series F	1.83	(2.90)
Series G	2.02	(2.85)
Series H	0.43	(6.52)
Series I	1.40	(5.50)

AlphaDelta Growth of Dividend Income Class

Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30, 2021 and 2020 (Unaudited)

	Net assets attributable to holders of redeemable shares, beginning of period	Proceeds from redeemable shares issued*	Redemption of redeemable shares*	Distributions to investors	Shares issued on reinvestment of distributions	Increase in net assets attributable to holders of redeemable shares	Net assets attributable to holders of redeemable shares, end of period
June 30, 2021							
Series A	\$ 1,106,091	\$ —	\$ (126,751)	\$ (20,436)	\$ 16,876	\$ 193,549	\$ 1,169,329
Series A1	44,234	—	(31,971)	(273)	43	4,042	16,075
Series F	519,073	134,100	(170,058)	(10,165)	6,677	94,525	574,152
Series G	7,300,458	111,252	(529,648)	(140,183)	72,333	1,333,120	8,147,332
Series H	2,448	39,800	—	(333)	333	409	42,657
Series I	413,369	1,472,599	(85)	(18,607)	17,756	99,922	1,984,954
	<u>\$ 9,385,673</u>	<u>\$ 1,757,751</u>	<u>\$ (858,513)</u>	<u>\$ (189,997)</u>	<u>\$ 114,018</u>	<u>\$ 1,725,567</u>	<u>\$ 11,934,499</u>

* Total proceeds from redeemable shares relating to switch-ins and redemptions of redeemable shares relating to switch-outs for the period ended June 30, 2021 were \$154,504 and \$(154,504), respectively.

	Net assets attributable to holders of redeemable shares, beginning of period	Proceeds from redeemable shares issued**	Redemption of redeemable shares**	Distributions to investors	Shares issued on reinvestment of distributions	Decrease in net assets attributable to holders of redeemable shares	Net assets attributable to holders of redeemable shares, end of period
June 30, 2020							
Series A	\$ 1,543,189	\$ —	\$ (154,124)	\$ (23,796)	\$ 16,865	\$ (332,728)	\$ 1,049,406
Series A1	69,122	3,499	(13,233)	(1,017)	730	(17,396)	41,705
Series F	1,086,910	51,844	(187,148)	(16,721)	12,104	(261,264)	685,725
Series G	9,203,954	138,739	(407,788)	(151,796)	17,593	(2,134,674)	6,666,028
Series H	8,350	—	(4,500)	(62)	62	(1,818)	2,032
Series I	203,850	18,400	(83,951)	(2,377)	2,377	(65,301)	72,998
	<u>\$ 12,115,375</u>	<u>\$ 212,482</u>	<u>\$ (850,744)</u>	<u>\$ (195,769)</u>	<u>\$ 49,731</u>	<u>\$ (2,813,181)</u>	<u>\$ 8,517,894</u>

** Total proceeds from redeemable shares relating to switch-ins and redemptions of redeemable shares relating to switch-outs for the period ended June 30, 2020 were \$28,743 and \$(28,743), respectively.

The accompanying notes are an integral part of these financial statements.

AlphaDelta Growth of Dividend Income Class

Statement of Cash Flows

For the six months ended June 30, 2021 and 2020 (Unaudited)

	2021	2020
Cash provided by (used in):		
Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares	\$ 1,725,567	\$ (2,813,181)
Adjustments for non-cash items		
Foreign exchange loss on cash	3,531	9,776
Net realized (gain) loss on sale of investments	(329,407)	630,603
Change in unrealized (appreciation) depreciation of investments	(1,185,147)	1,782,647
Change in unrealized depreciation of forward contracts	83,324	86,852
Dividend income	(190,029)	(185,032)
Interest income	—	(6,119)
Interest expense	2,720	549
Change in non-cash balances		
Receivable for investment sold	13,172	8,700
Due from related parties	(5,271)	(48,867)
Prepaid expenses	(10,012)	4,751
Accounts payable and accrued liabilities	(16,522)	(31,831)
Payable for investments purchased	(68,270)	(29,478)
Management fee payable	366	(2,027)
Dividend received	189,010	184,313
Interest received	—	6,119
Interest paid	(2,720)	(549)
Proceeds from sale of investments	2,555,861	4,163,997
Purchase of investments	(3,724,784)	(2,581,822)
Cash (used in) provided by operating activities	(958,611)	1,179,401
Financing Activities		
Proceeds from redeemable shares issued	1,602,696	183,739
Redemption of redeemable shares	(704,009)	(822,141)
Distribution paid in cash	(71,108)	(147,667)
Cash provided by (used in) financing activities	827,579	(786,069)
(Decrease) increase in cash during the period	(131,032)	393,332
Foreign exchange loss on cash	(3,531)	(9,776)
Cash, beginning of period	163,581	158,144
Cash, end of period	\$ 29,018	\$ 541,700

