

Financial Statements of

**QWEST FUNDS CORP.**

And Independent Auditor's Report thereon

Years ended December 31, 2022 and 2021



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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:  
AlphaDelta Tactical Growth Class  
AlphaDelta Canadian Dividend Income Class  
AlphaDelta Global Dividend Income Class  
(collectively, the "Funds")

### ***Opinion***

We have audited the financial statements of the Funds, which comprise:

- the statements of financial position as at December 31, 2022 and 2021
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to holders of redeemable shares for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2022 and December 31, 2021, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

### ***Basis for Opinion***

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Funds in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Other Information***

The Manager is responsible for the other information. Other information comprises the information included in the Annual Management Reports of Fund Performance for the Funds filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Annual Management Reports of Fund Performance for the Funds filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

### ***Responsibilities of the Manager and Those Charged with Governance for the Financial Statements***

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Chartered Professional Accountants

Vancouver, Canada

March 28, 2023

# AlphaDelta Tactical Growth Class

## Statements of Financial Position December 31, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 5,835,630	\$ 5,964,474
Dividends receivable	1,472	—
Due from related parties (note 4)	79,646	84,646
Prepaid expenses	9,470	12,179
Investments	<u>4,667,429</u>	<u>8,319,535</u>
	<u>10,593,647</u>	<u>14,380,834</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Redemptions payable	—	2,000
Distribution payable	8	—
Accounts payable and accrued liabilities	55,215	99,658
Management fees payable (note 4)	<u>15,851</u>	<u>20,799</u>
	<u>71,074</u>	<u>122,457</u>
<b>Net assets attributable to holders of redeemable shares</b>	<u>\$ 10,522,573</u>	<u>\$ 14,258,377</u>
<b>Net assets attributable to holders of redeemable shares per series:</b>		
Series A	\$ 1,261,439	\$ 1,471,064
Series F	7,278,230	9,817,486
Series I	<u>1,982,904</u>	<u>2,969,827</u>
	<u>\$ 10,522,573</u>	<u>\$ 14,258,377</u>
<b>Number of redeemable shares outstanding: (note 5)</b>		
Series A	109,505	114,062
Series F	588,655	716,706
Series I	152,194	207,374
<b>Net assets attributable to holders of redeemable shares per share:</b>		
Series A	\$ 11.52	\$ 12.90
Series F	12.36	13.70
Series I	13.03	14.32

Commitments (note 6)

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

Approved on behalf of the Board:

 Director  
Maurice Levesque

 Director  
Victor Therrien

# AlphaDelta Tactical Growth Class

## Statements of Comprehensive Income Years ended December 31, 2022 and 2021

	2022	2021
<b>Income</b>		
Dividend income	\$ 78,404	\$ 74,698
Foreign exchange gain (loss) on cash	301,973	(230,667)
Interest income	48,602	—
Net realized (loss) gain on sale of investments	(2,085,673)	2,558,153
Change in unrealized appreciation (depreciation) of investments	842,039	(3,307,446)
Net realized loss on forward contracts	—	(23,703)
	<u>(814,655)</u>	<u>(928,965)</u>
<b>Expenses</b>		
Management fee (note 4)	188,298	244,775
Transaction costs (note 7)	94,585	116,507
Shareholder recordkeeping and fund accounting fees	70,054	69,796
Audit	33,931	59,756
Filing fees	21,954	16,929
Custodian fees	17,859	22,800
Interest	10,505	7,121
Independent review committee fees	10,500	8,722
Foreign withholding taxes	3,709	7,349
Securityholder reports	3,309	3,049
Legal fees	—	32,807
Bank charges	(291)	2,284
Tax review fees	(5,835)	18,713
Translation fee	<u>(6,542)</u>	<u>17,463</u>
	<u>442,036</u>	<u>628,071</u>
<b>Decrease in net assets attributable to holders of redeemable shares</b>	<u>\$ (1,256,691)</u>	<u>\$ (1,557,036)</u>
<b>Decrease in net assets attributable to holders of redeemable shares per series:</b>		
Series A	\$ (147,740)	\$ (189,533)
Series F	(870,066)	(1,082,033)
Series I	<u>(238,885)</u>	<u>(285,470)</u>
	<u>\$ (1,256,691)</u>	<u>\$ (1,557,036)</u>
<b>Decrease in net assets attributable to holders of redeemable shares per share:</b>		
Series A	\$ (1.34)	\$ (1.53)
Series F	(1.33)	(1.46)
Series I	(1.28)	(1.37)

## AlphaDelta Tactical Growth Class

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares Years ended December 31, 2022 and 2021

	Net assets attributable to holders of redeemable shares, beginning of year	Proceeds from redeemable shares issued*	Redemption of redeemable shares*	Distributions to investors from net investment income	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 year
<b>2022</b>							
Series A	\$ 1,471,064	\$ —	\$ (61,885)	\$ (4,295)	\$ 4,295	\$ (147,740)	\$ 1,261,439
Series F	9,817,486	368,380	(2,037,519)	(24,777)	24,726	(870,066)	7,278,230
Series I	2,969,827	21,010	(769,048)	(6,749)	6,749	(238,885)	1,982,904
	<u>\$ 14,258,377</u>	<u>\$ 389,390</u>	<u>\$ (2,868,452)</u>	<u>\$ (35,821)</u>	<u>\$ 35,770</u>	<u>\$ (1,256,691)</u>	<u>\$ 10,522,573</u>

\* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the year ended December 31, 2022 were \$44,770 and \$(44,770), respectively.

	Net assets attributable to holders of redeemable shares, beginning of year	Proceeds from redeemable shares issued**	Redemption of redeemable shares**	Distributions to investors from net investment income	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 year
<b>2021</b>							
Series A	\$ 1,947,167	\$ 83,288	\$ (369,858)	\$ (1,526)	\$ 1,526	\$ (189,533)	\$ 1,471,064
Series F	10,701,360	1,585,973	(1,387,796)	(10,160)	10,142	(1,082,033)	9,817,486
Series I	3,169,411	238,384	(152,498)	(3,080)	3,080	(285,470)	2,969,827
	<u>\$ 15,817,938</u>	<u>\$ 1,907,645</u>	<u>\$ (1,910,152)</u>	<u>\$ (14,766)</u>	<u>\$ 14,748</u>	<u>\$ (1,557,036)</u>	<u>\$ 14,258,377</u>

\*\* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the year ended December 31, 2021 were \$323,119 and \$(323,119), respectively.

