

Financial Statements of

QWEST FUNDS CORP.

And Independent Auditors' Report thereon

Years ended December 31, 2023 and 2022



KPMG LLP

PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

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, 2023 and 2022
- 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 material accounting policy information

(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, 2023 and December 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

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 Report on 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 IFRS Accounting Standards, 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada

March 28, 2024

AlphaDelta Tactical Growth Class

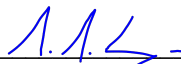
Statements of Financial Position December 31, 2023 and 2022

| | 2023 | 2022 |
|--|---------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 351,576 | \$ 5,835,630 |
| Dividends receivable | 36,066 | 1,472 |
| Due from related parties (note 4) | 79,646 | 79,646 |
| Receivable for investment sold | 571,541 | - |
| Prepaid expenses | 13,037 | 9,470 |
| Investments | 8,720,972 | 4,667,429 |
| | <u>9,772,838</u> | <u>10,593,647</u> |
| LIABILITIES | | |
| Current liabilities | | |
| Distribution payable | - | 8 |
| Accounts payable and accrued liabilities | 47,340 | 55,215 |
| Management fees payable (note 4) | 14,845 | 15,851 |
| | <u>62,185</u> | <u>71,074</u> |
| Net assets attributable to holders of redeemable shares | <u>\$ 9,710,653</u> | <u>\$ 10,522,573</u> |
| Net assets attributable to holders of redeemable shares per series: | | |
| Series A | \$ 1,253,818 | \$ 1,261,439 |
| Series F | 6,879,652 | 7,278,230 |
| Series I | 1,577,183 | 1,982,904 |
| | <u>\$ 9,710,653</u> | <u>\$ 10,522,573</u> |
| Number of redeemable shares outstanding: (note 5) | | |
| Series A | 104,067 | 109,505 |
| Series F | 526,435 | 588,655 |
| Series I | 113,640 | 152,194 |
| Net assets attributable to holders of redeemable shares per share: | | |
| Series A | \$ 12.05 | \$ 11.52 |
| Series F | 13.07 | 12.36 |
| Series I | 13.88 | 13.03 |

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, 2023 and 2022

| | 2023 | 2022 |
|---|-------------------|-----------------------|
| Income | | |
| Dividend income | \$ 112,329 | \$ 78,404 |
| Interest income | 104,360 | 48,602 |
| Foreign exchange gain on cash | 8,940 | 301,973 |
| Net realized gain (loss) on sale of investments | 557,406 | (2,085,673) |
| Change in unrealized appreciation of investments | 119,884 | 842,039 |
| | <u>902,919</u> | <u>(814,655)</u> |
| Expenses | | |
| Management fees (note 4) | 150,798 | 188,298 |
| Transaction costs (note 7) | 87,246 | 94,585 |
| Shareholder recordkeeping and fund accounting fees | 81,046 | 70,054 |
| Custodian fees | 22,341 | 17,859 |
| Audit | 19,345 | 33,931 |
| Filing fees | 17,976 | 21,954 |
| Foreign withholding taxes | 17,863 | 3,709 |
| Tax review fees | 10,770 | (5,835) |
| Translation fees | 5,723 | (6,542) |
| Legal fees | 4,443 | – |
| Independent review committee fees | 3,794 | 10,500 |
| Securityholder reports | 3,132 | 3,309 |
| Interest | 137 | 10,505 |
| Bank charges | (7) | (291) |
| | <u>424,607</u> | <u>442,036</u> |
| Increase (decrease) in net assets attributable to holders of redeemable shares | <u>\$ 478,312</u> | <u>\$ (1,256,691)</u> |
| Increase (decrease) in net assets attributable to holders of redeemable shares per series: | | |
| Series A | \$ 49,831 | \$ (147,740) |
| Series F | 349,005 | (870,066) |
| Series I | 79,476 | (238,885) |
| | <u>\$ 478,312</u> | <u>\$ (1,256,691)</u> |
| Increase (decrease) in net assets attributable to holders of redeemable shares per share: | | |
| Series A | \$ 0.47 | \$ (1.34) |
| Series F | 0.63 | (1.33) |
| Series I | 0.64 | (1.28) |

AlphaDelta Tactical Growth Class

Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares Years ended December 31, 2023 and 2022

| | 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 | Increase in net assets attributable to holders of redeemable shares | Net assets attributable to holders of redeemable shares, end of year |
|-------------|--|---|----------------------------------|---|--|---|--|
| 2023 | | | | | | | |
| Series A | \$ 1,261,439 | \$ — | \$ (57,452) | \$ — | \$ — | \$ 49,831 | \$ 1,253,818 |
| Series F | 7,278,230 | 320,800 | (1,068,383) | — | — | 349,005 | 6,879,652 |
| Series I | 1,982,904 | — | (485,197) | — | — | 79,476 | 1,577,183 |
| | <u>\$ 10,522,573</u> | <u>\$ 320,800</u> | <u>\$ (1,611,032)</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 478,312</u> | <u>\$ 9,710,653</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, 2023 were \$nil and \$nil, 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 |
|-------------|--|--|-----------------------------------|---|--|---|--|
| 2022 | | | | | | | |
| 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.

AlphaDelta Tactical Growth Class

Statements of Cash Flows

Years ended December 31, 2023 and 2022

| | 2023 | 2022 |
|--|--------------------|---------------------|
| Cash provided by (used in): | | |
| Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable shares | \$ 478,312 | \$ (1,256,691) |
| Adjustments for non-cash items | | |
| Foreign exchange gain on cash | (8,940) | (301,973) |
| Net realized (gain) loss on sale of investments | (557,406) | 2,085,673 |
| Change in unrealized appreciation of investments | (119,884) | (842,039) |
| Dividend income | (94,466) | (74,695) |
| Interest income | (104,360) | (48,602) |
| Interest expense | 137 | 10,505 |
| Change in non-cash balances | | |
| Due from related parties | - | 5,000 |
| Receivable for investment sold | (571,541) | - |
| Prepaid expenses | (3,567) | 2,709 |
| Accounts payable and accrued liabilities | (7,875) | (44,443) |
| Management fees payable | (1,006) | (4,948) |
| Dividend received | 59,872 | 73,223 |
| Interest received | 104,360 | 48,602 |
| Interest paid | (137) | (10,505) |
| Proceeds from sale of investments | 69,290,524 | 67,924,633 |
| Purchase of investments | (72,666,777) | (65,516,161) |
| Cash (used in) provided by operating activities | <u>(4,202,754)</u> | <u>2,050,288</u> |
| Financing Activities | | |
| Proceeds from redeemable shares issued | 320,800 | 344,620 |
| Redemption of redeemable shares | (1,611,032) | (2,825,682) |
| Distribution paid in cash | (8) | (43) |
| Cash used in financing activities | <u>(1,290,240)</u> | <u>(2,481,105)</u> |
| Decrease in cash during the year | (5,492,994) | (430,817) |
| Foreign exchange gain on cash | 8,940 | 301,973 |
| Cash, beginning of year | <u>5,835,630</u> | <u>5,964,474</u> |
| Cash, end of year | <u>\$ 351,576</u> | <u>\$ 5,835,630</u> |