AlphaDelta Growth of Dividend Income Class
Schedule of Investment Portfolio as at June 30, 2021 (Unaudited)
Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
Investments owned (98.95%)				
Equities (98.95%)				
Basic Materials (3.69%)				
Agnico Eagle Mines Ltd.	CAD	2,200 \$	165,580 \$	164,912
Lundin Mining Corp.	CAD	6,000	72,993	67,080
Rio Tinto PLC	USD	2,000	200,122	208,123
Total Basic Materials			438,695	440,115
Communications (9.53%)				
America Movil SAB de CV	USD	2,500	45,731	46,517
Comcast Corp.	USD	1,300	56,565	91,950
Corning Inc.	USD	2,000	73,233	101,469
Nexstar Media Group Inc.	USD	2,130	246,743	390,722
Nippon Telegraph & Telephone Corp.	USD	9,300	283,861	302,162
Quebecor Inc.	CAD	6,200	206,076	204,972
Total Communications			912,209	1,137,792
Consumer, Cyclical (1.57%)				
Best Buy Co Inc.	USD	100	13,942	14,263
Lowe's Cos Inc.	USD	460	46,358	110,681
Nintendo Co., Ltd.	USD	700	62,796	62,979
Total Consumer, Cyclical			123,096	187,923
Consumer, Non-cyclical (22.06%)				
Abb Vie Inc.	USD	4,200	457,780	586,841
Altria Group Inc.	USD	3,400	181,996	201,092
Amgen Inc.	USD	325	81,633	98,267
Bristol-Myers Squibb Co.	USD	7,550	613,245	625,796
British American Tobacco PLC	USD	4,000	184,021	195,048
CVS Health Corp.	USD	2,100	181,136	217,357
Merck & Co Inc.	USD	4,150	388,235	400,350
Unilever PLC	USD	2,600	187,815	188,672
UnitedHealth Group Inc.	USD	240	71,306	119,214
Total Consumer, Non-cyclical			2,347,167	2,632,637

AlphaDelta Growth of Dividend Income Class

Schedule of Investment Portfolio as at June 30, 2021 (Unaudited) (continued)

Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
Energy (11.97%)				
Cabot Oil & Gas Corp.	USD	1,700	\$ 34,549	\$ 36,819
Canadian Natural Resources Ltd.	CAD	400	17,624	18,000
Enbridge Inc.	CAD	10,100	417,553	501,263
Keyera Corp.	CAD	4,100	81,381	136,571
Marathon Petroleum Corp.	USD	3,800	236,814	284,802
Pembina Pipeline Corp.	CAD	3,300	99,526	129,987
Tourmaline Oil Corp.	CAD	1,950	56,383	69,089
Valero Energy Corp.	USD	2,600	222,339	251,821
Total Energy			1,166,169	1,428,352
Financial (37.13%)				
American Tower Corp.	USD	530	153,118	177,600
Ameriprise Financial Inc.	USD	700	112,930	216,106
Citigroup Inc.	USD	4,800	370,442	421,257
CoreSite Realty Corp.	USD	100	16,480	16,696
Fiera Capital Corp.	CAD	31,000	338,610	337,280
iA Financial Corp Inc.	CAD	2,000	121,478	134,980
JPMorgan Chase & Co.	USD	550	61,926	106,117
KeyCorp	USD	1,000	26,562	25,615
Lazard Ltd.	USD	1,600	90,132	89,809
Lincoln National Corp.	USD	6,500	416,520	506,674
Manulife Financial Corp.	CAD	25,500	590,610	622,200
Morgan Stanley	USD	2,950	172,609	335,524
ORIX Corp.	USD	1,400	148,950	147,023
Ping An Insurance Group Co of China Ltd.	USD	8,500	223,886	206,974
Power Corp of Canada	CAD	3,700	96,276	144,966
Prudential Financial Inc.	USD	3,600	406,167	457,592
The Goldman Sachs Group Inc.	USD	710	214,147	334,259
Tokio Marine Holdings Inc.	USD	600	34,700	34,305
Unum Group	USD	3,300	111,316	116,255
Total Financial			3,706,859	4,431,232
Industrial (6.89%)				
Aecon Group Inc.	CAD	10,000	169,121	180,000
Caterpillar Inc.	USD	470	80,763	126,881
General Dynamics Corp.	USD	260	50,284	60,717
L3Harris Technologies Inc.	USD	500	116,191	134,062
Lockheed Martin Corp.	USD	450	200,651	211,196
Northrop Grumman Corp.	USD	125	49,033	56,352
Trinity Industries Inc.	USD	1,600	54,578	53,369
Total Industrial			720,621	822,577

