



# **AlphaDelta Canadian Dividend Income Class**

2021 Annual Management  
Report of Fund Performance

# AlphaDelta Canadian Dividend Income Class

## 2021 Annual Management Report of Fund Performance

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This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of AlphaDelta Canadian Dividend Income Class (the “Fund”). You can get a copy of the financial statements at no cost in the following ways; by calling us at (604) 602-1142 or 1-866-602-1142; by writing to us at Qwest Investment Fund Management Ltd., Suite 732, 1055 Dunsmuir Street, Vancouver, BC V7X 1L2; by e-mailing us at [info@qwestfunds.com](mailto:info@qwestfunds.com); by viewing the information on our website at [www.qwestfunds.com](http://www.qwestfunds.com); or by viewing the information on SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders may also contact us to request a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure records, or quarterly portfolio disclosures.

### Management Discussion of Fund Performance

#### Investment Objective and Strategies

The Fund seeks to provide investors with income and longer-term capital appreciation by investing primarily in dividend paying equity securities of Canadian and global companies.

The Fund will invest primarily in Canadian and global, dividend paying, equity securities (including securities of unit trusts, real estate investment trusts and depository receipts) and their derivatives, with the intent of providing its shareholders with a consistent annual distribution yield, growth in the absolute level of distributions per share through time and long-term appreciation of capital.

#### Risk

The Fund is suitable for investors seeking income and long-term capital appreciation with a tolerance for medium risk. General risks of an investment in the Fund are detailed in the simplified prospectus and include capital gains risk, concentration risk, market risk, currency risk, derivatives risk, foreign investment risk, class risk, interest rate risk, large transaction risk, among others.

There were no significant changes to the investment objectives and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for particular investor’s remains as discussed in the simplified prospectus.

#### Results of Operations

The Fund commenced operations in August 2018. During the year ended December 31, 2021, the Fund issued 38,841 Series A shares, 48,687 Series F shares, 1,545 Series G shares, 38,547 Series H shares and 297,999 Series I shares; during the year then ended, the Fund redeemed 1,202 Series A shares, 3,259 Series F shares, 71 Series H shares and 46,539 Series I shares; and reinvested 862 Series A shares, 1,096 Series F shares, 32 Series G shares, 835 Series H shares and 3,566 Series I shares. As at December 31, 2021, 38,571 Series A shares, 46,594 Series F shares, 1,647 Series G shares, 39,381 Series H shares and 316,201 Series I shares were outstanding. During the year ended December 31, 2021, the Fund realized gains of \$19,914 from the disposition of securities.

For the year ended December 31, 2021, the Fund earned dividend income of \$141,409. Total expenses before expense reimbursement was \$168,389 comprised mainly of \$66,969 in shareholder recordkeeping and fund accounting fees, \$23,345 in management fees (calculated daily at an annual rate of 1.7% of the NAV of Series A shares, 0.7% of the NAV of Series F shares, 0.35% of the NAV of Series G shares and 1.35% of the NAV of Series H), \$21,134 in custodial fees, \$19,348 in filing fees and \$9,880 in audit fees.

The net realized gain and unrealized appreciation of investments are \$19,914 and \$386,038 for the year ended December 31, 2021, respectively.

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At December 31, 2021, net assets attributable to holders of redeemable shares for Series A was \$773,732 or \$20.06 per share, for Series F shares was \$945,317 or \$20.29 per share, for Series G shares was \$33,549 or \$20.37 per share, for Series H shares was \$792,943 or \$20.14 per share and for Series I was \$4,229,145 or \$13.37 per share.

### Recent Developments

The Fund seeks investments in companies that are capable of and committed to generating income for their shareholders. The Fund also emphasizes companies that have delivered a growing stream of income, as it suggests sensible cash flow management and an alignment of interests between corporate Boards and the owners of the company. Over time, the sub-advisor believes this investment profile can deliver attractive risk-adjusted returns to unitholders.

The benchmark return was muted over the third quarter as modest gains in July and August were offset by declines in September. The fourth quarter, however, produced impressive returns for equity investors. Fiscal stimulus, low interest rates and corporate earnings surprises fueled the gains. Despite elevated price volatility, the S&P/TSX Composite Index returned 6.4%, proving that positive investor sentiment remained largely intact.

The Canadian Dividend Income Class was well-positioned in defensive growth entities and enjoyed a constructive late summer earnings season. In many cases, the results confirmed our rationale to maintain exposure after a year of healthy gains. Our analysis also indicates that further valuation expansion is possible under the right circumstances.

After bottoming in August, bond yields backed up over the rest of the quarter. Equity market volatility also crept higher on investor fears of a possible U.S. government shutdown and the potential debt-related domino effect surrounding a large Chinese property developer. Inflation fears also rose on mounting supply chain issues. Central bankers admitted that they may consider pulling back stimulus and raising interest rates to manage the heightened inflationary pressures sooner than prior projections, which contributed to market volatility. The sub-advisor believes that the prevailing supply constraints and potentially higher interest rates are more likely to dent but not derail the current economic momentum.

In the sub-advisor's view, a portion of the current inflation pressures can be explained by the pandemic impacts on manufacturing and supply chains. Consumer spending shifted toward goods over services during the pandemic, which raised volumes beyond expectations. At the same time, factory shutdowns in key manufacturing regions and containers stuck in ports reduced product availability and led to higher prices. Certain supply chain related issues are expected to ease over the coming quarters as buying patterns return toward normal.