# AlphaDelta Tactical Growth Class

## Statements of Cash Flows

Years ended December 31, 2022 and 2021

	2022	2021
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Decrease in net assets attributable to holders of redeemable shares	\$ (1,256,691)	\$ (1,557,036)
Adjustments for non-cash items		
Foreign exchange (gain) loss on cash	(301,973)	230,667
Net realized loss (gain) on sale of investments	2,085,673	(2,558,153)
Change in unrealized (appreciation) depreciation of investments	(842,039)	3,307,446
Dividend income	(74,695)	(67,349)
Interest income	(48,602)	—
Interest expense	10,505	7,121
Change in non-cash balances		
Due from related parties	5,000	—
Receivable for investment sold	—	364,736
Prepaid expenses	2,709	(2,387)
Payable for investments purchased	—	(296,628)
Accounts payable and accrued liabilities	(44,443)	(4,255)
Management fee payable	(4,948)	(730)
Dividend received	73,223	71,328
Interest received	48,602	—
Interest paid	(10,505)	(7,121)
Proceeds from sale of investments	67,924,633	96,944,841
Purchase of investments	(65,516,161)	(90,914,255)
Cash provided by operating activities	<u>2,050,288</u>	<u>5,518,225</u>
<b>Financing Activities</b>		
Proceeds from redeemable shares issued	344,620	1,584,526
Redemption of redeemable shares	(2,825,682)	(1,585,033)
Distribution paid in cash	(43)	(18)
Cash used in financing activities	<u>(2,481,105)</u>	<u>(525)</u>
(Decrease) increase in cash during the year	(430,817)	5,517,700
Foreign exchange gain (loss) on cash	301,973	(230,667)
Cash, beginning of year	<u>5,964,474</u>	<u>677,441</u>
<b>Cash, end of year</b>	<u>\$ 5,835,630</u>	<u>\$ 5,964,474</u>



# AlphaDelta Tactical Growth Class

## Schedule of Investment Portfolio as at December 31, 2022

Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
<b>Investments owned (44.36%)</b>				
<b>Equities (44.36%)</b>				
<b>Consumer, Cyclical (0.21%)</b>				
Restaurant Brands International Inc.	CAD	250	22,851	21,893
<b>Total Consumer, Cyclical</b>			22,851	21,893
<b>Consumer, Non-cyclical (2.51%)</b>				
Regeneron Pharmaceuticals Inc.	USD	270	252,097	263,616
<b>Total Consumer, Non-cyclical</b>			252,097	263,616
<b>Energy (16.26%)</b>				
Enerplus Corp.	CAD	24,500	571,249	585,550
Halliburton Co.	USD	10,800	549,536	575,104
Weatherford International PLC	USD	8,000	338,002	551,260
<b>Total Energy</b>			1,458,787	1,711,914
<b>Funds (5.31%)</b>				
SPDR Dow Jones Industrial Average ETF Trust	USD	1,245	501,163	558,224
<b>Total Funds</b>			501,163	558,224
<b>Industrial (15.15%)</b>				
Caterpillar Inc.	USD	1,750	555,116	567,323
Fluor Corp.	USD	9,400	391,602	440,894
Lockheed Martin Corp.	USD	890	488,499	585,925
<b>Total Industrial</b>			1,435,217	1,594,142
<b>Technology (4.92%)</b>				
International Business Machines Corp.	USD	2,715	554,162	517,640
<b>Total Technology</b>			554,162	517,640
<b>Total Equities</b>			4,224,277	4,667,429
<b>Total investments owned</b>			4,224,277	4,667,429
Commissions and other portfolio transaction costs			(2,806)	—
Net investments owned (44.36%)			4,221,471	4,667,429
Cash (55.46%)				5,835,630
Other assets, net (0.19%)				19,514
<b>Net Assets Attributable to Holders of Redeemable Shares (100%)</b>				<b>10,522,573</b>

# AlphaDelta Tactical Growth Class

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2022 and 2021

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## 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 year 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

Years ended December 31, 2022 and 2021

## 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 - Monetary Items	Impact if CAD strengthened or weakened by 5% in relation to other currencies
<b>December 31, 2022</b>		
U.S. Dollar	\$ 5,776,369	\$ 288,818
% of Net Assets Attributable to Holders of Redeemable Shares	54.9	2.7
<b>December 31, 2021</b>		
U.S. Dollar	\$ 5,897,668	\$ 294,883
% of Net Assets Attributable to Holders of Redeemable Shares	41.4	2.1

# AlphaDelta Tactical Growth Class

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2022 and 2021

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## 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:

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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%

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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 \$466,743 (2021 - \$831,954).

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 December 31, 2022 and 2021. No exposure to any individual issuer exceeded 15% of the net assets attributable to the holders of redeemable shares either at December 31, 2022 and 2021.

# AlphaDelta Tactical Growth Class

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2022 and 2021

## 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 statements of financial position.

All fair value measurements below are recurring.

#### December 31, 2022:

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments - equities	4,667,429	–	–	4,667,429

#### December 31, 2021:

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments - equities	\$ 8,319,535	\$ –	\$ –	8,319,535

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 years ended December 31, 2022 and 2021.

# AlphaDelta Canadian Dividend Income Class (formerly AlphaDelta Canadian Growth of Dividend Income Class)

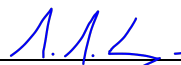
## Statements of Financial Position December 31, 2022 and 2021

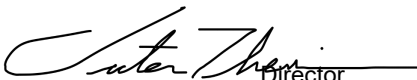
	2022	2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 429,709	\$ 193,417
Dividends receivable	54,708	26,402
Subscriptions receivable	250	7,000
Prepaid expenses	17,583	14,947
Due from related parties (note 4)	195,500	106,276
Investments	<u>12,288,471</u>	<u>6,467,881</u>
	<u>12,986,221</u>	<u>6,815,923</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	61,964	28,718
Distribution payable	22,668	9,629
Management fees payable (note 4)	<u>3,438</u>	<u>2,890</u>
	<u>88,070</u>	<u>41,237</u>
<b>Net assets attributable to holders of redeemable shares</b>	<u>\$ 12,898,151</u>	<u>\$ 6,774,686</u>
<b>Net assets attributable to holders of redeemable shares per series:</b>		
Series A	\$ 763,234	\$ 773,732
Series F	820,412	945,317
Series G	1,028,518	33,549
Series H	787,283	792,943
Series I	<u>9,498,704</u>	<u>4,229,145</u>
	<u>\$ 12,898,151</u>	<u>\$ 6,774,686</u>
<b>Number of redeemable shares outstanding: (note 5)</b>		
Series A	40,329	38,571
Series F	42,356	46,594
Series G	52,698	1,647
Series H	41,278	39,381
Series I	<u>738,338</u>	<u>316,201</u>
<b>Net assets attributable to holders of redeemable shares per share:</b>		
Series A	\$ 18.93	\$ 20.06
Series F	19.37	20.29
Series G	19.52	20.37
Series H	19.07	20.14
Series I	<u>12.86</u>	<u>13.37</u>

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 Canadian Dividend Income Class (formerly AlphaDelta Canadian Growth of Dividend Income Class)