AlphaDelta Growth of Dividend Income Class

Schedule of Investment Portfolio as at June 30, 2021 (Unaudited) (continued)

Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
Technology (4.81%)				
Broadcom Inc.	USD	970 \$	365,265 \$	573,751
Total Technology			365,265	573,751
Utilities (1.30%)				
Algonquin Power & Utilities Corp.	CAD	1,800	32,989	33,246
Capital Power Corp.	CAD	1,550	57,701	63,473
Enel SpA	USD	5,100	59,427	58,645
Total Utilities			150,117	155,364
Total Equities			9,930,198	11,809,743
Total investments owned			9,930,198	11,809,743
Commissions and other portfolio transaction costs			(4,414)	—
Net investments owned (98.95%)			9,925,784	11,809,743
Unrealized loss, foreign exchange forward contracts (schedule 1) (-0.50%)				(59,610)
Cash (0.25%)				29,018
Other assets, net (1.30%)				155,348
Net Assets Attributable to Holders of Redeemable Shares (100%)				11,934,499

AlphaDelta Growth of Dividend Income Class

Discussion of Financial Instruments and Risk Management

June 30, 2021
(Unaudited)

1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Funds refer to note 8 to the financial statements.

The Fund maintains positions in a variety of derivative and non-derivative financial instruments in accordance with its investment strategy. The Fund's investment objective is to provide shareholders of the Fund with income and longer-term capital appreciation by investing primarily in dividend paying equity securities of companies around the world. The Fund invests primarily in larger capitalization, global, dividend paying equity securities (including securities of unit trusts, real estate investment trust and depositary receipts) and their derivatives. The Fund's investment portfolio comprises listed equities and derivative financial instruments. The Fund is currently using derivatives for hedging purposes only. The Fund may take small positions in other securities, such as convertible securities, high-yield debt securities and derivative instruments, and invest in foreign resource companies listed on major stock exchanges. 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.

Financial risks applicable to the AlphaDelta Growth of Dividend Class are discussed in more detail below.

(a) Credit risk:

The derivative strategies implemented by the Fund are consistent with section 2.7 of National Instrument 81-102 requiring that any option, debt-like security, swap or contract is given a designated rating where if the credit rating of that option, debt-like security, swap or contract falls below that designated rating, the Fund must take the necessary steps to close out its position. The market value exposure of the Fund to its specified derivative positions must not exceed 10% of the net asset value of the fund. The Fund mitigates exposure to counterparty risk by using counterparties with a minimum credit rating from S&P Global Rating of A.

(b) Liquidity risk:

The Fund's prospectus provides for the daily creation and cancellation of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time.

The Fund's investments in listed securities are considered to be readily realizable because they are traded on major Global stock exchanges. As a result, the Fund is able to liquidate investments in these instruments in due time to meet its liquidity obligations.

The Fund's financial liabilities are due within three months of the Fund's period end.

AlphaDelta Growth of Dividend Income Class

Discussion of Financial Instruments and Risk Management

June 30, 2021

(Unaudited)

1. Financial risk management (continued):

(c) Market risks:

The Fund's strategy for the management of market risk is driven by the Fund's investment objective.

The Fund's market risk is managed on a daily basis by the Manager in accordance with the policies and procedures in place. The Manager attempts to diversify the Fund's investments by individual holdings, industries, sectors and countries. This is accomplished by limiting exposure to individual issuers to 5%. The Fund will generally attempt to remain close to fully invested in dividend paying securities regardless of market conditions to continue to generate distribution income for shareholders, opting instead to hedge market risk in adverse market conditions with equity index options or other derivatives.

(i) Interest rate risk:

The Fund is not exposed to significant interest rate risk.

(ii) Currency risk:

To manage its currency risk the Fund may use over-the-counter forward or swap contracts and /or listed futures contracts to hedge some or all of the foreign currency exposure inherent in the Fund's foreign holdings.

The impact on the assets of a 5% increase or decrease in the foreign exchange rate which the Fund has exposure to, and the notional amounts of foreign forward contracts, assuming all other variables remain constant, is detailed in the table below:

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
June 30, 2021						
U.S. Dollar	\$ (8,300,581)	\$ 9,001,724	\$ 701,143	\$ (415,029)	\$ 450,086	\$ 35,057
	\$ (8,300,581)	\$ 9,001,724	\$ 701,143	\$ (415,029)	\$ 450,086	\$ 35,057
% of Net Assets						
Attributable to Holders						
of Redeemable Shares	(69.6)	75.4	5.8	(3.5)	3.8	0.3

AlphaDelta Growth of Dividend Income Class

Discussion of Financial Instruments and Risk Management

June 30, 2021

(Unaudited)