AlphaDelta Tactical Growth Class

Schedule of Investment Portfolio as at December 31, 2023

Expressed in Canadian Dollars

| Description | Currency | Number of shares | Average cost | Fair value |
|---|----------|------------------|--------------|------------------|
| Investments owned (89.81%) | | | | |
| Equities (89.81%) | | | | |
| Basic Materials (6.89%) | | | | |
| Linde PLC | USD | 1,237 | 574,085 | 669,186 |
| Total Basic Materials | | | 574,085 | 669,186 |
| Communications (33.11%) | | | | |
| Amazon.com Inc. | USD | 3,340 | 634,222 | 670,102 |
| Arista Networks Inc. | USD | 2,000 | 599,553 | 621,958 |
| Booking Holdings Inc. | USD | 145 | 636,277 | 679,169 |
| Shopify Inc. | USD | 6,050 | 616,634 | 622,321 |
| TIM SA/Brazil | USD | 25,500 | 638,367 | 621,912 |
| Total Communications | | | 3,125,053 | 3,215,462 |
| Consumer, Cyclical (17.35%) | | | | |
| M/I Homes Inc. | USD | 2,855 | 419,060 | 519,264 |
| SkyWest Inc. | USD | 8,340 | 574,132 | 574,855 |
| Tesla Inc. | USD | 1,800 | 597,710 | 590,590 |
| Total Consumer, Cyclical | | | 1,590,902 | 1,684,709 |
| Funds (7.59%) | | | | |
| Amplify Transformational Data Sharing ETF | USD | 18,700 | 695,210 | 737,070 |
| Total Funds | | | 695,210 | 737,070 |
| Industrial (6.47%) | | | | |
| Garmin Ltd. | USD | 3,700 | 605,171 | 628,003 |
| Total Industrial | | | 605,171 | 628,003 |
| Technology (18.40%) | | | | |
| Apple Inc. | USD | 2,600 | 610,979 | 660,989 |
| MicroStrategy Inc. | USD | 800 | 553,956 | 667,218 |
| Twilio Inc. | USD | 4,575 | 405,043 | 458,335 |
| Total Technology | | | 1,569,978 | 1,786,542 |
| Total Equities | | | 8,160,399 | 8,720,972 |
| Total investments owned | | | 8,160,399 | 8,720,972 |
| Commissions and other portfolio transaction costs | | | (5,268) | — |
| Net investments owned (89.81%) | | | 8,155,131 | 8,720,972 |
| Cash (3.62%) | | | | 351,576 |
| Other assets, net (6.57%) | | | | 638,105 |
| Net Assets Attributable to Holders of Redeemable Shares (100%) | | | | 9,710,653 |

AlphaDelta Tactical Growth Class

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2023 and 2022

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, 2023 and 2022

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 |
|--|------------------------------|--|
| December 31, 2023 | | |
| U.S. Dollar | \$ 298,895 | \$ 14,945 |
| % of Net Assets Attributable to Holders of Redeemable Shares | 3.1 | 0.2 |
| December 31, 2022 | | |
| U.S. Dollar | \$ 5,776,369 | \$ 288,818 |
| % of Net Assets Attributable to Holders of Redeemable Shares | 54.9 | 2.7 |

AlphaDelta Tactical Growth Class

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2023 and 2022

1. Financial risk management (continued):

(c) Market risk (continued):

(iii) Other price risk:

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

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

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

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

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

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

The value of the Fund's investments are affected by both general market factors as well as specific company factors. If the value of the Fund's investments were to increase by 10%, the resulting impact on net assets would be \$872,097 (2022 - \$466,743).

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, 2023 and 2022. No exposure to any individual issuer exceeded 15% of the net assets attributable to the holders of redeemable shares either at December 31, 2023 and 2022.

AlphaDelta Tactical Growth Class

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2023 and 2022

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, 2023:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------|--------------|---------|---------|-----------|
| Assets | | | | |
| Investments - equities | \$ 8,720,972 | \$ – | \$ – | 8,720,972 |

December 31, 2022:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------|--------------|---------|---------|-----------|
| Assets | | | | |
| Investments - equities | \$ 4,667,429 | \$ – | \$ – | 4,667,429 |

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, 2023 and 2022.

AlphaDelta Canadian Dividend Income Class

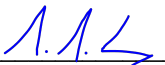
Statements of Financial Position December 31, 2023 and 2022

| | 2023 | 2022 |
|--|----------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 122,830 | \$ 429,709 |
| Dividends receivable | 58,690 | 54,708 |
| Subscriptions receivable | 220 | 250 |
| Prepaid expenses | 26,371 | 17,583 |
| Due from related parties (note 4) | 271,799 | 195,500 |
| Investments | 13,008,728 | 12,288,471 |
| | <u>13,488,638</u> | <u>12,986,221</u> |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 69,034 | 61,964 |
| Distribution payable | 24,007 | 22,668 |
| Management fees payable (note 4) | 4,658 | 3,438 |
| | <u>97,699</u> | <u>88,070</u> |
| Net assets attributable to holders of redeemable shares | <u>\$ 13,390,939</u> | <u>\$ 12,898,151</u> |
| Net assets attributable to holders of redeemable shares per series: | | |
| Series A | \$ 1,009,271 | \$ 763,234 |
| Series F | 926,982 | 820,412 |
| Series G | 854,320 | 1,028,518 |
| Series H | 1,296,051 | 787,283 |
| Series I | 9,304,315 | 9,498,704 |
| | <u>\$ 13,390,939</u> | <u>\$ 12,898,151</u> |
| Number of redeemable shares outstanding: (note 5) | | |
| Series A | 52,220 | 40,329 |
| Series F | 46,315 | 42,356 |
| Series G | 42,213 | 52,698 |
| Series H | 66,273 | 41,278 |
| Series I | 694,674 | 738,338 |
| Net assets attributable to holders of redeemable shares per share: | | |
| Series A | \$ 19.33 | \$ 18.93 |
| Series F | 20.01 | 19.37 |
| Series G | 20.24 | 19.52 |
| Series H | 19.56 | 19.07 |
| Series I | 13.39 | 12.86 |