## Statements of Comprehensive Income Years ended December 31, 2022 and 2021

	2022	2021
<b>Income</b>		
Dividend income	\$ 414,671	\$ 141,409
Interest income	3,779	—
Foreign exchange loss on cash	(386)	(4,522)
Net realized gain on sale of investments	147,986	19,914
Change in unrealized (depreciation) appreciation of investments	(660,105)	386,038
Tax refunds	33	—
	<u>(94,022)</u>	<u>542,839</u>
<b>Expenses</b>		
Shareholder recordkeeping and fund accounting fees	74,915	66,969
Management fee (note 4)	46,942	23,345
Audit	36,265	9,880
Filing fees	25,738	19,348
Foreign withholding taxes	22,940	4,583
Custodian fees	20,468	21,134
Tax review fees	8,807	2,853
Legal fees	7,651	4,964
Independent review committee fees	7,346	1,383
Translation fees	6,606	2,944
Transaction costs (note 7)	6,037	4,242
Securityholder reports	4,934	4,398
Bank charges	717	2,320
Interest	33	26
	<u>269,399</u>	<u>168,389</u>
Expenses reimbursements (note 4)	<u>(105,224)</u>	<u>(62,363)</u>
	<u>164,175</u>	<u>106,026</u>
 <b>(Decrease) increase in net assets attributable to holders of redeemable shares</b>	 \$ <u>(258,197)</u>	 \$ <u>436,813</u>
 <b>(Decrease) increase in net assets attributable to holders of redeemable shares per series:</b>		
Series A	\$ (15,356)	\$ 45,172
Series F	(2,376)	64,124
Series G	(11,905)	2,288
Series H	(17,580)	45,067
Series I	<u>(210,980)</u>	<u>280,162</u>
	<u>\$ (258,197)</u>	<u>\$ 436,813</u>
 <b>(Decrease) increase in net assets attributable to holders of redeemable shares per share:</b>		
Series A	\$ (0.40)	\$ 2.04
Series F	(0.05)	2.24
Series G	(0.83)	2.79
Series H	(0.41)	2.13
Series I	<u>(0.36)</u>	<u>1.81</u>

# AlphaDelta Canadian Dividend Income Class (formerly AlphaDelta Canadian Growth of Dividend Income Class)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares Years ended December 31, 2022 and 2021

	Net assets attributable to holders of redeemable shares, beginning of year	Proceeds from redeemable shares issued*	Redemption of redeemable shares*	Distributions to investors from net investment income	Distributions to investors from return of capital	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 year
<b>2022</b>								
Series A	\$ 773,732	\$ 48,900	\$ (43,929)	\$ (20,435)	\$ (7,874)	\$ 28,196	\$ (15,356)	\$ 763,234
Series F	945,317	67,000	(188,268)	(22,834)	(8,799)	30,372	(2,376)	820,412
Series G	33,549	1,023,104	(16,230)	(9,589)	(3,695)	13,284	(11,905)	1,028,518
Series H	792,943	76,493	(64,574)	(22,475)	(8,675)	31,151	(17,580)	787,283
Series I	4,229,145	6,473,500	(841,126)	(218,886)	(84,338)	151,389	(210,980)	9,498,704
	<u>\$ 6,774,686</u>	<u>\$ 7,688,997</u>	<u>\$ (1,154,127)</u>	<u>\$ (294,219)</u>	<u>\$ (113,381)</u>	<u>\$ 254,392</u>	<u>\$ (258,197)</u>	<u>\$ 12,898,151</u>

\* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the year ended December 31, 2022 were \$123,191 and \$(123,191), respectively.

	Net assets attributable to holders of redeemable shares, beginning of year	Proceeds from redeemable shares issued**	Redemption of redeemable shares**	Distributions to investors from net investment income	Distributions to investors from return of capital	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 year
<b>2021</b>								
Series A	\$ 1,261	\$ 751,105	\$ (23,806)	\$ (11,641)	\$ (5,230)	\$ 16,871	\$ 45,172	\$ 773,732
Series F	1,261	944,897	(64,660)	(15,125)	(6,795)	21,615	64,124	945,317
Series G	1,261	30,000	—	(437)	(196)	633	2,288	33,549
Series H	1,261	748,000	(1,386)	(11,312)	(5,082)	16,395	45,067	792,943
Series I	720,391	3,854,956	(591,519)	(55,937)	(25,131)	46,223	280,162	4,229,145
	<u>\$ 725,435</u>	<u>\$ 6,328,958</u>	<u>\$ (681,371)</u>	<u>\$ (94,452)</u>	<u>\$ (42,434)</u>	<u>\$ 101,737</u>	<u>\$ 436,813</u>	<u>\$ 6,774,686</u>

\*\* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the year ended December 31, 2021 were \$42,248 and \$(42,248), respectively.



# AlphaDelta Canadian Dividend Income Class (formerly AlphaDelta Canadian Growth of Dividend Income Class)

## Statements of Cash Flows

Years ended December 31, 2022 and 2021

	2022	2021
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
(Decrease) increase in net assets attributable to holders of redeemable shares	\$ (258,197)	\$ 436,813
Adjustments for non-cash items		
Foreign exchange loss on cash	386	4,522
Net realized gain on sale of investments	(147,986)	(19,914)
Change in unrealized depreciation (appreciation) of investments	660,105	(386,038)
Dividend income	(391,731)	(136,826)
Interest income	(3,779)	–
Interest expense	33	26
Change in non-cash balances		
Prepaid expenses	(2,636)	(3,437)
Due from related parties	(89,224)	(62,362)
Accounts payable and accrued liabilities	33,246	2,734
Management fee payable	548	2,881
Payable for investments purchased	–	(110,860)
Dividend received	363,425	111,879
Interest received	3,779	–
Interest paid	(33)	(26)
Proceeds from sale of investments	593,046	214,681
Purchase of investments	(6,925,755)	(5,669,379)
Cash used in operating activities	(6,164,773)	(5,615,306)
<b>Financing Activities</b>		
Proceeds from redeemable shares issued	7,572,556	6,284,750
Redemption of redeemable shares	(1,030,936)	(639,123)
Distribution paid in cash	(140,169)	(26,954)
Cash provided by financing activities	6,401,451	5,618,673
Increase in cash during the year	236,678	3,367
Foreign exchange loss on cash	(386)	(4,522)
Cash, beginning of year	193,417	194,572
<b>Cash, end of year</b>	<b>\$ 429,709</b>	<b>\$ 193,417</b>

**AlphaDelta Canadian Dividend Income Class**  
**(formerly AlphaDelta Canadian Growth of Dividend Income Class)**  
**Schedule of Investment Portfolio as at December 31, 2022**  
Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
<b>Investments owned (95.27%)</b>				
<b>Equities (95.27%)</b>				
<b>Basic Materials (6.39%)</b>				
Cascades Inc.	CAD	7,300	102,369	61,758
DuPont de Nemours Inc.	USD	1,550	146,409	143,954
Nutrien Ltd.	CAD	3,550	305,781	350,918
Russel Metals Inc.	CAD	5,700	176,451	164,046
The Chemours Co.	USD	2,500	100,753	103,591
<b>Total Basic Materials</b>			831,763	824,267
<b>Communications (5.27%)</b>				
Cisco Systems Inc.	USD	3,000	195,629	193,406
Corning Inc.	USD	2,250	102,038	97,251
TELUS Corp.	CAD	14,900	422,322	389,337
<b>Total Communications</b>			719,989	679,994
<b>Consumer, Cyclical (5.14%)</b>				
Exchange Income Corp.	CAD	7,250	302,798	381,568
Hanesbrands Inc.	USD	4,150	87,379	35,718
Westshore Terminals Investment Corp.	CAD	10,950	259,765	245,609
<b>Total Consumer, Cyclical</b>			649,942	662,895
<b>Consumer, Non-cyclical (9.84%)</b>				
CVS Health Corp.	USD	800	85,066	100,887
Diageo PLC	USD	825	198,473	198,937
Gilead Sciences Inc.	USD	700	57,231	81,324
Johnson & Johnson	USD	1,450	304,009	346,625
McGrath RentCorp	USD	600	57,287	80,172
Medtronic PLC	USD	1,950	257,028	205,090
The North West Co Inc.	CAD	7,200	248,151	256,104
<b>Total Consumer, Non-cyclical</b>			1,207,245	1,269,139
<b>Energy (18.54%)</b>				
Canadian Natural Resources Ltd.	CAD	6,150	334,760	462,419
Enbridge Inc.	CAD	11,250	571,875	595,350
Gibson Energy Inc.	CAD	13,800	328,624	326,232
Parkland Corp.	CAD	11,850	396,063	352,064
TC Energy Corp.	CAD	7,050	447,201	380,559
Tourmaline Oil Corp.	CAD	1,500	106,561	102,480
Valero Energy Corp.	USD	1,000	96,752	171,673
<b>Total Energy</b>			2,281,836	2,390,777

