



AlphaDelta Tactical Growth Class
(formerly AlphaDelta Global Value Class)

Financial Statements
December 31, 2015



March 29, 2016

Independent Auditor's Report

**To the Shareholders of
Qwest Funds Corp.**

AlphaDelta Tactical Growth Class (formerly AlphaDelta Global Value Class) (the "Fund")

We have audited the accompanying financial statements of the Fund, which comprise the statement of financial position as at December 31, 2015 and the statements of changes in net assets attributable to holders of redeemable shares and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

AlphaDelta Tactical Growth Class

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Statement of Financial Position

As at December 31, 2015

	\$
Assets	
Cash	<u>10</u>
Liabilities	
Net assets attributable to holder of redeemable share	<u>10</u>
Net assets attributable to holder of redeemable Series A share	<u>10</u>
Number of Series A shares outstanding	1
Net assets attributable to holder of redeemable share per Series A share (note 2)	10

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



Maurice Levesque
Director



Chris Harrison
Director

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

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

For the year ended December 31, 2015

	\$
Net assets attributable to holder of redeemable share - Beginning of the year	-
Shareholder transactions	
Proceeds from issuance of Series A share	10
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Net assets attributable to holder of redeemable share - End of the year	10
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Net assets attributable to holder of redeemable Series A share - End of the year	10

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Statement of Cash Flows

For the year ended December 31, 2015

	\$
Cash flows from financing activities	
Proceeds from issuance of Series A share	10
Increase in cash	10
Cash - Beginning of the year	-
Cash - End of the year	10

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Notes to Financial Statements

December 31, 2015

1 General

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 802, 750 West Pender Street, Vancouver, British Columbia V6C 2T8. The authorized capital of the Corporation consists of an unlimited number of Class A shares, Class B shares and special shares. Currently, there are three classes of special shares that are in operation – the AlphaDelta Canadian Prosperity Class (the “ADCPC”), AlphaDelta Growth of Dividend Income Class (the “ADGDI” Class) and Qwest Energy Canadian Resource Class (the “QECRC” Class); however, the Corporation may offer additional classes of special shares in the future. The Corporation’s ultimate controlling party is Qwest Investment Management Corp. 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 Fund. The Manager is responsible for providing portfolio management services to the Funds, and 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.

As at December 31, 2015, the AlphaDelta Tactical Growth Class (formerly AlphaDelta Global Value Class) (the “Fund”) had not commenced operations. During the year, cash held by the Fund was not in an interest bearing account and no income was earned by the Fund. Expenses of the Fund were paid directly by ADM. Accordingly, since there have been no operations during the period, a statement of comprehensive income is not presented in the financial statements.

The financial statements were authorized for issue by the Board of Directors of the Corporation, on March 17, 2016.

2 Shares authorized and outstanding

The Fund is authorized to issue an unlimited number of multiple series of special shares that rank equally and are offered for sale under a simplified prospectus. The Fund is offering an A Series, F Series and I Series of special shares.

In accordance with the requirements of Part 3 of National Instrument 81-102, the Fund is being offered on a best efforts basis. During the initial offering distribution year, the issue price per share will be fixed at \$10.

The Fund will begin to issue and redeem shares at its net asset value (“NAV”) per share only after it has received subscriptions from arm’s length investors aggregating \$500,000. \$Nil subscriptions from non-related party investors have been received as at December 31, 2015.

As at December 31, 2015, the Fund has issued one share for \$10 cash to the Manager.

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3 Significant accounting policies

Basis of preparation and statement of compliance

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”).

In applying IFRS, management may make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the statement of financial position of the Fund. These estimates are based on information available at the date of the statement of financial position of the Fund. Actual results could differ from those estimates. The statement of financial position of the Fund has been prepared on a historical cost basis.

Financial Instruments

The Fund recognizes financial instruments at fair value upon initial recognition. Regular way purchases and sales of financial assets are recognized on the trade date.

Cash comprises a deposit with a financial institution.

The Fund’s obligation for net assets attributable to holders of redeemable units is presented at the redemption amount.

Functional and presentation currency

The Canadian dollar is the functional and presentation currency for the Fund.

Valuation of shares for transaction purposes

The Net Asset Value (defined below) per share of a series of the Fund on any day will be obtained by dividing the Net Asset Value of that series on such day by the number of shares of that series then outstanding. As used herein, (i) “Net Asset Value” means the NAV of the Fund determined by subtracting the aggregate liabilities of the Fund from the Total Assets on the date on which the calculation is being made; and (ii) “Total Assets” means the aggregate value of the assets of the Fund.

Classification of redeemable shares

The Fund’s outstanding redeemable shares’ entitlements include a constructive obligation to distribute any Canadian dividends and net realized capital gains annually. The Fund’s outstanding redeemable shares’ entitlements also include a contractual redemption feature. Consequently, the Fund’s outstanding redeemable shares are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32, *Financial Instruments: Presentation*.

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Capital management

Shares issued and outstanding represent the capital of the Fund. The Fund is authorized to issue an unlimited number of Series A, Series F and Series I shares. Shareholders are entitled to distributions when they hold shares of the Fund on its distribution record date. The Manager manages the portfolio assets of Fund in accordance with the Fund's investment objective, including managing the liquidity of the Fund.

4 Fair value

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 carrying values of cash and the Fund's obligation for net assets attributable to holders of redeemable units approximate their fair values

5 Expenses

The Fund is responsible for all charges and expenses incurred in connection with its operations, including regulatory, printing, legal and audit expenses.

The Fund did not incur any expenses for the year ending December 31, 2015.

6 Management fee

The management fee is calculated at 2.5% per annum of the daily NAV of Series A shares and 1.5% per annum of the daily NAV of Series F shares, paid monthly.

The Manager did not charge any management fee for the year ended December 31, 2015.

7 Risks associated with financial instruments

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance.

Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at December 31, 2015, the credit risk is considered limited as the cash balance represents a deposit with an AA-rated financial institution.

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Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund maintains sufficient cash on hand to fund anticipated redemptions.

8 Capital risk management

Units issued and outstanding are considered to be the capital of the Fund. The Fund is authorized to issue an unlimited number of Series A, Series F and Series I shares. Shareholders are entitled to distributions when they hold shares of the Fund on its distribution record date. The Manager manages the portfolio assets of the Fund in accordance with the Fund's investment objective, including managing the liquidity of the Fund.

The Fund does not have any specific capital requirements on the subscription and redemption of units, other than certain minimum subscription requirements. The minimum initial investment is \$1,000.

9 Subsequent event

On January 15, 2016, the Manager of the Fund, announced that the name of the Fund had been changed to the "AlphaDelta Tactical Growth Class" and the fundamental investment objective and strategies of the Fund have changed. The Sub-Advisor for the Fund has been changed to Aventine Management Group Inc. of Toronto, Ontario.