There was a slight rotation in market leadership during the period, where the highest growth companies, those that had captured a great deal of investor attention earlier in the pandemic recovery, began to fade. Historically, as interest rates rise, companies with only the promise of profitability well into the future lose favour, as investors question the likelihood that those earnings materialize. Instead, investors seek more reliable earnings and less lofty valuations. Should this scenario continue to play out, the Fund, which invests in seasoned investments with visible earnings and rising dividends, could benefit on a relative basis.

Cascades, a Canadian-based tissue paper and containerboard manufacturer, was purchased. The company sells to grocery and drugstores, which were stable through the pandemic, as well as to office and hospitality markets, which should recover as the pandemic recedes. Its operations have become more focused and its consolidated operating margin has increased as less profitable segments have been divested. The dividend was raised by 50% earlier in 2021 and the company outlined plans where declining capital expenditures will translate into higher free cash flow. A recovery in its lagging segments, combined with improved financial flexibility, could be rewarded with a higher share price going forward.

A position in Parkland was established, owner of fuel retail convenience stores across Canada and the Caribbean as well as a refinery supplying the lower mainland of British Columbia. Over the past few years, Parkland has undertaken an expansion into the United States, for the numerous opportunities to consolidate a fragmented industry and its acquisitions have been accretive to earnings. The sub-advisor was attracted to Parkland for diversification within the Energy sector and leverage to recovering fuel demand. Shares had declined on weak driving activity during COVID and more recently, following the British Columbia floods and temporary shutdown of the Trans Mountain Pipeline. These setbacks, which have the potential to be resolved over the coming quarters, presented the buying opportunity.

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### Recent Developments (continued)

Healthcare Realty, a medical office properties Real Estate Investment Trust, was added to the U.S. portion of the Fund. Its financial stability has been resilient through the pandemic although its shares have been under pressure. The sub-advisor anticipates that as confidence in the medical system returns and the stability of Healthcare's medical specialist tenants is better appreciated, its shares can appreciate. Healthcare replaced STAG Industrial, which was a strong performer in a short period of time and had approached the sub-advisor's estimate of full value.

McGrath RentCorp, which rents modular buildings and storage containers to a variety of end users, was bought during the period. An acquisition put pressure on the shares, providing the buying opportunity. The sub-advisor saw strategic merits in the acquisition and was confident that McGrath's record of free cash generation would allow for leverage ratios to return toward recent lows. Potential U.S. government infrastructure spending in education and utilities and telecommunications investment in 5G networks align with McGrath's areas of expertise and could benefit the company. A thirty-year history of annual dividend increases raises confidence that Board's interests are aligned with those of its shareholders.

The sub-advisor added Cummins after its shares corrected following a weak earnings report. Eliminating Intel served as the source of funds for the purchase. Although the securities are in different sectors, the sub-advisor anticipates that a patient approach may uncover attractive opportunities Information Technology to replace Intel. Comparing Cummins against Intel based on their investment characteristics, Cummins improved aggregate dividend growth potential and cash flow visibility while the current dividend yield was comparable. The sub-advisor also considered Cummins' strategy to be more clearly defined and achievable versus that of Intel, where new corporate leadership is seeking to stimulate growth through elevated capital spending over the coming years.

In other trading, the sub-advisor trimmed positions including Fortis, NEO Performance Materials, Waste Management and Westshore Terminals on share price strength. All remained core positions at the end of the period. The Fund is firmly focused on security fundamentals, which the sub-advisor believes determine long-term value creation. The investment style applied in the Fund seeks companies capable of generating free cash flow with a history of returning wealth to shareholders.

The volatility investors witnessed in the quarter could persist through 2022 as central bankers begin removing monetary stimulus. The sub-advisor has positioned the Fund based on its expectation that GDP growth will remain positive, just less than growth realized in 2021 and that the economy can absorb higher interest rates. The sub-advisor's analysis points toward equities remaining the most appropriate investments, given the probability of higher interest rates in the periods to come, which may negatively impact the value of traditional fixed income investments. The sub-advisor is optimistic that the Fund can perform well, although gains are likely to moderate from the very favorable 2021.

### Related Party Transactions

Pursuant to the amended and restated master management agreement, the Manager is entitled to an annual management fee of 1.70% of the net asset value of Series A shares, 0.70% of the net asset value of Series F shares, 0.35% of the net asset value of Series G shares and 1.35% of the net asset value of Series H shares of the Fund, calculated daily and payable monthly in arrears. For the year ended December 31, 2021, the Fund incurred \$23,345 in management fees of which \$2,890 was payable at December 31, 2021.

In order for the fund to maintain a competitive position with other mutual funds with respect to operating expenses charged to the fund, AlphaDelta Management Corp. ("AlphaDelta"), an affiliate of Qwest Investment Fund Management Ltd. (the "Manager"), has agreed at its discretion to pay for some of the operating expenses of the Fund. AlphaDelta has absorbed a total of \$62,363 of the operating expenses of the fund for the year ended December 31, 2021.

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### Financial Highlights

The following tables show selected key financial information about Series A and are intended to help you understand the financial performance of Series A for the years ended December 31, 2021, 2020, 2019 and for the period from commencement of operations on August 30, 2018 to December 31, 2018.