**AlphaDelta Canadian Dividend Income Class**  
**(formerly AlphaDelta Canadian Growth of Dividend Income Class)**  
**Schedule of Investment Portfolio as at December 31, 2022 (continued)**  
Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
<b>Financial (21.96%)</b>				
Canadian Imperial Bank of Commerce	CAD	9,100	629,758	498,407
Chartwell Retirement Residences	CAD	33,400	352,906	281,896
Citizens Financial Group Inc.	USD	1,700	90,261	90,572
Healthcare Realty Trust Inc.	USD	5,450	157,897	142,120
Intact Financial Corp.	CAD	1,900	326,586	370,329
Manulife Financial Corp.	CAD	400	8,730	9,660
Power Corp of Canada	CAD	13,700	507,896	436,345
Royal Bank of Canada	CAD	3,700	474,963	471,010
The Bank of Nova Scotia	CAD	7,100	570,010	471,014
The Progressive Corp.	USD	350	41,748	61,435
<b>Total Financial</b>			3,160,755	2,832,788
<b>Industrial (17.43%)</b>				
Bird Construction Inc.	CAD	43,650	364,216	354,438
Cummins Inc.	USD	600	163,770	196,727
Evertz Technologies Ltd.	CAD	15,150	209,282	193,466
Hillenbrand Inc.	USD	2,250	127,549	129,922
Huntington Ingalls Industries Inc.	USD	450	110,515	140,475
Johnson Controls International plc	USD	1,750	141,130	151,564
Lockheed Martin Corp.	USD	400	187,122	263,337
Mullen Group Ltd.	CAD	24,450	306,216	355,748
Neo Performance Materials Inc.	CAD	17,850	269,503	171,360
Rockwell Automation Inc.	USD	300	99,178	104,567
Waste Management Inc.	USD	500	89,990	106,149
WestRock Co.	USD	1,700	103,925	80,886
<b>Total Industrial</b>			2,172,396	2,248,639
<b>Technology (1.18%)</b>				
Microchip Technology Inc.	USD	1,600	143,599	152,105
<b>Total Technology</b>			143,599	152,105
<b>Utilities (9.52%)</b>				
Brookfield Infrastructure Partners LP	CAD	17,850	847,495	748,629
Brookfield Renewable Partners LP	CAD	7,500	320,247	257,100
Fortis Inc.	CAD	4,100	230,265	222,138
<b>Total Utilities</b>			1,398,007	1,227,867
<b>Total Equities</b>			12,565,532	12,288,471

**AlphaDelta Canadian Dividend Income Class**  
**(formerly AlphaDelta Canadian Growth of Dividend Income Class)**

**Schedule of Investment Portfolio as at December 31, 2022 (continued)**

Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
<b>Total investments owned</b>			12,565,532	12,288,471
Commissions and other portfolio transaction costs			(9,991)	—
Net investments owned (95.27%)			<u>12,555,541</u>	<u>12,288,471</u>
Cash (3.33%)				429,709
Other assets, net (1.40%)				179,971
<b>Net Assets Attributable to Holders of Redeemable Shares (100%)</b>				<b><u>12,898,151</u></b>

# AlphaDelta Canadian Dividend Income Class

## (Formerly AlphaDelta Canadian Growth of Dividend Income Class)

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2022 and 2021

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### 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 Dividend Income 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 year end.

#### (c) Market risks:

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

# AlphaDelta Canadian Dividend Income Class

## (Formerly AlphaDelta Canadian Growth of Dividend Income Class)

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2022 and 2021

### 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 - Monetary Items	Impact if CAD strengthened or weakened by 5% in relation to other currencies
<b>December 31, 2022</b>		
U.S. Dollar	\$ 4,715	\$ 236
% of Net Assets Attributable to Holders of Redeemable Shares	0.0	0.0
<b>December 31, 2021</b>		
U.S. Dollar	\$ 17,794	\$ 890
% of Net Assets Attributable to Holders of Redeemable Shares	0.3	0.0

# AlphaDelta Canadian Dividend Income Class

## (Formerly AlphaDelta Canadian Growth of Dividend Income Class)

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2022 and 2021

### 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:

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

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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 \$1,228,847 (2021 - \$646,788).

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 December 31, 2022 and 2021. No exposure to any individual issuer exceeded 10% of the net assets attributable to the holders of redeemable shares at December 31, 2022 and 2021.

### 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 statements of financial position.

# AlphaDelta Canadian Dividend Income Class

## (Formerly AlphaDelta Canadian Growth of Dividend Income Class)

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2022 and 2021

### 2. Fair value of financial instruments (continued):

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

All fair value measurements below are recurring.

#### December 31, 2022:

		Level 1		Level 2		Level 3		Total
<b>Assets</b>								
Investments - equities	\$	12,288,471	\$	–	\$	–	\$	12,288,471

#### December 31, 2021:

		Level 1		Level 2		Level 3		Total
<b>Assets</b>								
Investments - equities	\$	6,467,881	\$	–	\$	–	\$	6,467,881

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 years ended December 31, 2022 and 2021.