1. Financial risk management (continued):

(c) Market risks (continued):

(ii) Currency risk (continued):

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
December 31, 2020						
U.S. Dollar	\$ (6,383,588)	\$ 6,872,027	\$ 488,439	\$ (319,179)	\$ 343,601	\$ 24,422
	\$ (6,383,588)	\$ 6,872,027	\$ 488,439	\$ (319,179)	\$ 343,601	\$ 24,422
% of Net Assets						
Attributable to Holders						
of Redeemable Shares	(68.0)	73.2	5.2	(3.4)	3.7	0.3

The Fund enters into foreign exchange forward contracts to hedge its foreign currency exposures. Figures shown above are net of notional value of the forward contract at the period-end spot rate less the CA\$ value of the US\$ cash balance at the period-end, as applicable.

As at June 30, 2021, the Fund had one outstanding currency contracts to sell US\$6,700,000 prior to July 9, 2021 at a rate of CA\$1.24046 per US\$.

(iii) Other price risk:

Price risk is managed by the Manager by diversifying the portfolio and economically hedging using derivative financial instruments such as options or futures contracts.

The Fund's policy for the concentration of its investment portfolio profile is as follows:

Listed equity investments	up to 100% of net assets
Unlisted equity investments	up to 10% of net assets
Unlisted open-ended investment funds	up to 10% of net assets

If the price risk is not in accordance with the investment policy or guidelines of the Fund, then the Manager is obliged to rebalance the portfolio as soon as reasonably possible.

The maximum exposure resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments.

The value of the Fund's investments are affected by both general market factors as well as specific company factors. If the value of the Fund's investments were to increase by 10%, the resulting impact on net assets would be \$1,180,974 (December 31, 2020 - \$912,627).

AlphaDelta Growth of Dividend Income Class

Discussion of Financial Instruments and Risk Management

June 30, 2021

(Unaudited)

1. Financial risk management (continued):

(c) Market risk (continued):

(iii) Other price risk (continued):

The Manager monitors the concentration of risk for equity based on counterparties and industries. The industry breakdown of investments is disclosed in the Fund's Schedule of Investment Portfolio.

There were no significant concentrations of risk to issuers at June 30, 2021 and December 31, 2020.

2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 9 to the financial statements.

(a) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

June 30, 2021

	Level 1	Level 2	Level 3	Total
Assets				
Investments - equities	\$ 11,809,743	\$ –	\$ –	\$ 11,809,743
	\$ 11,809,743	\$ –	\$ –	\$ 11,809,743
Liabilities				
Derivatives - forward contracts	\$ –	\$ 59,610	\$ –	\$ 59,610
	\$ –	\$ 59,610	\$ –	\$ 59,610

December 31, 2020

	Level 1	Level 2	Level 3	Total
Assets				
Investments - equities	\$ 8,595,055	\$ –	\$ –	\$ 8,595,055
Investments - investment fund	531,211	–	–	531,211
Derivatives - forward contracts	–	23,714	–	23,714
	\$ 9,126,266	\$ 23,714	\$ –	\$ 9,149,980

AlphaDelta Growth of Dividend Income Class

Discussion of Financial Instruments and Risk Management

June 30, 2021

(Unaudited)

2. Fair value of financial instruments (continued):

(a) Fair value hierarchy - financial instruments measured at fair value (continued):

The carrying amount of the Fund's net assets attributable to redeemable shares also approximates fair value as they are measured at the redemption amount and are classified as Level 2 in the fair value hierarchy.

The Fund's equity positions are classified as Level 1 because the securities are actively traded and a reliable price is observable. The Fund enters into foreign exchange forward contracts to reduce its foreign currency exposure. The forward contracts are classified as Level 2 because there is no active market where prices are quoted. The forward contracts are measured at fair value based on the difference between the US dollar close price and the directly observable forward contract price.

Foreign exchange forward contracts as at June 30, 2021						
Currency to be delivered			Currency to be received			
Settlement date	Face value US\$	Fair value as at June 30, 2021 CA\$	Face value CA\$	Fair value as at June 30, 2021 US\$	Contract price \$	Depreciation CA\$
July 9, 2021	(6,700,000)	(8,251,472)	(8,311,082)	(8,311,082)	1.24046	(59,610)

Foreign exchange forward contracts as at December 31, 2020						
Currency to be delivered			Currency to be received			
Settlement date	Face value US\$	Fair value as at December 31, 2020 CA\$	Face value CA\$	Fair value as at December 31, 2020 US\$	Contract price \$	Appreciation CA\$
January 22, 2021	(5,000,000)	(6,399,979)	6,376,265	6,376,265	1.27999	23,714

There were no financial instruments transferred between the three levels during the period ended June 30, 2021 and year ended December 31, 2020.