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

Statements of Comprehensive Income

Years ended December 31, 2023 and 2022

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Income | | |
| Dividend income | \$ 595,343 | \$ 414,671 |
| Interest income | 17,015 | 3,779 |
| Foreign exchange gain (loss) on cash | 7,806 | (386) |
| Net realized gain on sale of investments | 92,874 | 147,986 |
| Change in unrealized appreciation (depreciation) of investments | 533,416 | (660,105) |
| Tax refunds | 471 | 33 |
| | <u>1,246,925</u> | <u>(94,022)</u> |
| Expenses | | |
| Shareholder recordkeeping and fund accounting fees | 91,178 | 74,915 |
| Management fees (note 4) | 58,452 | 46,942 |
| Audit | 33,882 | 36,265 |
| Filing fees | 20,396 | 25,738 |
| Custodian fees | 20,267 | 20,468 |
| Foreign withholding taxes | 15,318 | 22,940 |
| Legal fees | 13,428 | 7,651 |
| Tax review fees | 6,417 | 8,807 |
| Independent review committee fees | 6,256 | 7,346 |
| Transaction costs (note 7) | 4,670 | 6,037 |
| Securityholder reports | 4,529 | 4,934 |
| Translation fees | 2,977 | 6,606 |
| Interest | 421 | 33 |
| Bank charges | (588) | 717 |
| | <u>277,603</u> | <u>269,399</u> |
| Expenses reimbursements (note 4) | <u>(76,299)</u> | <u>(105,224)</u> |
| | <u>201,304</u> | <u>164,175</u> |
| Increase (decrease) in net assets attributable to holders of redeemable shares | <u>\$ 1,045,621</u> | <u>\$ (258,197)</u> |
| Increase (decrease) in net assets attributable to holders of redeemable shares per series: | | |
| Series A | \$ 52,826 | \$ (15,356) |
| Series F | 66,532 | (2,376) |
| Series G | 68,573 | (11,905) |
| Series H | 67,234 | (17,580) |
| Series I | 790,456 | (210,980) |
| | <u>\$ 1,045,621</u> | <u>\$ (258,197)</u> |
| Increase (decrease) in net assets attributable to holders of redeemable shares per share: | | |
| Series A | \$ 1.03 | \$ (0.40) |
| Series F | 1.51 | (0.05) |
| Series G | 1.42 | (0.83) |
| Series H | 1.10 | (0.41) |
| Series I | 1.07 | (0.36) |

AlphaDelta Canadian Dividend Income Class

Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares Years ended December 31, 2023 and 2022

| | 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 |
|-------------|--|---|----------------------------------|---|---|--|---|--|
| 2023 | | | | | | | | |
| Series A | \$ 763,234 | \$ 340,259 | \$ (145,807) | \$ (31,079) | \$ (11,850) | 41,688 | \$ 52,826 | \$ 1,009,271 |
| Series F | 820,412 | 107,000 | (62,940) | (27,054) | (10,315) | 33,347 | 66,532 | 926,982 |
| Series G | 1,028,518 | — | (242,771) | (29,238) | (11,147) | 40,385 | 68,573 | 854,320 |
| Series H | 787,283 | 507,446 | (65,913) | (37,716) | (14,380) | 52,097 | 67,234 | 1,296,051 |
| Series I | 9,498,704 | 2,292,208 | (3,069,467) | (300,333) | (114,512) | 207,259 | 790,456 | 9,304,315 |
| | <u>\$ 12,898,151</u> | <u>\$ 3,246,913</u> | <u>\$ (3,586,898)</u> | <u>\$ (425,420)</u> | <u>\$ (162,204)</u> | <u>\$ 374,776</u> | <u>\$ 1,045,621</u> | <u>\$ 13,390,939</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, 2023 were \$nil and \$nil, 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 | Decrease in net assets attributable to holders of redeemable shares | Net assets attributable to holders of redeemable shares, end of year |
|-------------|--|--|-----------------------------------|---|---|--|---|--|
| 2022 | | | | | | | | |
| 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.

AlphaDelta Canadian Dividend Income Class

Statements of Cash Flows

Years ended December 31, 2023 and 2022

| | 2023 | 2022 |
|--|-------------------|--------------------|
| Cash provided by (used in): | | |
| Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable shares | \$ 1,045,621 | \$ (258,197) |
| Adjustments for non-cash items | | |
| Foreign exchange (gain) loss on cash | (7,806) | 386 |
| Net realized gain on sale of investments | (92,874) | (147,986) |
| Change in unrealized (appreciation) depreciation of investments | (533,416) | 660,105 |
| Dividend income | (580,025) | (391,731) |
| Interest income | (17,015) | (3,779) |
| Interest expense | 421 | 33 |
| Change in non-cash balances | | |
| Prepaid expenses | (8,788) | (2,636) |
| Due from related parties | (76,299) | (89,224) |
| Accounts payable and accrued liabilities | 7,070 | 33,246 |
| Management fees payable | 1,220 | 548 |
| Dividend received | 576,043 | 363,425 |
| Interest received | 17,015 | 3,779 |
| Interest paid | (421) | (33) |
| Proceeds from sale of investments | 3,044,925 | 593,046 |
| Purchase of investments | (3,138,892) | (6,925,755) |
| Cash provided by (used in) operating activities | <u>236,779</u> | <u>(6,164,773)</u> |
| Financing Activities | | |
| Proceeds from redeemable shares issued | 3,246,943 | 7,572,556 |
| Redemption of redeemable shares | (3,586,898) | (1,030,936) |
| Distribution paid in cash | (211,509) | (140,169) |
| Cash (used in) provided by financing activities | <u>(551,464)</u> | <u>6,401,451</u> |
| (Decrease) increase in cash during the year | (314,685) | 236,678 |
| Foreign exchange gain (loss) on cash | 7,806 | (386) |
| Cash, beginning of year | 429,709 | 193,417 |
| Cash, end of year | <u>\$ 122,830</u> | <u>\$ 429,709</u> |

AlphaDelta Canadian Dividend Income Class
Schedule of Investment Portfolio as at December 31, 2023
Expressed in Canadian Dollars

| Description | Currency | Number of shares | Average cost | Fair value |
|--|----------|------------------|--------------|------------|
| Investments owned (97.14%) | | | | |
| Equities (97.14%) | | | | |
| Basic Materials (6.15%) | | | | |
| Cascades Inc. | CAD | 7,000 | 95,472 | 89,110 |
| DuPont de Nemours Inc. | USD | 1,000 | 94,555 | 101,582 |
| Nutrien Ltd. | CAD | 4,100 | 354,877 | 306,065 |
| Russel Metals Inc. | CAD | 4,700 | 147,565 | 211,641 |
| The Chemours Co. | USD | 2,800 | 111,231 | 116,612 |
| Total Basic Materials | | | 803,700 | 825,010 |
| Communications (4.85%) | | | | |
| Cisco Systems Inc. | USD | 2,300 | 150,144 | 153,431 |
| Corning Inc. | USD | 2,500 | 113,157 | 100,519 |
| TELUS Corp. | CAD | 16,800 | 463,255 | 396,144 |
| Total Communications | | | 726,556 | 650,094 |
| Consumer, Cyclical (4.74%) | | | | |
| Exchange Income Corp. | CAD | 7,500 | 321,984 | 338,250 |
| Westshore Terminals Investment Corp. | CAD | 10,800 | 262,761 | 296,136 |
| Total Consumer, Cyclical | | | 584,745 | 634,386 |
| Consumer, Non-cyclical (11.12%) | | | | |
| Corby Spirit and Wine Ltd. | CAD | 7,000 | 104,741 | 91,490 |
| CVS Health Corp. | USD | 1,900 | 196,065 | 198,099 |
| Diageo PLC | USD | 800 | 191,452 | 153,869 |
| Gilead Sciences Inc. | USD | 900 | 80,801 | 96,273 |
| Jamieson Wellness Inc. | CAD | 4,000 | 104,690 | 126,920 |
| Johnson & Johnson | USD | 1,400 | 294,790 | 289,754 |
| McGrath RentCorp | USD | 500 | 54,078 | 78,976 |
| Medtronic PLC | USD | 2,000 | 250,317 | 217,557 |
| The North West Co Inc. | CAD | 6,000 | 206,792 | 235,620 |
| Total Consumer, Non-cyclical | | | 1,483,726 | 1,488,558 |