#### Net Assets per mutual fund share <sup>(1)</sup>

| Net Assets attributable to holders of redeemable shares per Series A                 | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Initial NAV</b>   | <b>\$ 18.01</b>   | <b>\$ 15.16</b>   | <b>\$ 13.02</b>   | <b>\$ 15.00</b>   |
| <b>(Decrease) increase from</b>  |                   |                   |                   |                   |
| Total revenue  | 0.77              | 0.47              | 0.61              | 0.19              |
| Total expenses   | (0.65)            | (1.36)            | (0.36)            | (0.10)            |
| Realized (losses) gains  | 0.06              | (2.70)            | 0.32              | (0.08)            |
| Unrealized (losses) gains  | 1.87              | 2.26              | 2.16              | (1.81)            |
| <b>Total (decrease) increase from operations <sup>(2)</sup></b>                      | <b>2.05</b>       | <b>(1.33)</b>     | <b>2.73</b>       | <b>(1.80)</b>     |
| <b>Distributions:</b>  |                   |                   |                   |                   |
| From dividends and return of capital   | (0.76)            | (0.45)            | (0.61)            | (0.17)            |
| From capital gains   | -                 | -                 | -                 | -                 |
| <b>Total distributions</b>   | <b>(0.76)</b>     | <b>(0.45)</b>     | <b>(0.61)</b>     | <b>(0.17)</b>     |
| <b>Net assets attributable to holders of redeemable shares at end of period/year</b> | <b>\$ 20.06</b>   | <b>\$ 18.01</b>   | <b>\$ 15.16</b>   | <b>\$ 13.02</b>   |

<sup>(1)</sup> This information is derived from the Fund's December 31, 2021, 2020, 2019 and 2018 annual audited financial statements.

<sup>(2)</sup> Net assets attributable to holders of redeemable shares and distributions are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period.

#### Ratios and Supplemental Data

| Series A  | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|---|-------------------|-------------------|-------------------|-------------------|
| Total net asset value (000's)                             | \$774             | \$1               | \$4               | \$4               |
| Number of mutual fund shares outstanding                  | 38,571            | 70                | 281               | 270               |
| Management expense ratio <sup>(1)</sup>                   | 3.30%             | 11.78%            | 2.45%             | 2.19%             |
| Management expense ratio before absorption <sup>(1)</sup> | 5.24%             | 12.69%            | 7.50%             | 12.20%            |
| Portfolio turnover rate <sup>(2)</sup>                    | 6.63%             | 81.08%            | 38.31%            | 4.08%             |
| Trading expense ratio <sup>(3)</sup>                      | 0.12%             | 0.13%             | 0.05%             | 0.19%             |
| Net asset value per share                                 | \$20.06           | \$18.01           | \$15.16           | \$13.02           |

<sup>(1)</sup> Management expense ratio ("MER") is based on total expenses less commissions for the stated period and is expressed as an annualized percentage of daily average net assets during the period. AlphaDelta may, at its discretion and without notice to shareholders, waive or absorb operating expenses. MER includes the waiver or absorption by AlphaDelta of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by AlphaDelta.

<sup>(2)</sup> The portfolio turnover rate indicates how actively the Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate is in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gain in the period. There is not necessarily a relationship between turnover rate and the performance of a portfolio.

<sup>(3)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as a percentage of average net assets during the period.

# AlphaDelta Canadian Dividend Income Class

## 2021 Annual Management Report of Fund Performance

### Financial Highlights

The following tables show selected key financial information about Series F and are intended to help you understand the financial performance of Series F for the years ended December 31, 2021, 2020, 2019 and for the period from commencement of operations on August 30, 2018 to December 31, 2018.

#### Net Assets per mutual fund share <sup>(1)</sup>

| Net Assets attributable to holders of redeemable shares per Series F                 | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Initial NAV</b>   | <b>\$ 18.01</b>   | <b>\$ 15.40</b>   | <b>\$ 13.09</b>   | <b>\$ 15.00</b>   |
| <b>(Decrease) increase from operations:</b>  |                   |                   |                   |                   |
| Total revenue  | 0.77              | 0.47              | 0.61              | 0.29              |
| Total expenses   | (0.46)            | (0.95)            | (0.20)            | (0.27)            |
| Realized (losses) gains  | 0.03              | (2.24)            | 0.30              | (0.20)            |
| Unrealized (losses) gains  | 1.89              | (2.79)            | 2.24              | (2.19)            |
| <b>Total (decrease) increase from operations <sup>(2)</sup></b>                      | <b>2.23</b>       | <b>(5.51)</b>     | <b>2.95</b>       | <b>(2.18)</b>     |
| <b>Distributions:</b>  |                   |                   |                   |                   |
| From dividends and return of capital   | (0.77)            | (0.44)            | (0.61)            | (0.28)            |
| From capital gains   | -                 | -                 | -                 | -                 |
| <b>Total distributions</b>   | <b>(0.77)</b>     | <b>(0.44)</b>     | <b>(0.61)</b>     | <b>(0.28)</b>     |
| <b>Net assets attributable to holders of redeemable shares at end of period/year</b> | <b>\$ 20.29</b>   | <b>\$ 18.01</b>   | <b>\$ 15.40</b>   | <b>\$ 13.09</b>   |

<sup>(1)</sup> This information is derived from the Fund's December 31, 2021, 2020, 2019 and 2018 annual audited financial statements.

<sup>(2)</sup> Net assets attributable to holders of redeemable shares and distributions are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period.