AlphaDelta Growth of Dividend Income Class

Discussion of Financial Instruments and Risk Management

June 30, 2021

(Unaudited)

3. Involvement with structured entities:

The table below describes the types of structured entities that in which the Fund holds interest.

Entity	Nature and purpose	Interest held by the Fund
Investment fund	To manage assets on behalf of third party investors and generate fees for the investment manager. These vehicles are financed through the issue of units to investors.	Investment in units issued by the underlying investment fund.

The table below sets out interests held by the Fund in structured entities. The maximum exposure to loss is the carrying amount of the investment in the underlying funds held.

The Fund did not hold interests in other structured entities as at June 30, 2021

December 31, 2020				
	Number of investee funds	Total net assets of investee fund		Carrying amount included in investments
Investment fund holdings	1	\$ 725,435	\$	531,211

Underlying Fund	Principal place of business	Country of domicile	Ownership interest	Carrying amount included on investments in statement of financial position
AlphaDelta Canadian Growth of Dividend Income Class	Vancouver	Canada	73%	\$ 531,211

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021

(Unaudited)

1. Reporting Entity.....	38
2. Basis Of Presentation	39
3. Significant Accounting Policies.....	39
4. Related Party Transactions	43
5. Redeemable Shares	44
6. Commitments.....	46
7. Brokerage Commissions And Soft Dollars.....	46
8. Financial Risk Management	47
9. Fair Value Of Financial Instruments	49
10. Capital Management.....	51
11. Income Taxes	52

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021

(Unaudited)

1. Reporting entity:

Qwest Funds Corp. (the "Corporation") is a mutual fund corporation incorporated under the laws of Canada on March 8, 2006. The address of the Corporation's registered office is Four Bentall Centre, Suite 732, 1055 Dunsmuir Street, Vancouver, British Columbia. The authorized capital of the Corporation consists of an unlimited number of Class A shares, Class B shares and special shares. Currently, there are four classes of special shares that are in issue. Each special share is managed as a separate fund within the Corporation (the "Funds"). These Funds are as follows:

Name of the Fund	Date of inception
AlphaDelta Tactical Growth Class	March 31, 2016
AlphaDelta Canadian Growth of Dividend Income Class	August 30, 2018
AlphaDelta Growth of Dividend Income Class	February 19, 2015

The Corporation may offer additional classes of special shares in the future. These financial statements present the financial information of the Funds as separate reporting entities. If a class of the Corporation cannot satisfy its obligations, the other classes may be required to satisfy them using assets attributable to those classes. The Manager believes the risk of such cross-liability is remote. The Corporation's ultimate controlling party is Qwest Investment Management Corp. ("QIM") which owns 51% of Class A voting shares and 100% of Class B voting shares of the Corporation.

The Corporation appointed Qwest Investment Fund Management Ltd. (the "Manager"), whose ultimate parent is QIM, as the manager of the Funds. The Manager is responsible for providing portfolio management and administrative services to the Funds. The Manager is authorized to delegate its investment advisory duties to sub-advisors. The Manager has entered into an agreement with AlphaDelta Management Corp. ("ADM"), pursuant to which ADM will assist the Manager in identifying, screening and selecting sub-advisors. ADM shares common directors with the Manager. The Manager has engaged the following sub-advisors for the Funds:

Name of the Fund	Sub-Advisor
AlphaDelta Tactical Growth Class	Aventine Management Group Inc.
AlphaDelta Canadian Growth of Dividend Income Class	Iris Asset Management Ltd.
AlphaDelta Growth of Dividend Income Class	SciVest Capital Management Inc.

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021

(Unaudited)

2. Basis of preparation:

(a) Statement of compliance:

These interim financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"), as applicable to the preparation of interim financial statements including International Accounting Standards ("IAS") 34, Interim Financial Statements. These financial statements were authorized for issue by the Board of Directors of the Corporation, on August 18, 2021.

(b) Basis of measurement:

These interim financial statements have been prepared on a historical cost basis except for investments in securities and forward contracts, which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Funds' functional currency.

(d) Use of estimates and judgment:

The preparation of financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods as presented in these financial statements.

(a) Financial instruments:

(i) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021
(Unaudited)

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(i) Recognition and measurement (continued):

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Funds have a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Funds may irrevocably elect to measure financial assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Fund has not classified any of its financial assets as FVOCI.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Fund may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021
(Unaudited)

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(ii) Fair value through profit and loss:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur. The Funds' investments in securities and forward contracts are classified as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

(iii) Amortized cost:

Financial assets and financial liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Funds classify cash, receivables from investments sold, dividends receivable, subscriptions receivable, due from related parties, prepaid expenses, distribution payable, management fees payable, redemptions payable, payables from investments purchased and accounts payable and accrued liabilities as amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021
(Unaudited)

3. Significant accounting policies (continued):

(b) Redeemable shares:

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Funds have designated the redeemable shares as financial liabilities at FVTPL because they are managed and their performance evaluated on a fair value basis. The redeemable shares provide investors with the right to require redemption, subject to available liquidity, for cash at a share price based on the Funds' valuation policies at each redemption date.