# AlphaDelta Global Dividend Income Class (formerly AlphaDelta Growth of Dividend Income Class)

## Statements of Financial Position December 31, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 4,083,256	\$ 105,073
Dividends receivable	93,305	19,692
Subscriptions receivable	1,800	—
Due from related parties (note 4)	233,240	289,586
Prepaid expenses	17,418	14,940
Unrealized appreciation of forward contracts	133,088	164,640
Investments	<u>25,009,456</u>	<u>13,208,989</u>
	<u>29,571,563</u>	<u>13,802,920</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	99,070	100,817
Payable for investments purchased	159,912	61,899
Distribution payable	49,107	13,109
Management fees payable (note 4)	10,568	4,472
Redemptions payable	<u>950</u>	<u>—</u>
	<u>319,607</u>	<u>180,297</u>
<b>Net assets attributable to holders of redeemable shares</b>	<u>\$ 29,251,956</u>	<u>\$ 13,622,623</u>
<b>Net assets attributable to holders of redeemable shares per series:</b>		
Series A	\$ 795,365	\$ 1,046,508
Series A1	43,628	16,311
Series F	4,560,891	400,304
Series G	18,188,866	8,349,048
Series H	50,227	66,788
Series I	<u>5,612,979</u>	<u>3,743,664</u>
	<u>\$ 29,251,956</u>	<u>\$ 13,622,623</u>
<b>Number of redeemable shares outstanding: (note 5)</b>		
Series A	72,758	92,483
Series A1	2,875	1,032
Series F	399,618	34,069
Series G	1,446,446	647,893
Series H	3,246	4,163
Series I	425,223	277,995

# AlphaDelta Global Dividend Income Class (formerly AlphaDelta Growth of Dividend Income Class)

## Statements of Financial Position (continued) December 31, 2022 and 2021

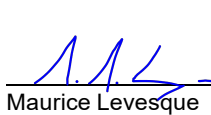
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		2022		2021
<b>Net assets attributable to holders of redeemable shares per share:</b>				
Series A	\$	10.93	\$	11.32
Series A1		15.17		15.81
Series F		11.41		11.75
Series G		12.57		12.89
Series H		15.47		16.04
Series I		13.20		13.47

Commitments (note 6)

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

Approved on behalf of the Board:

 Director  
Maurice Levesque

 Director  
Victor Therrien

# AlphaDelta Global Dividend Income Class

## (formerly AlphaDelta Growth of Dividend Income Class)

### Statements of Comprehensive Income

#### Years ended December 31, 2022 and 2021

	2022	2021
<b>Income</b>		
Dividend income	\$ 771,690	\$ 455,847
Foreign exchange loss on cash	(5,814)	(8,204)
Interest income	7,401	(3,684)
Net realized loss on forward contracts	(704,541)	(153,003)
Change in unrealized (depreciation) appreciation of forward contracts	(31,552)	140,926
Net realized gain on sale of investments	443,457	958,024
Change in unrealized (depreciation) appreciation of investments	<u>(287,791)</u>	<u>1,094,110</u>
	<u>192,850</u>	<u>2,484,016</u>
<b>Expenses</b>		
Shareholder recordkeeping and fund accounting fees	85,818	85,143
Management fee (note 4)	79,041	74,105
Foreign withholding taxes	72,815	37,230
Audit	42,877	48,902
Custodian fees	30,463	24,491
Filing fees	25,436	19,597
Independent review committee fees	12,506	6,092
Transaction costs (note 7)	11,821	4,065
Tax review fees	10,366	15,426
Bank charges	6,834	5,830
Translation fee	6,798	11,546
Securityholder reports	6,239	5,072
Legal fees	2,584	18,389
Interest	<u>1,946</u>	<u>3,420</u>
	<u>395,544</u>	<u>359,308</u>
Expenses reimbursements (note 4)	<u>(72,654)</u>	<u>(76,655)</u>
	<u>322,890</u>	<u>282,653</u>
<b>(Decrease) increase in net assets attributable to holders of redeemable shares</b>	<u>\$ (130,040)</u>	<u>\$ 2,201,363</u>
<b>(Decrease) increase in net assets attributable to holders of redeemable shares per series:</b>		
Series A	\$ 9,909	\$ 228,802
Series A1	(505)	4,525
Series F	(97,636)	107,506
Series G	(100,033)	1,641,055
Series H	123	2,540
Series I	<u>58,102</u>	<u>216,935</u>
	<u>\$ (130,040)</u>	<u>\$ 2,201,363</u>
<b>(Decrease) increase in net assets attributable to holders of redeemable shares per share:</b>		\$ 2.21
Series A	\$ 0.13	4.08
Series A1	(0.42)	2.29
Series F	(1.55)	2.53
Series G	(0.12)	1.06
Series H	0.03	1.57
Series I	0.16	

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

# AlphaDelta Global Dividend Income Class

## (formerly AlphaDelta Growth of Dividend Income Class)

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

Years ended December 31, 2022 and 2021

	Net assets attributable to holders of redeemable shares, beginning of year	Proceeds from redeemable shares issued*	Redemption of redeemable shares*	Distributions to investors from net investment income	Distributions to investors from return of capital	Shares issued on reinvestment of distributions	Increase (decrease) in net assets attributable to holders of redeemable shares	Net assets attributable to holders of redeemable shares, end of year
<b>2022</b>								
Series A	\$ 1,046,508	\$ —	\$ (253,104)	\$ (9,541)	\$ (24,305)	\$ 25,898	\$ 9,909	\$ 795,365
Series A1	16,311	28,580	—	(243)	(618)	103	(505)	43,628
Series F	400,304	4,412,514	(140,645)	(10,754)	(27,393)	24,501	(97,636)	4,560,891
Series G	8,349,048	11,858,425	(1,686,758)	(124,608)	(317,427)	210,219	(100,033)	18,188,866
Series H	66,788	18,915	(35,550)	(764)	(1,947)	2,662	123	50,227
Series I	3,743,664	2,776,934	(921,979)	(53,217)	(135,568)	145,043	58,102	5,612,979
	<u>\$ 13,622,623</u>	<u>\$ 19,095,368</u>	<u>\$ (3,038,036)</u>	<u>\$ (199,127)</u>	<u>\$ (507,258)</u>	<u>\$ 408,426</u>	<u>\$ (130,040)</u>	<u>\$ 29,251,956</u>

\* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the year ended December 31, 2022 were \$40,031 and \$(40,031), respectively.

	Net assets attributable to holders of redeemable shares, beginning of year	Proceeds from redeemable shares issued**	Redemption of redeemable shares**	Distributions to investors from net investment income	Distributions to investors from return of capital	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 year
<b>2021</b>								
Series A	\$ 1,106,091	\$ 838	\$ (281,885)	\$ (9,256)	\$ (30,763)	\$ 32,681	\$ 228,802	\$ 1,046,508
Series A1	44,234	—	(31,971)	(131)	(436)	90	4,525	16,311
Series F	519,073	161,538	(380,333)	(4,388)	(14,581)	11,489	107,506	400,304
Series G	7,300,458	322,551	(763,748)	(66,675)	(221,589)	136,996	1,641,055	8,349,048
Series H	2,448	61,800	—	(335)	(1,114)	1,449	2,540	66,788
Series I	413,369	3,175,648	(56,391)	(16,107)	(53,530)	63,740	216,935	3,743,664
	<u>\$ 9,385,673</u>	<u>\$ 3,722,375</u>	<u>\$ (1,514,328)</u>	<u>\$ (96,892)</u>	<u>\$ (322,013)</u>	<u>\$ 246,445</u>	<u>\$ 2,201,363</u>	<u>\$ 13,622,623</u>

\*\* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the year ended December 31, 2021 were \$315,308 and \$(315,308), respectively.