#### Ratios and Supplemental Data

| Series F  | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|---|-------------------|-------------------|-------------------|-------------------|
| Total net asset value (000's)                             | \$945             | \$1               | \$92              | \$90              |
| Number of mutual fund shares outstanding                  | 46,594            | 70                | 6,000             | 6,902             |
| Management expense ratio <sup>(1)</sup>                   | 2.30%             | 7.61%             | 1.33%             | 1.36%             |
| Management expense ratio before absorption <sup>(1)</sup> | 4.16%             | 9.51%             | 6.33%             | 11.01%            |
| Portfolio turnover rate <sup>(2)</sup>                    | 6.63%             | 81.08%            | 38.31%            | 4.08%             |
| Trading expense ratio <sup>(3)</sup>                      | 0.12%             | 0.13%             | 0.05%             | 0.19%             |
| Net asset value per share                                 | \$20.29           | \$18.01           | \$15.40           | \$13.09           |

<sup>(1)</sup> Management expense ratio ("MER") is based on total expenses less commissions for the stated period and is expressed as an annualized percentage of daily average net assets during the period. AlphaDelta may, at its discretion and without notice to shareholders, waive or absorb operating expenses. MER includes the waiver or absorption by AlphaDelta of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by AlphaDelta.

<sup>(2)</sup> The portfolio turnover rate indicates how actively the Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate is in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gain in the period. There is not necessarily a relationship between turnover rate and the performance of a portfolio.

<sup>(3)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as a percentage of average net assets during the period.

# AlphaDelta Canadian Dividend Income Class

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### Financial Highlights

The following tables show selected key financial information about Series G and are intended to help you understand the financial performance of Series G for the years ended December 31, 2021, 2020, 2019 and for the period from commencement of operations on August 30, 2018 to December 31, 2018.

#### Net Assets per mutual fund share <sup>(1)</sup>

| Net Assets attributable to holders of redeemable shares per Series G                 | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Initial NAV</b>   | <b>\$ 18.01</b>   | <b>\$ 15.47</b>   | <b>\$ 13.08</b>   | <b>\$ 15.00</b>   |
| <b>(Decrease) increase from</b>  |                   |                   |                   |                   |
| Total revenue  | 0.77              | 0.45              | 0.61              | 0.28              |
| Total expenses   | (0.35)            | (0.91)            | (0.14)            | (0.05)            |
| Realized (losses) gains  | 0.11              | (1.53)            | 0.32              | (0.18)            |
| Unrealized (losses) gains  | 2.27              | (2.00)            | 2.26              | (2.41)            |
| <b>Total (decrease) increase from operations <sup>(2)</sup></b>                      | <b>2.80</b>       | <b>(3.99)</b>     | <b>3.05</b>       | <b>(2.36)</b>     |
| <b>Distributions:</b>  |                   |                   |                   |                   |
| From dividends and return of capital   | (0.77)            | (0.44)            | (0.61)            | (0.28)            |
| From capital gains   | -                 | -                 | -                 | -                 |
| <b>Total distributions</b>   | <b>(0.77)</b>     | <b>(0.44)</b>     | <b>(0.61)</b>     | <b>(0.28)</b>     |
| <b>Net assets attributable to holders of redeemable shares at end of period/year</b> | <b>\$ 20.37</b>   | <b>\$ 18.01</b>   | <b>\$ 15.47</b>   | <b>\$ 13.08</b>   |

<sup>(1)</sup> This information is derived from the Fund's December 31, 2021, 2020, 2019 and 2018 annual audited financial statements.

<sup>(2)</sup> Net assets attributable to holders of redeemable shares and distributions are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period.

#### Ratios and Supplemental Data

| Series G  | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|---|-------------------|-------------------|-------------------|-------------------|
| Total net asset value (000's)                             | \$34              | \$1               | \$700             | \$620             |
| Number of mutual fund shares outstanding                  | 1,647             | 70                | 45,257            | 47,397            |
| Management expense ratio <sup>(1)</sup>                   | 1.77%             | 7.47%             | 0.93%             | 1.00%             |
| Management expense ratio before absorption <sup>(1)</sup> | 3.77%             | 9.14%             | 5.98%             | 10.52%            |
| Portfolio turnover rate <sup>(2)</sup>                    | 6.63%             | 81.08%            | 38.31%            | 4.08%             |
| Trading expense ratio <sup>(3)</sup>                      | 0.12%             | 0.13%             | 0.05%             | 0.19%             |
| Net asset value per share                                 | \$20.37           | \$18.01           | \$15.47           | \$13.08           |

<sup>(1)</sup> Management expense ratio ("MER") is based on total expenses less commissions for the stated period and is expressed as an annualized percentage of daily average net assets during the period. AlphaDelta may, at its discretion and without notice to shareholders, waive or absorb operating expenses. MER includes the waiver or absorption by AlphaDelta of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by AlphaDelta.

<sup>(2)</sup> The portfolio turnover rate indicates how actively the Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate is in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gain in the period. There is not necessarily a relationship between turnover rate and the performance of a portfolio.

<sup>(3)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as a percentage of average net assets during the period.

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### Financial Highlights

The following tables show selected key financial information about Series H and are intended to help you understand the financial performance of Series H for the years ended December 31, 2021, 2020, 2019 and for the period from commencement of operations on August 30, 2018 to December 31, 2018.