(c) Income taxes:

The Corporation qualifies as a mutual fund corporation as defined in the Income Tax Act (Canada). A mutual fund corporation is subject to a special 38-1/3% tax on taxable dividends received from corporations' resident in Canada and to tax at a normal corporate rate on other income and net taxable realized capital gains for the period. The special 38-1/3% tax is refundable at the rate of \$1 for every \$2.61 of ordinary dividends paid. All the tax on net taxable realized capital gains is refundable on a formula basis when shares are redeemed or capital gains dividends are paid. As a result of these refund mechanisms, the Funds are in effect not taxable with respect to dividends received from corporations resident in Canada and net taxable realized capital gains. The Funds are not taxable as all the Funds' net income for tax purposes and sufficient net capital gains realized in the period, will be distributed to shareholders such that no income tax is payable by the Funds with respect to taxable realized capital gains and dividends received from corporation's resident in Canada. Therefore, the Funds do not recognize current or deferred income taxes with respect to these types of income.

The conversion of shares between two classes of a mutual fund corporation (including Qwest Funds Corp.) is treated as a disposition of shares at their fair market value.

The Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statement of comprehensive income.

(d) Foreign exchange:

The financial statements of the Funds are denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction.

Foreign currency gains and losses related to cash are presented as foreign exchange gain (loss) on cash and those relating to other financial assets and liabilities are presented within net realized gain on sales of investments and change in unrealized (depreciation) appreciation of investments in the statement of comprehensive income.

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021

(Unaudited)

3. Significant accounting policies (continued):

(e) Income recognition:

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments.

(f) Increase (decrease) in net assets attributable to holders of redeemable shares per share:

The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares by the weighted average number of shares outstanding during the period.

4. Related party transactions:

(a) Management fees:

Under the investment management agreement, the Manager receives a management fee based on the net asset value attributable to holders of redeemable shares on each valuation day at the following annualized rates:

Fund Name	Management fee
AlphaDelta Tactical Growth Class:	
Series A	2.50%
Series F	1.50%
Series I	0.75%
AlphaDelta Canadian Growth of Dividend Income Class:	
Series A	1.70%
Series F	0.70%
Series G	0.35%
Series H	1.35%
Series I	Negotiated directly with Manager
AlphaDelta Growth of Dividend Income Class:	
Series A	1.30%
Series A1	1.80%
Series F	0.80%
Series G	0.40%
Series H	1.40%
Series I	Negotiated directly with Manager

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021

(Unaudited)

4. Related party transactions (continued):

(a) Management fees (continued):

		June 30, 2021	June 30, 2020
AlphaDelta Tactical Growth Class	\$	127,168	\$ 95,364
AlphaDelta Canadian Growth of Dividend Income Class		4,054	8,441
AlphaDelta Growth of Dividend Income Class		35,888	43,513
Management fees payable:			
		June 30, 2021	December 31, 2020
AlphaDelta Tactical Growth Class	\$	21,774	\$ 21,529
AlphaDelta Canadian Growth of Dividend Income Class		1,943	9
AlphaDelta Growth of Dividend Income Class		4,632	4,266

(b) Other related party transactions (continued):

The following amounts are receivable from ADM as at June 30:

		June 30, 2021	December 31, 2020
AlphaDelta Tactical Growth Class	\$	84,646	\$ 84,646
AlphaDelta Canadian Growth of Dividend Income Class		47,639	43,914
AlphaDelta Growth of Dividend Income Class		218,202	212,931

Included within accounts payable and accrued liabilities are the following amounts in respect of sales tax payable which are to be remitted to the tax authorities through the Manager:

		June 30, 2021	December 31, 2020
AlphaDelta Tactical Growth Class	\$	548	\$ 53
AlphaDelta Canadian Growth of Dividend Income Class		2,800	5,312
AlphaDelta Growth of Dividend Income Class		9,224	15,895

5. Redeemable shares:

The Funds are authorized to issue an unlimited number of the following series of shares:

Fund name	Series offered
AlphaDelta Tactical Growth Class	A, F and I
AlphaDelta Canadian Growth of Dividend Income Class	A, F, G, H and I
AlphaDelta Growth of Dividend Income Class	A1, F, G, H and I

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021

(Unaudited)

5. Redeemable shares (continued):

Series A and A1 shares are available to all investors who have commission-based accounts with their dealers.