AlphaDelta Canadian Dividend Income Class

Schedule of Investment Portfolio as at December 31, 2023 (continued)

Expressed in Canadian Dollars

| Description | Currency | Number of shares | Average cost | Fair value |
|------------------------------------|----------|------------------|------------------|------------------|
| Energy (18.61%) | | | | |
| Canadian Natural Resources Ltd. | CAD | 4,600 | 258,436 | 399,326 |
| Enbridge Inc. | CAD | 11,000 | 555,979 | 524,700 |
| Gibson Energy Inc. | CAD | 14,500 | 336,488 | 291,885 |
| Parkland Corp. | CAD | 8,800 | 295,724 | 375,848 |
| Pioneer Natural Resources Co. | USD | 500 | 156,520 | 148,471 |
| TC Energy Corp. | CAD | 7,600 | 465,148 | 393,376 |
| Tourmaline Oil Corp. | CAD | 4,000 | 259,710 | 238,360 |
| Valero Energy Corp. | USD | 700 | 73,773 | 120,161 |
| Total Energy | | | 2,401,778 | 2,492,127 |
| Financial (22.21%) | | | | |
| Canadian Imperial Bank of Commerce | CAD | 9,200 | 620,839 | 586,960 |
| Chartwell Retirement Residences | CAD | 30,500 | 305,330 | 357,460 |
| Citizens Financial Group Inc. | USD | 3,300 | 156,001 | 144,407 |
| Healthcare Realty Trust Inc. | USD | 6,000 | 165,863 | 136,508 |
| Intact Financial Corp. | CAD | 1,500 | 261,494 | 305,790 |
| Power Corp of Canada | CAD | 12,500 | 462,655 | 473,625 |
| Royal Bank of Canada | CAD | 3,700 | 471,586 | 495,800 |
| The Bank of Nova Scotia | CAD | 6,700 | 526,040 | 432,150 |
| The Progressive Corp. | USD | 200 | 23,856 | 42,064 |
| Total Financial | | | 2,993,664 | 2,974,764 |
| Industrial (18.25%) | | | | |
| Bird Construction Inc. | CAD | 38,000 | 320,945 | 547,201 |
| Cummins Inc. | USD | 400 | 110,718 | 126,536 |
| Evertz Technologies Ltd. | CAD | 14,600 | 199,231 | 203,378 |
| Hillenbrand Inc. | USD | 1,800 | 101,093 | 113,730 |
| Huntington Ingalls Industries Inc. | USD | 650 | 172,182 | 222,847 |
| Johnson Controls International plc | USD | 1,700 | 138,165 | 129,388 |
| Lockheed Martin Corp. | USD | 550 | 282,639 | 329,164 |
| Mullen Group Ltd. | CAD | 25,600 | 327,185 | 359,424 |
| Neo Performance Materials Inc. | CAD | 17,000 | 246,132 | 129,710 |
| Rockwell Automation Inc. | USD | 150 | 49,589 | 61,496 |
| Waste Management Inc. | USD | 700 | 135,137 | 165,545 |
| WestRock Co. | USD | 1,000 | 60,122 | 54,825 |
| Total Industrial | | | 2,143,138 | 2,443,244 |

AlphaDelta Canadian Dividend Income Class

Schedule of Investment Portfolio as at December 31, 2023 (continued)

Expressed in Canadian Dollars

| Description | Currency | Number of shares | Average cost | Fair value |
|---|----------|------------------|--------------|-------------------|
| Technology (0.98%) | | | | |
| Microchip Technology Inc. | USD | 1,100 | 100,814 | 130,986 |
| Total Technology | | | 100,814 | 130,986 |
| Utilities (10.23%) | | | | |
| Brookfield Infrastructure Partners LP | CAD | 18,300 | 846,816 | 764,209 |
| Brookfield Renewable Partners LP | CAD | 10,500 | 420,857 | 365,506 |
| Fortis Inc. | CAD | 4,400 | 247,023 | 239,844 |
| Total Utilities | | | 1,514,696 | 1,369,559 |
| Total Equities | | | 12,752,817 | 13,008,728 |
| Total investments owned | | | 12,752,817 | 13,008,728 |
| Commissions and other portfolio transaction costs | | | (10,437) | – |
| Net investments owned (97.14%) | | | 12,742,380 | 13,008,728 |
| Cash (0.92%) | | | | 122,830 |
| Other assets, net (1.94%) | | | | 259,381 |
| Net Assets Attributable to Holders of Redeemable Shares (100%) | | | | 13,390,939 |

AlphaDelta Canadian Dividend Income Class

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2023 and 2022

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

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2023 and 2022

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 |
|--|------------------------------|--|
| December 31, 2023 | | |
| U.S. Dollar | \$ 3,184 | \$ 159 |
| % of Net Assets Attributable to Holders of Redeemable Shares | 0.0 | 0.0 |

| Currency | Exposure - Monetary Items | Impact if CAD strengthened or weakened by 5% in relation to other currencies |
|--|------------------------------|--|
| December 31, 2022 | | |
| U.S. Dollar | \$ 4,715 | \$ 236 |
| % of Net Assets Attributable to Holders of Redeemable Shares | 0.0 | 0.0 |

AlphaDelta Canadian Dividend Income Class

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2023 and 2022

1. Financial risk management (continued):

(c) Market risks (continued):

(ii) Other price risk:

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

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

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

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

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

The value of the Fund's investments are affected by both general market factors as well as specific company factors. If the value of the Fund's investments were to increase by 10%, the resulting impact on net assets would be \$1,300,873 (2022 - \$1,228,847).

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, 2023 and 2022. No exposure to any individual issuer exceeded 10% of the net assets attributable to the holders of redeemable shares at December 31, 2023 and 2022.

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

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2023 and 2022

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, 2023:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------|---------------|---------|---------|------------|
| Assets | | | | |
| Investments - equities | \$ 13,008,728 | \$ – | \$ – | 13,008,728 |

December 31, 2022:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------|---------------|---------|---------|------------|
| Assets | | | | |
| Investments - equities | \$ 12,288,471 | \$ – | \$ – | 12,288,471 |

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, 2023 and 2022.