# AlphaDelta Global Dividend Income Class

## (formerly AlphaDelta Growth of Dividend Income Class)

### Statements of Cash Flows

Years ended December 31, 2022 and 2021

	2022	2021
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
(Decrease) increase in net assets attributable to holders of redeemable shares	\$ (130,040)	\$ 2,201,363
Adjustments for non-cash items		
Foreign exchange loss on cash	5,814	8,204
Net realized gain on sale of investments	(443,457)	(958,024)
Change in unrealized depreciation (appreciation) of investments	287,791	(1,094,110)
Change in unrealized depreciation (appreciation) of forward contracts	31,552	(140,926)
Dividend income	(698,875)	(418,617)
Interest income	(7,401)	3,684
Interest expense	1,946	3,420
Change in non-cash balances		
Receivable for investment sold	—	92,172
Due from related parties	56,346	(76,655)
Prepaid expenses	(2,478)	529
Accounts payable and accrued liabilities	(1,747)	7,889
Payable for investments purchased	98,013	(95,622)
Management fee payable	6,096	206
Dividend received	625,262	414,975
Interest received	7,401	(3,684)
Interest paid	(1,946)	(3,420)
Proceeds from sale of investments	9,331,484	5,174,352
Purchase of investments	(20,976,285)	(7,204,941)
Cash used in operating activities	(11,810,524)	(2,089,205)
<b>Financing Activities</b>		
Proceeds from redeemable shares issued	19,053,537	3,407,067
Redemption of redeemable shares	(2,997,055)	(1,199,020)
Distribution paid in cash	(261,961)	(169,146)
Cash provided by financing activities	15,794,521	2,038,901
Increase (decrease) in cash during the year	3,983,997	(50,304)
Foreign exchange loss on cash	(5,814)	(8,204)
Cash, beginning of year	105,073	163,581
<b>Cash, end of year</b>	<b>\$ 4,083,256</b>	<b>\$ 105,073</b>

# AlphaDelta Global Dividend Income Class (formerly AlphaDelta Growth of Dividend Income Class)

## Schedule of Investment Portfolio as at December 31, 2022

Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
<b>Investments owned (85.50%)</b>				
<b>Equities (85.50%)</b>				
<b>Basic Materials (2.23%)</b>				
Agnico Eagle Mines Ltd.	CAD	3,500	231,780	246,260
Huntsman Corp.	USD	10,900	383,470	405,342
<b>Total Basic Materials</b>			615,250	651,602
<b>Communications (10.26%)</b>				
Cogeco Communications Inc.	CAD	2,600	173,860	199,654
Cogeco Inc.	CAD	1,000	59,229	63,570
Comcast Corp.	USD	23,000	1,080,519	1,088,433
Corning Inc.	USD	3,300	134,378	142,635
Nexstar Media Group Inc.	USD	3,300	606,954	781,636
Nippon Telegraph & Telephone Corp.	USD	10,000	324,577	382,293
Quebecor Inc.	CAD	11,400	336,299	344,280
<b>Total Communications</b>			2,715,816	3,002,501
<b>Consumer, Cyclical (4.76%)</b>				
Advance Auto Parts Inc.	USD	800	160,432	159,175
Best Buy Co Inc.	USD	1,000	120,679	108,544
Canadian Tire Corp Ltd.	CAD	1,000	146,975	141,500
Darden Restaurants Inc.	USD	550	98,941	102,957
Lowe's Cos Inc.	USD	1,300	274,366	350,508
Magna International Inc.	CAD	3,000	225,200	228,180
Volkswagen AG	USD	14,300	343,991	302,754
<b>Total Consumer, Cyclical</b>			1,370,584	1,393,618
<b>Consumer, Non-cyclical (13.94%)</b>				
Abb Vie Inc.	USD	2,250	311,332	492,073
Altria Group Inc.	USD	3,400	184,110	210,314
Bristol-Myers Squibb Co.	USD	10,000	898,463	973,663
British American Tobacco PLC	USD	5,500	270,690	297,566
Cigna Corp.	USD	340	105,834	152,451
Maple Leaf Foods Inc.	CAD	19,200	432,779	469,440
Medtronic PLC	USD	2,050	213,757	215,608
Merck & Co Inc.	USD	7,100	776,095	1,066,016
Premium Brands Holdings Corp.	CAD	2,400	214,455	197,472
<b>Total Consumer, Non-cyclical</b>			3,407,515	4,074,603

The percentages presented above relate to investments at fair value against net assets for the Fund.

**AlphaDelta Global Dividend Income Class**  
**(formerly AlphaDelta Growth of Dividend Income Class)**  
**Schedule of Investment Portfolio as at December 31, 2022 (continued)**  
Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
<b>Energy (11.86%)</b>				
Canadian Natural Resources Ltd.	CAD	7,100	478,169	533,849
Chesapeake Energy Corp.	USD	1,150	154,622	146,862
Coterra Energy Inc.	USD	8,600	271,733	285,944
Diamondback Energy Inc.	USD	2,000	310,323	370,195
Enbridge Inc.	CAD	18,100	851,560	957,852
EOG Resources Inc.	USD	1,700	250,058	297,964
Marathon Petroleum Corp.	USD	1,900	191,836	299,259
Ovintiv Inc.	USD	800	54,286	54,899
Tourmaline Oil Corp.	CAD	2,100	110,828	143,472
Valero Energy Corp.	USD	2,200	277,699	377,681
<b>Total Energy</b>			2,951,114	3,467,977
<b>Financial (24.15%)</b>				
Citigroup Inc.	USD	11,500	782,749	703,886
Crown Castle International Corp.	USD	1,100	197,238	201,910
Fiera Capital Corp.	CAD	44,000	447,295	381,920
goeasy Ltd.	CAD	800	105,266	85,160
Great-West Lifeco Inc.	CAD	8,000	251,101	250,400
iA Financial Corp Inc.	CAD	3,950	253,901	313,117
Jefferies Financial Group Inc.	USD	11,500	503,696	533,478
KB Financial Group Inc.	USD	6,000	316,857	313,900
Lincoln National Corp.	USD	13,800	891,976	573,691
Manulife Financial Corp.	CAD	27,600	646,530	666,540
Morgan Stanley	USD	3,300	257,348	379,676
National Storage Affiliates Trust	USD	9,000	474,835	439,915
ORIX Corp.	USD	2,100	224,303	228,824
State Street Corp.	USD	7,100	641,172	745,298
The Goldman Sachs Group Inc.	USD	1,100	411,681	511,147
Tokio Marine Holdings Inc.	USD	12,700	308,592	368,302
Unum Group	USD	2,400	80,957	133,257
Western Alliance Bancorp	USD	2,900	223,651	233,739
<b>Total Financial</b>			7,019,148	7,064,160

**AlphaDelta Global Dividend Income Class**  
**(formerly AlphaDelta Growth of Dividend Income Class)**  
**Schedule of Investment Portfolio as at December 31, 2022 (continued)**  
Expressed in Canadian Dollars