#### Net Assets per mutual fund share <sup>(1)</sup>

| Net Assets attributable to holders of redeemable shares per Series H                 | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Initial NAV</b>   | <b>\$ 18.01</b>   | <b>\$ 15.24</b>   | <b>\$ 13.04</b>   | <b>\$ 15.00</b>   |
| <b>(Decrease) increase from operations:</b>  |                   |                   |                   |                   |
| Total revenue  | 0.79              | 0.45              | 0.58              | 0.19              |
| Total expenses   | (0.57)            | (0.80)            | (0.30)            | (0.09)            |
| Realized (losses) gains  | 0.05              | (2.02)            | 0.28              | (0.08)            |
| Unrealized (losses) gains  | 1.86              | (5.25)            | 2.95              | (1.82)            |
| <b>Total (decrease) increase from operations <sup>(2)</sup></b>                      | <b>2.13</b>       | <b>(7.62)</b>     | <b>3.51</b>       | <b>(1.79)</b>     |
| <b>Distributions:</b>  |                   |                   |                   |                   |
| From dividends and return of capital   | (0.78)            | (0.37)            | (0.57)            | (0.17)            |
| From capital gains   | -                 | -                 | -                 | -                 |
| <b>Total distributions</b>   | <b>(0.78)</b>     | <b>(0.37)</b>     | <b>(0.57)</b>     | <b>(0.17)</b>     |
| <b>Net assets attributable to holders of redeemable shares at end of period/year</b> | <b>\$ 20.14</b>   | <b>\$ 18.01</b>   | <b>\$ 15.24</b>   | <b>\$ 13.04</b>   |

<sup>(1)</sup> This information is derived from the Fund's December 31, 2021, 2020, 2019 and 2018 annual audited financial statements.

<sup>(2)</sup> Net assets attributable to holders of redeemable shares and distributions are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period.

#### Ratios and Supplemental Data

| Series H  | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|---|-------------------|-------------------|-------------------|-------------------|
| Total net asset value (000's)                             | \$793             | \$1               | \$11              | \$22              |
| Number of mutual fund shares outstanding                  | 39,381            | 70                | 714               | 1,687             |
| Management expense ratio <sup>(1)</sup>                   | 2.87%             | 6.13%             | 2.08%             | 1.84%             |
| Management expense ratio before absorption <sup>(1)</sup> | 4.83%             | 8.66%             | 7.01%             | 11.84%            |
| Portfolio turnover rate <sup>(2)</sup>                    | 6.63%             | 81.08%            | 38.31%            | 4.08%             |
| Trading expense ratio <sup>(3)</sup>                      | 0.12%             | 0.13%             | 0.05%             | 0.19%             |
| Net asset value per share                                 | \$20.14           | \$18.01           | \$15.24           | \$13.04           |

<sup>(1)</sup> Management expense ratio ("MER") is based on total expenses less commissions for the stated period and is expressed as an annualized percentage of daily average net assets during the period. AlphaDelta may, at its discretion and without notice to shareholders, waive or absorb operating expenses. MER includes the waiver or absorption by AlphaDelta of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by AlphaDelta.

<sup>(2)</sup> The portfolio turnover rate indicates how actively the Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate is in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gain in the period. There is not necessarily a relationship between turnover rate and the performance of a portfolio.

<sup>(3)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as a percentage of average net assets during the period.

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### Financial Highlights

The following tables show selected key financial information about Series I and are intended to help you understand the financial performance of Series I for the years ended December 31, 2021, 2020, 2019 and for the period from commencement of operations on August 30, 2018 to December 31, 2018.

#### Net Assets per mutual fund share <sup>(1)</sup>

| Net Assets attributable to holders of redeemable shares per Series I                 | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Initial NAV</b>   | <b>\$ 11.78</b>   | <b>\$ 15.55</b>   | <b>\$ 13.10</b>   | <b>\$ 15.00</b>   |
| <b>(Decrease) increase from operations:</b>  |                   |                   |                   |                   |
| Total revenue  | 0.52              | 0.56              | 0.62              | 0.20              |
| Total expenses   | (0.37)            | (1.48)            | (0.08)            | (0.02)            |
| Realized (losses) gains  | 0.08              | (2.57)            | 0.32              | (0.09)            |
| Unrealized (losses) gains  | 1.58              | (0.02)            | 2.18              | (1.82)            |
| <b>Total (decrease) increase from operations <sup>(2)</sup></b>                      | <b>1.81</b>       | <b>(3.51)</b>     | <b>3.04</b>       | <b>(1.73)</b>     |
| <b>Distributions:</b>  |                   |                   |                   |                   |
| From dividends and return of capital   | (0.52)            | (0.59)            | (0.62)            | (0.18)            |
| From capital gains   | -                 | -                 | -                 | -                 |
| <b>Total distributions</b>   | <b>(0.52)</b>     | <b>(0.59)</b>     | <b>(0.62)</b>     | <b>(0.18)</b>     |
| <b>Net assets attributable to holders of redeemable shares at end of period/year</b> | <b>\$ 13.37</b>   | <b>\$ 11.78</b>   | <b>\$ 15.55</b>   | <b>\$ 13.10</b>   |

<sup>(1)</sup> This information is derived from the Fund's December 31, 2021, 2020, 2019 and 2018 annual audited financial statements.

<sup>(2)</sup> Net assets attributable to holders of redeemable shares and distributions are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period.