AlphaDelta Global Dividend Income Class
Statements of Financial Position
December 31, 2023 and 2022

| | 2023 | 2022 |
|--|----------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 451,609 | \$ 4,083,256 |
| Receivable for investment sold | 217,449 | – |
| Dividends receivable | 73,101 | 93,305 |
| Subscriptions receivable | 7,200 | 1,800 |
| Due from related parties (note 4) | 293,715 | 233,240 |
| Prepaid expenses | 40,986 | 17,418 |
| Unrealized appreciation of forward contracts | 2,741 | 133,088 |
| Investments | 36,751,055 | 25,009,456 |
| | <u>37,837,856</u> | <u>29,571,563</u> |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 141,347 | 99,070 |
| Payable for investments purchased | 68,609 | 159,912 |
| Distribution payable | 44,238 | 49,107 |
| Management fees payable (note 4) | 13,934 | 10,568 |
| Redemptions payable | 700 | 950 |
| | <u>268,828</u> | <u>319,607</u> |
| Net assets attributable to holders of redeemable shares | \$ 37,569,028 | \$ 29,251,956 |
| Net assets attributable to holders of redeemable shares per series: | | |
| Series A | \$ 630,818 | \$ 795,365 |
| Series A1 | 275,443 | 43,628 |
| Series F | 4,865,148 | 4,560,891 |
| Series G | 24,550,507 | 18,188,866 |
| Series H | 86,931 | 50,227 |
| Series I | 7,160,181 | 5,612,979 |
| | <u>\$ 37,569,028</u> | <u>\$ 29,251,956</u> |
| Number of redeemable shares outstanding: (note 5) | | |
| Series A | 54,741 | 72,758 |
| Series A1 | 17,316 | 2,875 |
| Series F | 402,279 | 399,618 |
| Series G | 1,834,132 | 1,446,446 |
| Series H | 5,338 | 3,246 |
| Series I | 507,145 | 425,223 |

AlphaDelta Global Dividend Income Class
Statements of Financial Position (continued)
December 31, 2023 and 2022

| | | 2023 | | 2022 |
|---|----|-------------|----|-------------|
| Net assets attributable to holders of redeemable shares per share: | | | | |
| Series A | \$ | 11.52 | \$ | 10.93 |
| Series A1 | | 15.91 | | 15.17 |
| Series F | | 12.09 | | 11.41 |
| Series G | | 13.39 | | 12.57 |
| Series H | | 16.29 | | 15.47 |
| Series I | | 14.12 | | 13.20 |

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

Statements of Comprehensive Income Years ended December 31, 2023 and 2022

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Income | | |
| Dividend income | \$ 1,364,256 | \$ 771,690 |
| Interest income | 44,670 | 7,401 |
| Foreign exchange gain (loss) on cash | 37,451 | (5,814) |
| Net realized gain on sale of investments | 262,392 | 443,457 |
| Net realized loss on forward contracts | (102,452) | (704,541) |
| Change in unrealized appreciation (depreciation) of investments | 2,735,927 | (287,791) |
| Change in unrealized depreciation of forward contracts | (130,346) | (31,552) |
| Tax refunds | 206 | - |
| | <u>4,212,104</u> | <u>192,850</u> |
| Expenses | | |
| Management fees (note 4) | 170,203 | 79,041 |
| Foreign withholding taxes | 144,549 | 72,815 |
| Shareholder recordkeeping and fund accounting fees | 127,737 | 85,818 |
| Audit | 89,316 | 42,877 |
| Custodian fees | 37,670 | 30,463 |
| Legal fees | 27,174 | 2,584 |
| Tax review fees | 25,546 | 10,366 |
| Filing fees | 21,043 | 25,436 |
| Bank charges | 20,568 | 6,834 |
| Transaction costs (note 7) | 18,681 | 11,821 |
| Independent review committee fees | 13,271 | 12,506 |
| Translation fees | 9,310 | 6,798 |
| Securityholder reports | 6,871 | 6,239 |
| Interest | 2,047 | 1,946 |
| | <u>713,986</u> | <u>395,544</u> |
| Expenses reimbursements (note 4) | <u>(60,475)</u> | <u>(72,654)</u> |
| | <u>653,511</u> | <u>322,890</u> |
| Increase (decrease) in net assets attributable to holders of redeemable shares | <u>\$ 3,558,593</u> | <u>\$ (130,040)</u> |
| Increase (decrease) in net assets attributable to holders of redeemable shares per series: | | |
| Series A | \$ 65,551 | \$ 9,909 |
| Series A1 | 14,461 | (505) |
| Series F | 458,163 | (97,636) |
| Series G | 2,348,866 | (100,033) |
| Series H | 6,103 | 123 |
| Series I | 665,449 | 58,102 |
| | <u>\$ 3,558,593</u> | <u>\$ (130,040)</u> |
| Increase (decrease) in net assets attributable to holders of redeemable shares per share: | | |
| Series A | \$ 1.06 | \$ 0.13 |
| Series A1 | 1.19 | (0.42) |
| Series F | 1.08 | (1.55) |
| Series G | 1.49 | (0.12) |
| Series H | 1.84 | 0.03 |
| Series I | 1.42 | 0.16 |

AlphaDelta Global Dividend Income Class

Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares Years ended December 31, 2023 and 2022

| | 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 |
|-------------|--|---|----------------------------------|---|---|--|---|--|
| 2023 | | | | | | | | |
| Series A | \$ 795,365 | \$ – | \$ (222,840) | \$ (8,623) | \$ (17,708) | \$ 19,073 | \$ 65,551 | \$ 630,818 |
| Series A1 | 43,628 | 256,314 | (35,739) | (2,461) | (5,056) | 4,296 | 14,461 | 275,443 |
| Series F | 4,560,891 | 1,600,528 | (1,692,304) | (62,424) | (128,189) | 128,483 | 458,163 | 4,865,148 |
| Series G | 18,188,866 | 9,921,014 | (5,569,342) | (259,134) | (532,200) | 452,437 | 2,348,866 | 24,550,507 |
| Series H | 50,227 | 37,047 | (6,446) | (676) | (1,389) | 2,065 | 6,103 | 86,931 |
| Series I | 5,612,979 | 1,506,425 | (550,629) | (80,893) | (166,354) | 173,204 | 665,449 | 7,160,181 |
| | <u>\$ 29,251,956</u> | <u>\$ 13,321,328</u> | <u>\$ (8,077,300)</u> | <u>\$ (414,211)</u> | <u>\$ (850,896)</u> | <u>\$ 779,558</u> | <u>\$ 3,558,593</u> | <u>\$ 37,569,028</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, 2023 were \$1,323,003 and \$(1,323,003), 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 (decrease) in net assets attributable to holders of redeemable shares | Net assets attributable to holders of redeemable shares, end of year |
|-------------|--|--|-----------------------------------|---|---|--|--|--|
| 2022 | | | | | | | | |
| 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.