Series F shares are only available to investors who have fee-based accounts with their dealers.

Series G shares are only available to investors who make a minimum investment of \$25,000 and who have fee-based accounts with their dealers.

Series H shares are only available to investors who make a minimum investment of \$25,000 and who have commission-based accounts with their dealers.

Series I shares are available to institutional or other high net worth investors who negotiate and pay management fees directly to the Manager.

The share transactions for the Funds during the period ended June 30 are as follows:

June 30, 2021	Redeemable shares, beginning of period	Redeemable shares, issued	Redemption of redeemable shares	Reinvestment of distributions	Redeemable shares, end of period
AlphaDelta Tactical Growth Class:					
Series A	135,131	4,237	(24,262)	-	115,106
Series F	706,613	87,179	(18,923)	-	774,869
Series I	201,754	11,161	(2,503)	-	210,412
AlphaDelta Canadian Growth of Dividend Income Class:					
Series A	70	26,912	-	138	27,120
Series F	70	43,092	(1,170)	238	42,230
Series G	70	-	-	1	71
Series H	70	33,508	-	143	33,721
Series I	61,175	146,066	(45,914)	732	162,059
AlphaDelta Growth of Dividend Income Class:					
Series A	115,071	-	(11,767)	1,567	104,871
Series A1	3,275	-	(2,249)	3	1,029
Series F	52,276	11,580	(14,734)	599	49,721
Series G	673,425	9,368	(43,937)	5,931	644,787
Series H	179	2,496	-	21	2,696
Series I	36,672	112,623	(7)	1,373	150,661

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021

(Unaudited)

5. Redeemable shares (continued):

June 30, 2020	Redeemable shares, beginning of period	Redeemable shares, issued	Redemption of redeemable shares	Reinvestment of distributions	Redeemable shares, end of period
AlphaDelta Tactical Growth Class:					
Series A	129,171	7,132	(2,424)	-	133,879
Series F	676,437	31,639	(73,740)	-	634,336
Series I	215,898	-	(17,191)	-	198,707
AlphaDelta Canadian Growth of Dividend Income Class:					
Series A	281	497	(162)	4	620
Series F	6,000	-	(1,905)	120	4,215
Series G	45,257	1,439	(2,212)	1,165	45,649
Series H	714	-	(561)	5	158
Series I	55,040	812	(3,170)	105	52,787
AlphaDelta Growth of Dividend Income Class:					
Series A	142,733	-	(15,584)	2,010	129,159
Series A1	4,523	258	(1,201)	62	3,642
Series F	97,819	5,223	(22,519)	1,392	81,915
Series G	762,215	12,827	(45,861)	1,868	731,049
Series H	543	-	(372)	5	176
Series I	16,310	1,485	(10,314)	235	7,716

6. Commitments:

If another class of the Corporation cannot satisfy its obligations, the other classes, may be required to satisfy those obligations using assets attributable to those classes.

7. Brokerage commissions and soft dollars:

The Manager may select brokers who charge a commission in excess of that charged by other brokers ("soft dollars") if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. Brokerage commissions paid with respect to security transactions for the period ended June 30 include the following:

Fund name	June 30, 2021	June 30, 2020
AlphaDelta Tactical Growth Class	59,538	18,949
AlphaDelta Canadian Growth of Dividend Income Class	1,990	395
AlphaDelta Growth of Dividend Income Class	2,233	4,020

There were no ascertainable soft dollar amounts received during the period (June 30, 2020 - nil).

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021
(Unaudited)

8. Financial risk management:

The following is a general discussion of the financial risks to which the Funds are exposed. Refer to the Discussion of Financial Instruments and Risk Management following each Fund's financial statements for information specific to the respective Fund.

(a) Risk management framework:

The Manager has been given discretionary authority to manage the assets in line with the Funds' investment objectives. Compliance with the target asset allocations and the composition of the portfolio are monitored by the Manager on a daily basis. In instances where the portfolio has diverged from target asset allocations, the Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

(b) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds, resulting in a financial loss to the Funds. It arises principally from derivative financial assets, cash and cash equivalents, and other receivables due to the Funds. The carrying value of these financial instruments as recorded in the statements of financial position reflects the Funds' maximum exposure to credit risk.

The Funds' policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with reputable counterparties.

Credit risk is monitored on a daily and monthly basis by the Manager in accordance with the policies and procedures in place. The Funds' trade and investment holding reports are distributed to the Manager for review on a daily basis. Irregularities or items flagged for non-compliance are flagged for further investigation. If the credit risk is not in accordance with the investment policy or guidelines of the Funds, then the Manager is obliged to rebalance the portfolio as soon as reasonably possible.