#### Ratios and Supplemental Data

| Series I  | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|---|-------------------|-------------------|-------------------|-------------------|
| Total net asset value (000's)                             | \$4,229           | \$720             | \$856             | \$702             |
| Number of mutual fund shares outstanding                  | 316,201           | 61,175            | 55,040            | 53,598            |
| Management expense ratio <sup>(1)</sup>                   | 2.86%             | 12.16%            | 0.53%             | 0.51%             |
| Management expense ratio before absorption <sup>(1)</sup> | 4.60%             | 13.80%            | 5.59%             | 10.20%            |
| Portfolio turnover rate <sup>(2)</sup>                    | 6.63%             | 81.08%            | 38.31%            | 4.08%             |
| Trading expense ratio <sup>(3)</sup>                      | 0.12%             | 0.13%             | 0.05%             | 0.19%             |
| Net asset value per share                                 | \$13.37           | \$11.78           | \$15.55           | \$13.10           |

<sup>(1)</sup> Management expense ratio ("MER") is based on total expenses less commissions for the stated period and is expressed as an annualized percentage of daily average net assets during the period. AlphaDelta may, at its discretion and without notice to shareholders, waive or absorb operating expenses. MER includes the waiver or absorption by AlphaDelta of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by AlphaDelta.

<sup>(2)</sup> The portfolio turnover rate indicates how actively the Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate is in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gain in the period. There is not necessarily a relationship between turnover rate and the performance of a portfolio.

<sup>(3)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as a percentage of average net assets during the period.

## AlphaDelta Canadian Dividend Income Class

### 2021 Annual Management Report of Fund Performance

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#### Management Fees

The Manager provides administration and portfolio advisory services to the Fund.

Management fees paid by each series of the Fund are calculated up to the annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

|                         | Management Fees | Breakdown of Services |        |
|-------------------------|-----------------|-----------------------|--------|
|                         |                 | Distribution          | Other* |
| Series A                | 1.70%           | 59%                   | 41%    |
| Series F                | 0.70%           | -                     | 100%   |
| Series G                | 0.35%           | -                     | 100%   |
| Series H                | 1.35%           | 74%                   | 26%    |
| Series I <sup>(1)</sup> |                 |                       |        |

\*Includes all costs related to management, investment advisory services, general administration and profit.

<sup>(1)</sup> Series I management fees are negotiated and by the investor and paid directly to the Manager

See also “Related Party Transactions” with respect to management fees payable to the Manager in accordance with the master management agreement.

# AlphaDelta Canadian Dividend Income Class

## 2021 Annual Management Report of Fund Performance

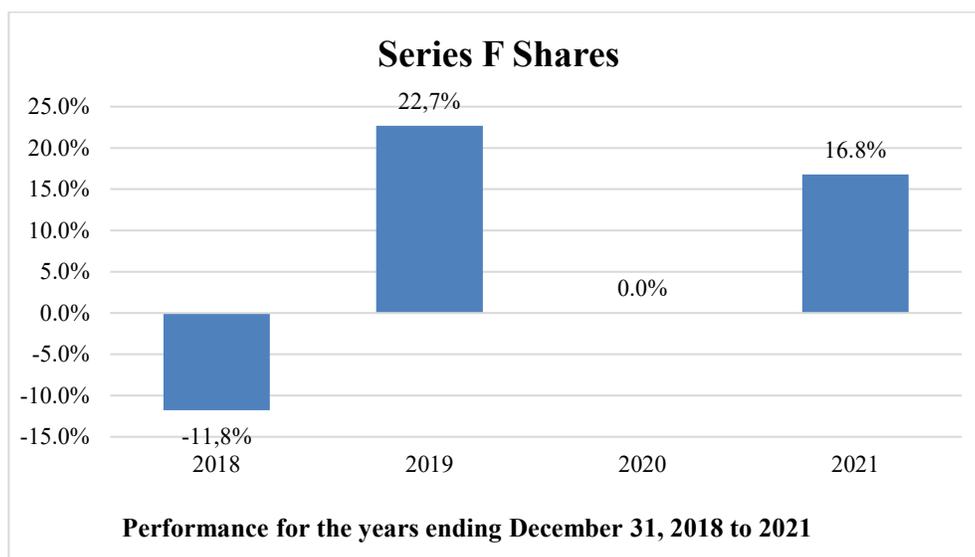
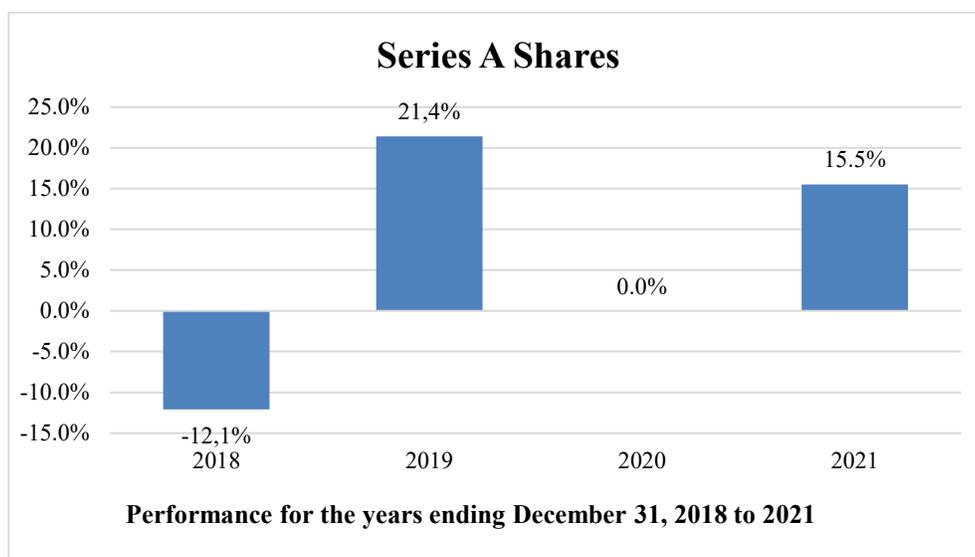
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### Past Performance

The performance information shown assumes that all distributions made by the Fund were reinvested in additional securities of the investment portfolio. The performance information below does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance of the investment portfolio does not necessarily indicate its future performance.