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

AlphaDelta Global Dividend Income Class
Statements of Cash Flows
Years ended December 31, 2023 and 2022

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Cash provided by (used in): | | |
| Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable shares | \$ 3,558,593 | \$ (130,040) |
| Adjustments for non-cash items | | |
| Foreign exchange (gain) loss on cash | (37,451) | 5,814 |
| Net realized gain on sale of investments | (262,392) | (443,457) |
| Change in unrealized (appreciation) depreciation of investments | (2,735,927) | 287,791 |
| Change in unrealized depreciation of forward contracts | 130,346 | 31,552 |
| Dividend income | (1,219,707) | (698,875) |
| Interest income | (44,670) | (7,401) |
| Interest expense | 2,047 | 1,946 |
| Change in non-cash balances | | |
| Receivable for investment sold | (217,449) | – |
| Due from related parties | (60,475) | 56,346 |
| Prepaid expenses | (23,568) | (2,478) |
| Accounts payable and accrued liabilities | 42,277 | (1,747) |
| Payable for investments purchased | (91,303) | 98,013 |
| Management fees payable | 3,366 | 6,096 |
| Dividend received | 1,239,911 | 625,262 |
| Interest received | 44,670 | 7,401 |
| Interest paid | (2,047) | (1,946) |
| Proceeds from sale of investments | 16,324,003 | 9,331,484 |
| Purchase of investments | <u>(25,067,282)</u> | <u>(20,976,285)</u> |
| Cash used in operating activities | <u>(8,417,058)</u> | <u>(11,810,524)</u> |
| Financing Activities | | |
| Proceeds from redeemable shares issued | 11,992,925 | 19,053,537 |
| Redemption of redeemable shares | (6,754,547) | (2,997,055) |
| Distribution paid in cash | <u>(490,418)</u> | <u>(261,961)</u> |
| Cash provided by financing activities | <u>4,747,960</u> | <u>15,794,521</u> |
| | | |
| (Decrease) increase in cash during the year | (3,669,098) | 3,983,997 |
| Foreign exchange gain (loss) on cash | 37,451 | (5,814) |
| Cash, beginning of year | <u>4,083,256</u> | <u>105,073</u> |
| Cash, end of year | <u>\$ 451,609</u> | <u>\$ 4,083,256</u> |

AlphaDelta Global Dividend Income Class
Schedule of Investment Portfolio as at December 31, 2023
Expressed in Canadian Dollars

| Description | Currency | Number of shares | Average cost | Fair value |
|--|----------|------------------|------------------|------------------|
| Investments owned (97.82%) | | | | |
| Equities (97.82%) | | | | |
| Communications (9.33%) | | | | |
| Cogeco Communications Inc. | CAD | 4,000 | 265,665 | 237,400 |
| Cogeco Inc. | CAD | 15,900 | 852,894 | 909,003 |
| Comcast Corp. | USD | 14,700 | 693,869 | 851,155 |
| Nexstar Media Group Inc. | USD | 4,200 | 819,626 | 869,318 |
| Nippon Telegraph & Telephone Corp. | USD | 9,400 | 305,103 | 378,139 |
| Quebecor Inc. | CAD | 8,200 | 241,899 | 258,464 |
| Total Communications | | | 3,179,056 | 3,503,479 |
| Consumer, Cyclical (6.56%) | | | | |
| Denso Corp. | USD | 17,000 | 316,952 | 335,323 |
| Lowe's Cos Inc. | USD | 1,200 | 262,134 | 352,639 |
| Magna International Inc. | CAD | 6,500 | 480,475 | 508,885 |
| Tapestry Inc. | USD | 4,000 | 145,056 | 194,423 |
| The Wendy's Co. | USD | 15,000 | 389,379 | 385,835 |
| Volkswagen AG | USD | 40,000 | 827,286 | 685,578 |
| Total Consumer, Cyclical | | | 2,421,282 | 2,462,683 |
| Consumer, Non-cyclical (16.52%) | | | | |
| Astellas Pharma Inc. | USD | 28,000 | 525,468 | 439,974 |
| Bristol-Myers Squibb Co. | USD | 16,500 | 1,397,503 | 1,117,913 |
| British American Tobacco PLC | USD | 8,300 | 400,459 | 321,011 |
| Cigna Corp. | USD | 2,800 | 991,998 | 1,107,145 |
| CVS Health Corp. | USD | 8,900 | 893,604 | 927,938 |
| Jamieson Wellness Inc. | CAD | 14,800 | 350,350 | 469,604 |
| Maple Leaf Foods Inc. | CAD | 12,000 | 276,456 | 302,880 |
| Medtronic PLC | USD | 2,050 | 213,757 | 222,996 |
| Merck & Co Inc. | USD | 5,100 | 597,591 | 734,173 |
| Novo Nordisk A/S | USD | 2,400 | 327,549 | 327,841 |
| Premium Brands Holdings Corp. | CAD | 2,500 | 223,698 | 235,075 |
| Total Consumer, Non-cyclical | | | 6,198,433 | 6,206,550 |

AlphaDelta Global Dividend Income Class
Schedule of Investment Portfolio as at December 31, 2023 (continued)
Expressed in Canadian Dollars

| Description | Currency | Number of shares | Average cost | Fair value |
|--|----------|---------------------|-------------------|-------------------|
| Energy (10.62%) | | | | |
| Canadian Natural Resources Ltd. | CAD | 6,700 | 473,689 | 581,627 |
| Diamondback Energy Inc. | USD | 1,800 | 303,515 | 368,596 |
| Enbridge Inc. | CAD | 21,200 | 1,009,051 | 1,011,240 |
| EOG Resources Inc. | USD | 1,200 | 182,152 | 191,650 |
| Marathon Petroleum Corp. | USD | 1,900 | 239,709 | 372,214 |
| Ovintiv Inc. | USD | 7,500 | 443,126 | 434,956 |
| TC Energy Corp. | CAD | 12,400 | 623,581 | 641,824 |
| Valero Energy Corp. | USD | 2,250 | 313,830 | 386,232 |
| Total Energy | | | 3,588,653 | 3,988,339 |
| Financial (36.14%) | | | | |
| American Tower Corp. | USD | 3,100 | 768,326 | 883,681 |
| Citigroup Inc. | USD | 4,200 | 281,693 | 285,281 |
| Corebridge Financial Inc. | USD | 11,000 | 249,966 | 314,610 |
| Crown Castle International Corp. | USD | 3,300 | 508,813 | 501,939 |
| CubeSmart | USD | 5,100 | 260,690 | 312,135 |
| Equitable Holdings Inc. | USD | 8,400 | 282,582 | 369,356 |
| Fiera Capital Corp. | CAD | 48,000 | 351,378 | 292,320 |
| iA Financial Corp Inc. | CAD | 4,700 | 324,920 | 424,551 |
| Innovative Industrial Properties Inc. | USD | 1,750 | 192,929 | 232,974 |
| KB Financial Group Inc. | USD | 7,800 | 415,158 | 426,091 |
| Legal & General Group PLC | USD | 19,500 | 391,759 | 421,250 |
| Manulife Financial Corp. | CAD | 38,200 | 913,095 | 1,118,496 |
| Morgan Stanley | USD | 5,800 | 534,840 | 714,165 |
| MS&AD Insurance Group Holdings Inc. | USD | 14,600 | 326,073 | 377,089 |
| ORIX Corp. | USD | 2,100 | 224,303 | 258,965 |
| Prologis Inc. | USD | 1,700 | 244,325 | 299,227 |
| Rexford Industrial Realty Inc. | USD | 3,300 | 227,638 | 244,455 |
| Shinhan Financial Group Co., Ltd. | USD | 10,400 | 438,575 | 422,692 |
| Sompo Holdings Inc. | USD | 7,800 | 225,537 | 251,823 |
| State Street Corp. | USD | 8,400 | 768,481 | 859,169 |
| Sumitomo Mitsui Financial Group Inc. | USD | 20,000 | 230,708 | 255,639 |
| The Bank of New York Mellon Corp. | USD | 9,100 | 542,555 | 625,438 |
| The Charles Schwab Corp. | USD | 4,100 | 301,783 | 372,473 |
| The Goldman Sachs Group Inc. | USD | 2,000 | 809,828 | 1,018,780 |
| The Hartford Financial Services Group Inc. | USD | 10,100 | 985,919 | 1,071,991 |
| Tokio Marine Holdings Inc. | USD | 16,000 | 402,480 | 526,490 |
| UDR Inc. | USD | 4,800 | 243,789 | 242,688 |
| Unum Group | USD | 3,100 | 122,072 | 185,103 |
| VICI Properties Inc. | USD | 6,500 | 266,207 | 273,624 |
| Total Financial | | | 11,836,422 | 13,582,495 |