The Funds' activities may give rise to settlement risk. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities, or other assets as contractually agreed. For the majority of transactions, the Funds mitigate this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021
(Unaudited)

8. Financial risk management (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the Funds will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Funds' policy and the Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Funds' reputation.

(d) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Funds' income or the fair value of its holdings of financial instruments.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate as a result of changes in market interest rates. The substantial majority of the Funds' financial assets and liabilities are non-interest bearing. As a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Any excess cash and cash equivalents are invested at short-term market interest rates.

(ii) Currency risk:

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of the Funds will fluctuate due to changes in foreign exchange rates.

The Funds' currency risk is managed on a daily basis by the Manager in accordance with the policies and procedures in place. The Funds' trade and investment holding reports are distributed to the Manager for review on a daily basis. Foreign currency transactions and daily weighted holdings are assessed to ensure compliance with the Funds' policies.

(iii) Other price risk:

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021
(Unaudited)

8. Financial risk management (continued):

(d) Market risk (continued):

(iii) Other price risk (continued):

The internal procedures require the Manager to manage price risk on a daily basis. The Funds' trade and investment holding reports are distributed to the Manager for review on a daily basis.

Unexpected volatility or illiquidity in the markets in which positions are held, including due to legal, political, regulatory, economic or other developments, such as public health emergencies, including an epidemic or pandemic, natural disasters, war and related geopolitical risks, may impair the Portfolio Manager's ability to carry out the objectives of the Portfolios or cause the Portfolios to incur losses. The recent spread of the coronavirus disease (also known as COVID-19) has caused a significant slowdown in the global economy and volatility in global financial markets. These developments are constantly evolving and the duration and impact of COVID-19 pandemic is highly uncertain and may have a material impact on the future performance of the Funds. In the face of the current environment of heightened uncertainty and market volatility, the Manager continues to closely monitor its impact on the Funds' risk exposure from the portfolio holdings.

9. Fair value of financial instruments:

(a) Valuation models:

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Funds determine fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1 - inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 - inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - inputs that are unobservable.

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021
(Unaudited)

9. Fair value of financial instruments:

(a) Valuation models (continued):

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Funds use widely recognized valuation models for determining the fair value of common and more simple financial instruments that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Funds believe that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Funds and the counterparties where appropriate.

Model inputs and values are calibrated against historical data and published forecasts and, when possible, against current or recent observed transactions and broker quotes. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management judgment is required to select the most appropriate point in the range.

(b) Valuation framework:

The Manager has engaged SGGG Fund Services Inc. ("SGGG") to value the net assets of the Funds on a daily basis. SGGG obtains pricing for Level 1 financial instruments from a third party pricing vendor. The Manager is responsible for performing the fair value measurements of financial instruments in Level 2 and Level 3.

The Funds have an established control framework with respect to the measurement of fair values. This framework includes an investment committee, which is independent of front office management and reports to the Board of Directors, who have overall responsibility for fair value measurements.

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021
(Unaudited)

9. Fair value of financial instruments:

(b) Valuation framework (continued):

Specific controls include:

- verification of observable pricing inputs;
- re-performance of model valuations;
- a review and approval process for new models and changes to such models;
- calibration and back-testing of models against observed market transactions;
- analysis and investigation of significant daily valuation movements; and
- review of unobservable inputs and valuation adjustments.

(c) Financial instruments not measured at fair value:

The carrying value of cash, receivable from investments sold, dividends receivable, subscriptions receivable, accounts receivable, due from related parties, distribution payable, management fees payable, redemption payable, payables from investments purchased and accounts payable and accrued liabilities approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

10. Capital management:

The redeemable shares issued by the Funds represent capital of the Funds. The Funds' objectives in managing the redeemable shares are to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from redemptions.

The Funds are not subject to any internally or externally imposed restrictions on its capital other than certain minimum subscriptions. The minimum initial investment for Series A, Series A1, Series F and Series I is \$1,000, per Series. The minimum initial investment for Series G and Series H is \$25,000, per Series.

Qwest Funds Corp.

Notes to Financial Statements

June 30, 2021
(Unaudited)

11. Income taxes:

The Corporation's available tax losses, both capital and non-capital, are determined at the corporate and not the individual class level. As at December 31, 2020, the Corporation had unrecognized non-capital losses of approximately \$3,438,510 (December 31, 2019 - \$3,438,510) available for utilization against taxable income in future years. The Corporation had unrecognized capital losses available at December 31, 2020 of approximately \$7,688,750 (December 31, 2019 - \$7,688,750).

The non-capital losses expire as follows:

2038	\$ 190,365
2037	-
2036	525,370
2035	524,234
2034	389,415
2033	722,898
2032	1,086,228
	<hr/>
	\$ 3,438,510