### Year-by-Year Returns

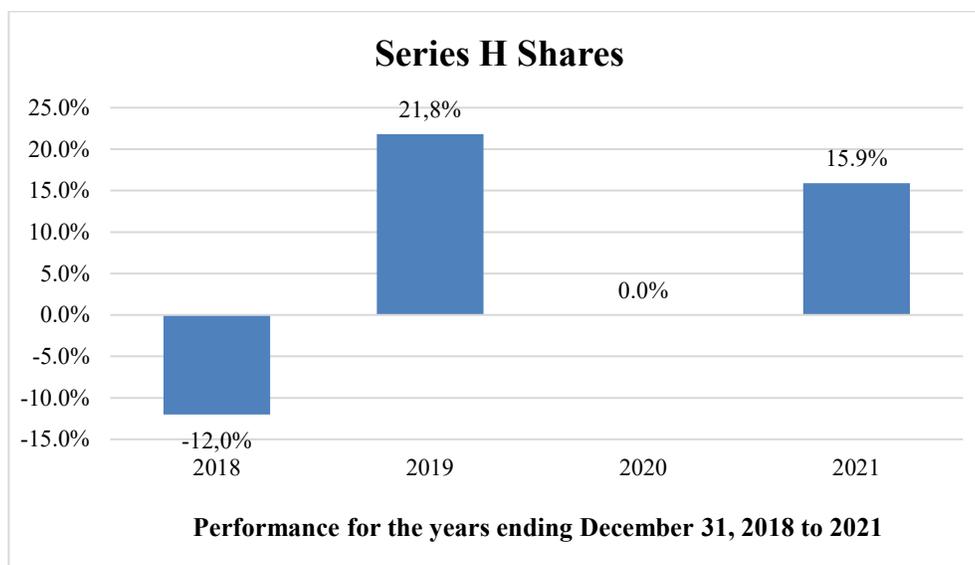
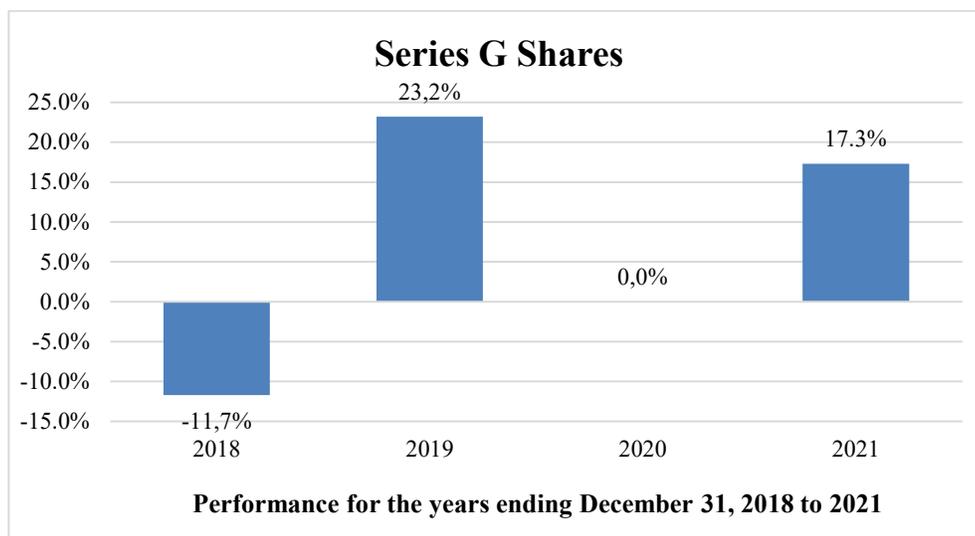
The charts show the performance of the investment portfolio for the years shown and illustrates how the investment portfolio's performance has changed from year to year. The charts show, in percentage terms, how an investment made on the first day of each financial year would have grown or decreased by December 31 of that year.



## AlphaDelta Canadian Dividend Income Class

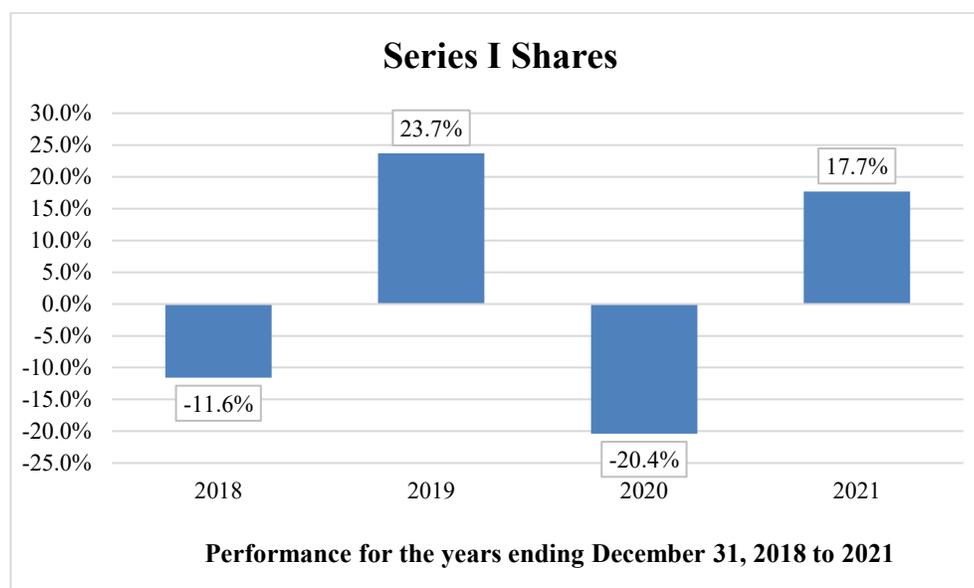
### 2021 Annual Management Report of Fund Performance