Description	Currency	Number of shares	Average cost	Fair value
<b>Industrial (2.87%)</b>				
Aecon Group Inc.	CAD	26,000	302,773	236,860
FedEx Corp.	USD	500	133,434	117,191
L3Harris Technologies Inc.	USD	860	224,270	242,314
Lockheed Martin Corp.	USD	370	164,271	243,587
<b>Total Industrial</b>			824,748	839,952
<b>Technology (10.72%)</b>				
ASML Holding NV	USD	270	175,781	199,642
Broadcom Inc.	USD	1,590	868,469	1,203,062
Microchip Technology Inc.	USD	1,550	135,740	147,352
NXP Semiconductor NV	USD	1,450	322,905	310,088
QUALCOMM Inc.	USD	2,450	409,703	364,502
Skyworks Solutions Inc.	USD	2,200	298,708	271,308
Taiwan Semiconductor Manufacturing Co., Ltd.	USD	3,700	374,891	372,973
Tokyo Electron Ltd.	USD	2,700	343,644	267,201
<b>Total Technology</b>			2,929,841	3,136,128
<b>Utilities (4.71%)</b>				
Algonquin Power & Utilities Corp.	CAD	108,000	1,224,397	952,560
Enel SpA	USD	59,000	455,249	426,355
<b>Total Utilities</b>			1,679,646	1,378,915
<b>Total Equities</b>			23,513,662	25,009,456
<b>Total investments owned</b>			23,513,662	25,009,456
Commissions and other portfolio transaction costs			(9,340)	—
Net investments owned (85.50%)			23,504,322	25,009,456
Unrealized gain, foreign exchange forward contracts (schedule 1) (0.45%)				133,088
Cash (13.96%)				4,083,256
Other assets, net (0.09%)				26,156
<b>Net Assets Attributable to Holders of Redeemable Shares (100%)</b>				<b>29,251,956</b>

The percentages presented above relate to investments at fair value against net assets for the Fund.



**AlphaDelta Global Dividend Income Class**  
**(formerly AlphaDelta Growth of Dividend Income Class)**  
**Schedule of Investment Portfolio as at December 31, 2022 (continued)**  
Expressed in Canadian Dollars

Schedule 1

Foreign exchange forward contracts as at December 31, 2022						
Currency to be delivered			Currency to be received			
Settlement date	Face value US\$	Fair value as at December 31, 2022 CA\$	Face value CA\$	Fair value as at December 31, 2022 US\$	Contract price \$	Appreciation CA\$
January 6, 2023	(9,000,000)	(12,312,158)	12,179,070	12,179,070	1.36802	133,088

Foreign exchange forward contracts as at December 31, 2021						
Currency to be delivered			Currency to be received			
Settlement date	Face value US\$	Fair value as at December 31, 2021 CA\$	Face value CA\$	Fair value as at December 31, 2021 US\$	Contract price \$	Appreciation CA\$
January 7, 2022	(6,900,000)	(8,897,300)	8,732,661	8,732,661	1.28946	164,640

The percentages presented above relate to investments at fair value against net assets for the Fund.

# AlphaDelta Global Dividend Income Class

## (Formerly AlphaDelta Growth of Dividend Income Class)

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2022 and 2021

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### 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 Global Dividend Income 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. For financial assets recognized on the statement of financial position, the maximum exposure to credit risk is their stated carrying amount. At December 31, 2022, the on-balance sheet exposures to credit risk is \$(12,179,070) (2021 - \$(8,732,661)).

#### (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 year end.

# AlphaDelta Global Dividend Income Class

## (Formerly AlphaDelta Growth of Dividend Income Class)

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2022 and 2021

### 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 - Monetary Items	Impact if CAD strengthened or weakened by 5% in relation to other currencies
<b>December 31, 2022</b>		
U.S. Dollar	\$ (10,250,018)	\$ (512,501)
% of Net Assets		
Attributable to Holders of Redeemable Shares	(35.0)	(1.8)
Currency	Exposure - Monetary Items	Impact if CAD strengthened or weakened by 5% in relation to other currencies
<b>December 31, 2021</b>		
U.S. Dollar	\$ (8,723,061)	\$ (436,153)
% of Net Assets		
Attributable to Holders of Redeemable Shares	(64.0)	(3.2)

# AlphaDelta Global Dividend Income Class

## (Formerly AlphaDelta Growth of Dividend Income Class)

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2022 and 2021

### 1. Financial risk management (continued):

#### (c) Market risks (continued):

##### (ii) Currency risk (continued):

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 year-end spot rate less the CA\$ value of the US\$ cash balance at the year-end, as applicable.

##### (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:

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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

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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 \$2,500,946 (2021 - \$1,320,899).

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 December 31, 2022 and 2021.

# AlphaDelta Global Dividend Income Class

## (Formerly AlphaDelta Growth of Dividend Income Class)

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2022 and 2021

### 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 statements of financial position.

All fair value measurements below are recurring.

#### December 31, 2022:

		Level 1		Level 2		Level 3		Total
<b>Assets</b>								
Investments - equities	\$	25,009,456	\$	–	\$	–	\$	25,009,456
Derivatives - forward contracts		–		133,088		–		133,088
	\$	25,009,456	\$	133,088	\$	–	\$	25,142,544

#### December 31, 2021:

		Level 1		Level 2		Level 3		Total
<b>Assets</b>								
Investments - equities	\$	13,208,989	\$	–	\$	–	\$	13,208,989
Derivatives - forward contracts		–		164,640		–		164,640
	\$	13,208,989	\$	164,640	\$	–	\$	13,373,629

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 as the fair value is derived from observable inputs using present value modeling techniques.

There were no financial instruments transferred between the three levels during the years ended December 31, 2022 and 2021.

# Qwest Funds Corp.

Notes to Financial Statements

Years ended December 31, 2022 and 2021

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# Qwest Funds Corp.

## Notes to Financial Statements

Years ended December 31, 2022 and 2021

### 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 Dividend Income Class	August 30, 2018
AlphaDelta Global 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 Dividend Income Class	Iris Asset Management Ltd.
AlphaDelta Global Dividend Income Class	SciVest Capital Management Inc.

# Qwest Funds Corp.

## Notes to Financial Statements

Years ended December 31, 2022 and 2021

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### 2. Basis of preparation:

(a) Statement of compliance:

These financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements were authorized for issue by the Board of Directors of the Corporation, on March 28, 2023.

(b) Basis of measurement:

These 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 prospectively.

### 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, classification 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

Years ended December 31, 2022 and 2021

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### 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 statements 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 and 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

Years ended December 31, 2022 and 2021

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### 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 statements 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, subscriptions receivable, due from related parties, prepaid expenses, distribution payable, management fees payable, redemptions payable, payables for investments purchased and accounts payable and accrued liabilities as amortized cost.

# Qwest Funds Corp.

## Notes to Financial Statements

Years ended December 31, 2022 and 2021

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### 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 statements 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 (loss) on sales of investments and change in unrealized appreciation (depreciation) of investments in the statements of comprehensive income.

# Qwest Funds Corp.

## Notes to Financial Statements

Years ended December 31, 2022 and 2021

### 3. Significant accounting policies (continued):

(e) Income recognition:

Interest income is recognized on an accrual basis. 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 year.