AlphaDelta Global Dividend Income Class
Schedule of Investment Portfolio as at December 31, 2023 (continued)
Expressed in Canadian Dollars

| Description | Currency | Number of shares | Average cost | Fair value |
|--|----------|---------------------|--------------|-------------------|
| Industrial (1.23%) | | | | |
| Aecon Group Inc. | CAD | 20,000 | 224,891 | 261,399 |
| FedEx Corp. | USD | 600 | 169,029 | 200,421 |
| Total Industrial | | | 393,920 | 461,820 |
| Technology (9.80%) | | | | |
| ASML Holding NV | USD | 410 | 293,529 | 409,785 |
| Broadcom Inc. | USD | 740 | 404,193 | 1,090,725 |
| Microchip Technology Inc. | USD | 1,550 | 136,893 | 184,571 |
| NXP Semiconductor NV | USD | 1,700 | 379,729 | 515,578 |
| QUALCOMM Inc. | USD | 1,950 | 323,726 | 372,405 |
| Skyworks Solutions Inc. | USD | 1,750 | 237,609 | 259,779 |
| Taiwan Semiconductor Manufacturing Co., Ltd. | USD | 4,400 | 469,536 | 604,238 |
| Tokyo Electron Ltd. | USD | 2,100 | 174,248 | 246,348 |
| Total Technology | | | 2,419,463 | 3,683,429 |
| Utilities (7.62%) | | | | |
| Brookfield Infrastructure Partners LP | CAD | 27,500 | 1,015,449 | 1,148,400 |
| Brookfield Renewable Partners LP | CAD | 19,000 | 584,286 | 661,390 |
| Enel SpA | USD | 70,000 | 546,144 | 683,531 |
| NextEra Energy Inc. | USD | 4,600 | 340,736 | 368,939 |
| Total Utilities | | | 2,486,615 | 2,862,260 |
| Total Equities | | | 32,523,844 | 36,751,055 |
| Total investments owned | | | 32,523,844 | 36,751,055 |
| Commissions and other portfolio transaction costs | | | (13,851) | – |
| Net investments owned (97.82%) | | | 32,509,993 | 36,751,055 |
| Unrealized gain, foreign exchange forward contracts (schedule 1) (0.01%) | | | | 2,741 |
| Cash (1.20%) | | | | 451,609 |
| Other assets, net (0.97%) | | | | 363,623 |
| Net Assets Attributable to Holders of Redeemable Shares (100%) | | | | 37,569,028 |

AlphaDelta Global Dividend Income Class
Schedule of Investment Portfolio as at December 31, 2023 (continued)
Expressed in Canadian Dollars

Schedule 1

| Foreign exchange forward contracts as at December 31, 2023 | | | | | | |
|--|-----------------|---|-------------------------|---|-------------------|-------------------|
| Currency to be delivered | | | Currency to be received | | | |
| Settlement date | Face value US\$ | Fair value as at December 31, 2023 CA\$ | Face value CA\$ | Fair value as at December 31, 2023 US\$ | Contract price \$ | Appreciation CA\$ |
| January 19, 2024 | (3,900,000) | (5,151,193) | 5,148,452 | 5,148,452 | 1.32082 | 2,741 |

AlphaDelta Global Dividend Income Class

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2023 and 2022

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, 2023, the on-balance sheet exposures to credit risk is \$(5,148,452) (2022 - \$(12,179,070)).

(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 non-derivative financial liabilities are due within three months of the Fund's year end. The Fund's derivative liabilities for 2023 and 2022 settle within 30 days of the Fund's year end.

AlphaDelta Global Dividend Income Class

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2023 and 2022

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 |
|--|------------------------------|--|
| December 31, 2023 | | |
| U.S. Dollar | \$ (4,891,504) | \$ (244,575) |
| % of Net Assets Attributable to Holders of Redeemable Shares | (13.0) | (0.7) |
| December 31, 2022 | | |
| U.S. Dollar | \$ (10,250,018) | \$ (512,501) |
| % of Net Assets Attributable to Holders of Redeemable Shares | (35.0) | (1.8) |

AlphaDelta Global Dividend Income Class

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2023 and 2022

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 period-end spot rate less the CA\$ value of the US\$ cash balance at the period-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:

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

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

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

The value of the Fund's investments are affected by both general market factors as well as specific company factors. If the value of the Fund's investments were to increase by 10%, the resulting impact on net assets would be \$3,675,106 (2022 - \$2,500,946).

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, 2023 and 2022.

AlphaDelta Global Dividend Income Class

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2023 and 2022

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, 2023:

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------|---------------|----------|---------|---------------|
| Assets | | | | |
| Investments - equities | \$ 36,751,055 | \$ – | \$ – | \$ 36,751,055 |
| Derivatives - forward contracts | – | 2,741 | – | 2,741 |
| | \$ 36,751,055 | \$ 2,741 | \$ – | \$ 36,753,796 |

December 31, 2022:

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

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, 2023 and 2022.

Qwest Funds Corp.

Notes to Financial Statements

Years ended December 31, 2023 and 2022

| | |
|--|-----------|
| 1. Reporting Entity..... | 35 |
| 2. Basis Of Presentation | 36 |
| 3. Material Accounting Policy Information | 36 |
| 4. Related Party Transactions | 40 |
| 5. Redeemable Shares | 42 |
| 6. Commitments..... | 44 |
| 7. Brokerage Commissions And Soft Dollars..... | 44 |
| 8. Financial Risk Management | 45 |
| 9. Fair Value of Financial Instruments..... | 47 |
| 10. Capital Management..... | 49 |
| 11. Income Taxes | 49 |

Qwest Funds Corp.

Notes to Financial Statements

Years ended December 31, 2023 and 2022

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 Suite 702, 1030 West Georgia 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, 2023 and 2022

2. Basis of preparation:

(a) Statement of compliance:

These financial statements of the Funds have been prepared in compliance with IFRS Accounting Standards. These financial statements were authorized for issue by the Board of Directors of the Corporation, on March 28, 2024.

(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 Accounting Standards 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. Material accounting policy information:

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, 2023 and 2022

3. Material accounting policy information (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, 2023 and 2022

3. Material accounting policy information (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, 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, 2023 and 2022

3. Material accounting policy information (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, 2023 and 2022

3. Material accounting policy information (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.

(g) New accounting standards:

Effective January 1, 2023, the Funds adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2). The amendments require the disclosure of “material”, rather than “significant”, accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in this note in certain instances.