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## AlphaDelta Canadian Dividend Income Class

### 2021 Annual Management Report of Fund Performance



#### Annual Compound Returns

The table below compares the investment portfolio's compound return to the S&P 500 and S&P/TSX Composite Index for the same time period.

|  | <b>One-year</b> | <b>Since Inception</b> |
|--|-----------------|------------------------|
| AlphaDelta Canadian Dividend Income Class – Series A | 15.5%           | 5.6%                   |
| AlphaDelta Canadian Dividend Income Class – Series F | 16.8%           | 5.6%                   |
| AlphaDelta Canadian Dividend Income Class – Series G | 17.3%           | 5.6%                   |
| AlphaDelta Canadian Dividend Income Class – Series H | 15.9%           | 5.6%                   |
| AlphaDelta Canadian Dividend Income Class – Series I | 17.7%           | -4.1%                  |
| S&P 500 Index  | 26.9%           | -                      |
| S&P/TSX Composite Index                              | 21.7%           | -                      |

The S&P 500 Index is a broad-based securities market index that statistically measures the state of the stock market based on the performance of 500 most widely held stocks listed on the New York Stock Exchange. The performance of the index is typically viewed as the indicator of US equities and a reflection of the performance of the large-cap companies.

The S&P/TSX Composite Index is a broad-based securities market index that statistically measures the state of the stock market based on the performance of certain stocks listed on the Toronto Stock Exchange. The performance of the index is typically viewed as a broad indicator of the direction of the economy.

## AlphaDelta Canadian Dividend Income Class

### 2021 Annual Management Report of Fund Performance

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#### Summary of Investment Portfolio

As at December 31, 2021, the net assets attributable to holders of redeemable shares of the Fund was \$6,774,686. Below is a breakdown of the investment portfolio as at December 31, 2021, by sector and as a percentage of the aggregate net asset value of the top 25 securities in the investment portfolio:

| <b>Top Holdings</b>                   | <b>% of Net Assets</b> | <b>Sector/Subgroup</b>          | <b>% of Net Assets</b> |
|---------------------------------------|------------------------|---------------------------------|------------------------|
| Brookfield Infrastructure Partners LP | 7.10                   | Financial                       | 24.29                  |
| The Bank of Nova Scotia               | 5.55                   | Energy                          | 16.58                  |
| Enbridge Inc.                         | 5.32                   | Industrial                      | 16.45                  |
| Canadian Imperial Bank of Commerce    | 5.11                   | Utilities                       | 10.72                  |
| Royal Bank of Canada                  | 3.77                   | Consumer, Non-cyclical          | 10.40                  |
| TC Energy Corp.                       | 3.56                   | Basic Materials                 | 7.45                   |
| TELUS Corp.                           | 3.30                   | Consumer, Cyclical              | 4.87                   |
| Lockheed Martin Corp.                 | 2.99                   | Communications                  | 4.72                   |
| Nutrien Ltd                           | 2.81                   | Cash                            | 2.85                   |
| Intact Financial Corp.                | 2.79                   | Other assets net of liabilities | 1.67                   |
| Canadian Natural Resources Ltd        | 2.76                   |                                 | 100.00                 |
| Power Corp of Canada                  | 2.59                   |                                 |                        |
| Exchange Income Corp.                 | 2.58                   |                                 |                        |
| The North West Co Inc.                | 2.53                   |                                 |                        |
| Bird Construction Inc.                | 2.52                   |                                 |                        |
| Fortis Inc.                           | 2.48                   |                                 |                        |
| Johnson & Johnson                     | 2.40                   |                                 |                        |
| Gibson Energy Inc.                    | 2.32                   |                                 |                        |
| Intertape Polymer Group Inc.          | 2.14                   |                                 |                        |
| Chartwell Retirement Residences       | 2.07                   |                                 |                        |
| DuPont de Nemours Inc.                | 1.66                   |                                 |                        |
| Hillenbrand Inc.                      | 1.60                   |                                 |                        |
| Evertz Technologies Ltd               | 1.55                   |                                 |                        |
| Neo Performance Materials Inc.        | 1.50                   |                                 |                        |
| Russel Metals Inc.                    | 1.46                   |                                 |                        |

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available at [www.qwestfunds.com](http://www.qwestfunds.com).

**Caution Regarding Forward-looking Statements**

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts, but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest in and the risks detailed from time to time in the Fund's simplified prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, management of the Fund does not undertake, and specifically disclaims any intention or obligation to update or revise any forward-looking statements, future events or otherwise, unless required by applicable law.