### 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
<b>AlphaDelta Tactical Growth Class:</b>	
Series A	2.50%
Series F	1.50%
Series I	0.75%
<b>AlphaDelta Canadian Dividend Income Class:</b>	
Series A	1.70%
Series F	0.70%
Series G	0.35%
Series H	1.35%
Series I	Negotiated directly with Manager
<b>AlphaDelta Global Dividend Income Class:</b>	
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

Years ended December 31, 2022 and 2021

### 4. Related party transactions (continued):

#### (a) Management fees (continued):

	2022	2021
AlphaDelta Tactical Growth Class	\$ 188,298	\$ 244,775
AlphaDelta Canadian Dividend Income Class	46,942	23,345
AlphaDelta Global Dividend Income Class	79,041	74,105

#### Management fees payable:

	2022	2021
AlphaDelta Tactical Growth Class	\$ 15,851	\$ 20,799
AlphaDelta Canadian Dividend Income Class	3,438	2,890
AlphaDelta Global Dividend Income Class	10,568	4,472

#### (b) Other related party transactions:

On occasion, Qwest Investment Fund Management Ltd, a company related to the Corporation, was reimbursed for expenses on behalf of the Corporation. During the year, the following amounts were reimbursed for expenses incurred on the Funds behalf.

	2022	2021
AlphaDelta Tactical Growth Class	\$ 18,983	\$ 19,210
AlphaDelta Canadian Dividend Income Class	33,697	9,153
AlphaDelta Global Dividend Income Class	13,424	21,462

During the year, ADM reimbursed the Funds for certain operating expenses incurred. This reimbursement is at the discretion of ADM. The amounts reimbursed were as follows:

	2022	2021
AlphaDelta Tactical Growth Class	\$ -	\$ -
AlphaDelta Canadian Dividend Income Class	105,224	62,363
AlphaDelta Global Dividend Income Class	72,654	76,655

The following amounts are receivable from ADM as at December 31:

	2022	2021
AlphaDelta Tactical Growth Class	\$ 79,646	\$ 84,646
AlphaDelta Canadian Dividend Income Class	195,500	106,276
AlphaDelta Global Dividend Income Class	233,240	289,586

# Qwest Funds Corp.

## Notes to Financial Statements

Years ended December 31, 2022 and 2021

### 4. Related party transactions (continued):

#### (b) Other related party transactions (continued):

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:

	2022	2021
AlphaDelta Tactical Growth Class	\$ 1,167	\$ 1,106
AlphaDelta Canadian Dividend Income Class	12,237	5,647
AlphaDelta Global Dividend Income Class	15,494	18,600

### 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 Dividend Income Class	A, F, G, H and I
AlphaDelta Global Dividend Income Class	A1, F, G, H and I

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.

# Qwest Funds Corp.

Notes to Financial Statements

Years ended December 31, 2022 and 2021

## 5. Redeemable shares (continued):

The share transactions for the Funds during the year ended December 31 are as follows:

	Redeemable shares, beginning of year	Redeemable shares issued	Redemption of redeemable shares	Reinvestment of distributions	Redeemable shares, end of year
<b>2022</b>					
<b>AlphaDelta Tactical Growth Class:</b>					
Series A	114,062	—	(4,931)	374	109,505
Series F	716,706	28,452	(158,507)	2,004	588,655
Series I	207,374	1,513	(57,212)	519	152,194
<b>AlphaDelta Canadian Dividend Income Class:</b>					
Series A	38,571	2,461	(2,125)	1,422	40,329
Series F	46,594	3,174	(8,914)	1,502	42,356
Series G	1,647	51,189	(810)	672	52,698
Series H	39,381	3,627	(3,292)	1,562	41,278
Series I	316,201	472,548	(61,759)	11,348	738,338
<b>AlphaDelta Global Dividend Income Class:</b>					
Series A	92,483	—	(22,053)	2,328	72,758
Series A1	1,032	1,836	—	7	2,875
Series F	34,069	375,626	(12,208)	2,131	399,618
Series G	647,893	912,762	(130,893)	16,684	1,446,446
Series H	4,163	1,130	(2,215)	168	3,246
Series I	277,995	204,287	(67,969)	10,910	425,223

# Qwest Funds Corp.

Notes to Financial Statements

Years ended December 31, 2022 and 2021

## 5. Redeemable shares (continued):

2021	Redeemable shares, beginning of year	Redeemable shares issued	Redemption of redeemable shares	Reinvestment of distributions	Redeemable shares, end of year
<b>AlphaDelta Tactical</b>					
<b>Growth Class:</b>					
Series A	135,131	5,668	(26,852)	115	114,062
Series F	706,613	104,440	(95,068)	721	716,706
Series I	201,754	15,460	(10,049)	209	207,374
<b>AlphaDelta Canadian Dividend Income Class:</b>					
Series A	70	38,841	(1,202)	862	38,571
Series F	70	48,687	(3,259)	1,096	46,594
Series G	70	1,545	—	32	1,647
Series H	70	38,547	(71)	835	39,381
Series I	61,175	297,999	(46,539)	3,566	316,201
<b>AlphaDelta Global Dividend Income Class:</b>					
Series A	115,071	75	(25,658)	2,995	92,483
Series A1	3,275	—	(2,249)	6	1,032
Series F	52,276	13,943	(33,167)	1,017	34,069
Series G	673,425	25,876	(62,479)	11,071	647,893
Series H	179	3,892	—	92	4,163
Series I	36,672	240,682	(4,237)	4,878	277,995

## 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 year ended December 31, include the following:

Fund name	2022	2021
AlphaDelta Tactical Growth Class	94,585	116,507
AlphaDelta Canadian Dividend Income Class	6,037	4,242
AlphaDelta Global Dividend Income Class	11,821	4,065

There were no ascertainable soft dollar amounts received during the year (2021 - nil).



# Qwest Funds Corp.

## Notes to Financial Statements

Years ended December 31, 2022 and 2021

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### 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.

(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.

# Qwest Funds Corp.

## Notes to Financial Statements

Years ended December 31, 2022 and 2021

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### 8. Financial risk management (continued):

#### (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.

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.

# Qwest Funds Corp.

## Notes to Financial Statements

Years ended December 31, 2022 and 2021

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### 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.

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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.

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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.

# Qwest Funds Corp.

## Notes to Financial Statements

Years ended December 31, 2022 and 2021

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### 9. Fair value of financial instruments (continued):

#### (a) Valuation models (continued):

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

Years ended December 31, 2022 and 2021

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### 9. Fair value of financial instruments (continued):

#### (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, receivables from investments sold, dividends receivable, subscriptions receivable, due from related parties, prepaid expenses, distribution payable, management fees payable, redemptions payable, payables for 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.

### 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, 2022, the Corporation had unrecognized non-capital losses of approximately \$4,139,693 (2021 - \$3,971,350) available for utilization against taxable income in future years. The Corporation had unrecognized capital losses available at December 31, 2022 of approximately \$10,508,785 (2021 - \$8,708,630). Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income.

# Qwest Funds Corp.

Notes to Financial Statements

Years ended December 31, 2022 and 2021

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## 11. Income taxes (continued):

The non-capital losses expire as follows:

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2042	\$ 168,343
2041	109,626
2040	556,236
2039	-
2038	190,365
2037	-
2036	525,370
2035	524,234
2034	389,415
2033	722,898
2032	953,206
	<hr/>
	\$ 4,139,693

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