4. Related party transactions:

(a) Management fees:

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

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

Qwest Funds Corp.

Notes to Financial Statements

Years ended December 31, 2023 and 2022

4. Related party transactions (continued):

(a) Management fees (continued):

| | | 2023 | | 2022 |
|---|----|---------|----|---------|
| AlphaDelta Tactical Growth Class | \$ | 150,798 | \$ | 188,298 |
| AlphaDelta Canadian Dividend Income Class | | 58,452 | | 46,942 |
| AlphaDelta Global Dividend Income Class | | 170,203 | | 79,041 |

Management fees payable:

| | | 2023 | | 2022 |
|---|----|--------|----|--------|
| AlphaDelta Tactical Growth Class | \$ | 14,845 | \$ | 15,851 |
| AlphaDelta Canadian Dividend Income Class | | 4,658 | | 3,438 |
| AlphaDelta Global Dividend Income Class | | 13,934 | | 10,568 |

(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.

| | | 2023 | | 2022 |
|---|----|--------|----|--------|
| AlphaDelta Tactical Growth Class | \$ | 12,219 | \$ | 18,983 |
| AlphaDelta Canadian Dividend Income Class | | 29,731 | | 33,697 |
| AlphaDelta Global Dividend Income Class | | 45,205 | | 13,424 |

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:

| | | 2023 | | 2022 |
|---|----|--------|----|---------|
| AlphaDelta Tactical Growth Class | \$ | - | \$ | - |
| AlphaDelta Canadian Dividend Income Class | | 76,299 | | 105,224 |
| AlphaDelta Global Dividend Income Class | | 60,475 | | 72,654 |

The following amounts are receivable from ADM as at December 31, 2023 and 2022:

| | | 2023 | | 2022 |
|---|----|---------|----|---------|
| AlphaDelta Tactical Growth Class | \$ | 79,646 | \$ | 79,646 |
| AlphaDelta Canadian Dividend Income Class | | 271,799 | | 195,500 |
| AlphaDelta Global Dividend Income Class | | 293,715 | | 233,240 |

Qwest Funds Corp.

Notes to Financial Statements

Years ended December 31, 2023 and 2022

4. Related party transactions (continued):

(b) Other related party transactions (continued):

During the year, the Funds paid Heritage Bancrop Ltd. for administration fees incurred. The amounts incurred were as follows:

| | 2023 | 2022 |
|---|----------|------|
| AlphaDelta Tactical Growth Class | \$ 4,200 | \$ - |
| AlphaDelta Canadian Dividend Income Class | 4,200 | - |
| AlphaDelta Global Dividend Income Class | 4,200 | - |

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:

| | 2023 | 2022 |
|---|--------|----------|
| AlphaDelta Tactical Growth Class | \$ 609 | \$ 1,167 |
| AlphaDelta Canadian Dividend Income Class | 12,316 | 12,237 |
| AlphaDelta Global Dividend Income Class | 22,199 | 15,494 |

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

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

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

The minimum initial investment in each of the Funds is \$1,000, except for Series G and H shares where the minimum initial investment is \$25,000 or, at the discretion of the Manager.

Qwest Funds Corp.

Notes to Financial Statements

Years ended December 31, 2023 and 2022

5. Redeemable shares (continued):

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

| 2023 | Redeemable shares, beginning of year | Redeemable shares issued | Redemption of redeemable shares | Reinvestment of distributions | Redeemable shares, end of year |
|---|--------------------------------------|--------------------------|---------------------------------|-------------------------------|--------------------------------|
| AlphaDelta Tactical Growth Class: | | | | | |
| Series A | 109,505 | – | (5,438) | – | 104,067 |
| Series F | 588,655 | 25,837 | (88,057) | – | 526,435 |
| Series I | 152,194 | – | (38,554) | – | 113,640 |
| AlphaDelta Canadian Dividend Income Class: | | | | | |
| Series A | 40,329 | 17,307 | (7,619) | 2,203 | 52,220 |
| Series F | 42,356 | 5,460 | (3,210) | 1,709 | 46,315 |
| Series G | 52,698 | – | (12,534) | 2,049 | 42,213 |
| Series H | 41,278 | 25,696 | (3,428) | 2,727 | 66,273 |
| Series I | 738,338 | 175,687 | (235,272) | 15,921 | 694,674 |
| AlphaDelta Global Dividend Income Class: | | | | | |
| Series A | 72,758 | – | (19,733) | 1,716 | 54,741 |
| Series A1 | 2,875 | 16,492 | (2,333) | 282 | 17,316 |
| Series F | 399,618 | 138,153 | (146,542) | 11,050 | 402,279 |
| Series G | 1,446,446 | 783,950 | (431,497) | 35,233 | 1,834,132 |
| Series H | 3,246 | 2,358 | (397) | 131 | 5,338 |
| Series I | 425,223 | 110,329 | (41,218) | 12,811 | 507,145 |

Qwest Funds Corp.

Notes to Financial Statements

Years ended December 31, 2023 and 2022

5. Redeemable shares (continued):

| 2022 | Redeemable shares, beginning of year | Redeemable shares issued | Redemption of redeemable shares | Reinvestment of distributions | Redeemable shares, end of year |
|---|--------------------------------------|--------------------------|---------------------------------|-------------------------------|--------------------------------|
| AlphaDelta Tactical Growth Class: | | | | | |
| 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 |
| AlphaDelta Canadian Dividend Income Class: | | | | | |
| 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 |
| AlphaDelta Global Dividend Income Class: | | | | | |
| 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 |

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 | 2023 | 2022 |
|---|-----------|-----------|
| AlphaDelta Tactical Growth Class | \$ 87,246 | \$ 94,585 |
| AlphaDelta Canadian Dividend Income Class | 4,670 | 6,037 |
| AlphaDelta Global Dividend Income Class | 18,681 | 11,821 |

There were no ascertainable soft dollar amounts received during the year (2022 - nil).

Qwest Funds Corp.

Notes to Financial Statements

Years ended December 31, 2023 and 2022

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, 2023 and 2022

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, 2023 and 2022

9. Fair value of financial instruments:

(a) Valuation models:

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

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

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

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

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

Level 3 - inputs that are unobservable.

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, 2023 and 2022

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, 2023 and 2022

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, 2023, the Corporation had unrecognized non-capital losses of approximately \$4,047,912 (2022 - \$4,139,693) available for utilization against taxable income in future years. The Corporation had unrecognized capital losses available at December 31, 2023 of approximately \$10,671,182 (2022 - \$10,508,785). 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, 2023 and 2022

11. Income taxes (continued):

The non-capital losses expire as follows:

| | | |
|------|----|------------------|
| 2042 | \$ | 97,969 |
| 2041 | | 109,626 |
| 2040 | | 556,236 |
| 2039 | | - |
| 2038 | | 190,365 |
| 2037 | | - |
| 2036 | | 525,370 |
| 2035 | | 524,234 |
| 2034 | | 389,415 |
| 2033 | | 722,898 |
| 2032 | | 931,799 |
| | \$ | <u>4,047,912</u> |
