



AlphaDelta Tactical Growth Class

2016 Annual Management
Report of Fund Performance

AlphaDelta Tactical Growth Class

(formerly AlphaDelta Global Value Class)

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This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of AlphaDelta Tactical Growth Class (formerly AlphaDelta Global Value Class) (the “Fund”). You can get a copy of the financial statements at no cost in the following ways; by calling us at (604) 602-1142 or 1-866-602-1142; by writing to us at Qwest Investment Fund Management Ltd., Suite 802, 750 West Pender Street, Vancouver, BC V6C 2T8; by e-mailing us at info@qwestfunds.com; by viewing the information on our website at www.qwestfunds.com; or by viewing the information on SEDAR at www.sedar.com.

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

Management Discussion of Fund Performance

Results of Operations

The Fund was seeded and struck its’ first net asset value on March 31, 2016, at \$10.00 per share for each of Series A and Series F Shares. On September 21, 2016, the Fund issued Series I Shares at \$10.00 per share. During the period ended December 31, 2016, the Fund issued 207,902 Series A shares, 609,351 Series F shares and 244,933 Series I shares and redeemed 11,695 Series A shares and 18,584 Series F shares. As at December 31, 2016, 196,401 Series A shares, 591,343 Series F shares and 245,172 Series I shares were outstanding. During the period ended December 31, 2016, the Fund realized an accounting loss of \$313,551 from the disposition of securities.

During the period from commencement of operations to December 31, 2016, the Fund earned dividend income of \$63,000. Total expenses before expense reimbursement was \$205,000 comprised mainly of \$74,000 in management fees (calculated daily at an annual rate of 2.5% of the NAV of Series A shares, 1.5% of the NAV of Series F shares and 0.75% of the NAV of Series I shares), \$34,000 in shareholder recordkeeping and fund accounting fees, \$33,000 in audit fees, \$19,000 in custodian fees and \$14,000 in transaction costs.

At December 31, 2016, net assets attributable to holders of redeemable shares for Series A shares was \$2,069,950 or \$10.54 per share, for Series F was \$6,280,870 or \$10.62 per share, and for Series I shares was \$2,617,395 or \$10.68 per share.

For the period from commencement of operations to December 31, 2016, \$10,505,486 of cash was received by the Fund. The Fund invested in accordance with the Fund’s investment objectives and strategies. A diversified portfolio of twenty equities was bought into the Fund. By December 31, 2016 the Fund was fully invested with investments spread across 30 stocks. The portfolio is well diversified by industry and at December 31, 2016 has representation in each S&P industry groups except for Energy.

BREXIT was an event that surprised the market and resulted in immediate weakness in the markets post vote. Unpredictable events such as this did have a short term effect on the fund. The weakness was short term in nature and the fund actually benefitted from BREXIT as it deployed cash in the downturn.

The Fund is 88% invested in the U.S. market hence the Net Asset Value (NAV) is negatively affected by a decline in the U.S. dollar and vice-versa. The Fund only reports in Canadian dollars so currency changes can affect the NAV positively or negatively. Currently the Fund has not hedged any U.S. dollar exposure.

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Recent Developments

U.S. GDP grew at a seasonally adjusted annual rate of 1.1% in the first quarter. Disappointments in U.S. GDP are a constant concern since the portfolio is mainly invested in the U.S. The 1.1% figure is a revised up number from 0.8% but the subdued pace does not give much cushion to vulnerabilities from global economic turmoil. Despite mediocre GDP the United States remains attractive and hence the fund's positioning is reflected in 27 of 30 positions being US domiciled.

There are no large changes to the strategic positioning of the Fund. The Fund has invested in some dividend yield paying stock with the view that interest rates will probably remain lower for longer than expectations.

The portfolio owns three stocks yielding over 4% (Bank of Nova Scotia, AT&T and Getty Realty). Although there are dividend paying stocks in the fund the focus is capital growth and six of the twenty five stocks pay no dividend.

Related Party Transactions

Pursuant to the amended and restated master management agreement, the Manager is entitled to an annual management fee of 2.5% of the net asset value of Series A shares, 1.5% of the net asset value of Series F shares and 0.75% of the net assets value of Series I of the Fund, calculated daily and payable monthly in arrears. For the period ended December 31, 2016, the Fund incurred \$73,954 in management fees of which \$14,852 was payable at December 31, 2016.

In order for the Fund to maintain a competitive position with other mutual funds with respect to operating expenses charged to the Fund, AlphaDelta Management Corp. ("AlphaDelta"), an affiliate of Qwest Investment Fund Management Ltd. (the "Manager"), has agreed at its discretion to pay for some of the operating expenses of the Fund. AlphaDelta has absorbed a total of \$55,947 of the operating expenses of the Fund for the period ended December 31, 2016.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the periods ended December 31, 2016.

Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series A	December 31, 2016
Initial NAV	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.11
Total expenses	(0.33)
Realized losses	(0.41)
Unrealized gains	1.30
Total increase from operations ⁽²⁾	0.67
Distributions:	
From dividends	0.01
Total distributions	0.01
Net assets attributable to holders of redeemable shares at end of period	\$ 10.54

Net Assets attributable to holders of redeemable shares per Series F	December 31, 2016
Initial NAV	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.11
Total expenses	(0.25)
Realized losses	(0.64)
Unrealized gains	2.10
Total increase from operations ⁽²⁾	1.32
Distributions:	
From dividends	0.01
Total distributions	0.01
Net assets attributable to holders of redeemable shares at end of period	\$ 10.62

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Net Assets attributable to holders of redeemable shares per Series I	December 31, 2016
Initial NAV	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.04
Total expenses	(0.06)
Realized losses	(0.31)
Unrealized gains	1.01
Total increase from operations ⁽²⁾	0.68
Distributions:	
From dividends	0.01
Total distributions	0.01
Net assets attributable to holders of redeemable shares at end of period	\$ 10.68

⁽¹⁾ This information is derived from the Fund's December 31, 2016 audited financial statements.

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

Ratios and Supplemental Data

Series A	December 31, 2016
Total net asset value (000's)	\$2,070
Number of mutual fund shares outstanding	196,401
Management expense ratio ⁽¹⁾	4.06%
Management expense ratio before absorption ⁽¹⁾	5.39%
Portfolio turnover rate ⁽²⁾	124.53%
Trading expense ratio ⁽³⁾	0.33%
Net asset value per share	\$10.54
Series F	
	December 31, 2016
Total net asset value (000's)	\$6,281
Number of mutual fund shares outstanding	591,343
Management expense ratio ⁽¹⁾	3.02%
Management expense ratio before absorption ⁽¹⁾	4.35%
Portfolio turnover rate ⁽²⁾	124.53%
Trading expense ratio ⁽³⁾	0.33%
Net asset value per share	\$10.62

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Series I	December 31, 2016
Total net asset value (000's)	\$2,617
Number of mutual fund shares outstanding	245,172
Management expense ratio ⁽¹⁾	2.23%
Management expense ratio before absorption ⁽¹⁾	3.56%
Portfolio turnover rate ⁽²⁾	124.53%
Trading expense ratio ⁽³⁾	0.33%
Net asset value per share	\$10.68

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

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

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

Management Fees

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

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

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	2.5%	40%	60%
Series F	1.5%	-	100%
Series I	0.75%	-	100%

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

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

Past Performance

Investment performance in respect of a fund that has been available for less than one year is not provided. Series A & F shares of the Fund commenced operations on April 4, 2016 and Series I shares of the Fund commenced operations on September 21, 2016.

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Summary of Investment Portfolio

As at December 31, 2016, the net assets attributable to holders of redeemable shares of the Fund was \$10,968,215. Below is a breakdown of the investment portfolio as at December 31, 2016, by sector and as a percentage of the aggregate net asset value of the 25 securities in the investment portfolio:

Top Holdings	% of Net Assets	Sector/Subgroup	% of Net Assets
Cardtronics PLC	6.34	Industrial	28.68
Aspen Technology Inc.	6.28	Technology	16.66
Thor Industries Inc.	6.22	Financial	15.63
Essent Group Ltd	5.83	Consumer, Cyclical	12.96
Sanmina Corp.	5.65	Basic Materials	11.26
Argan Inc.	5.58	Consumer, Non-cyclical	6.05
Berry Plastics Group Inc.	5.54	Communications	5.70
The Bank of Nova Scotia	5.05	Utilities	2.13
Worthington Industries Inc.	5.03	Energy	1.07
Trinseo SA	4.76	Liabilities	(0.14)
Sun Life Financial Inc.	4.75		100.00
Verizon Communications Inc.	3.80		
The Goodyear Tire & Rubber Co.	3.67		
Biogen Idec Inc.	3.23		
Jack in the Box Inc.	3.07		
HB Fuller Co.	2.81		
Stoneridge Inc.	2.72		
Littelfuse Inc.	2.27		
HudBay Minerals Inc.	2.22		
Caterpillar Inc.	2.16		
Cia de Saneamento Basico do Estado de Sao Paulo	2.13		
Cisco Systems Inc.	1.90		
Pfizer Inc.	1.81		
Mercury Systems Inc.	1.41		
US Silica Holdings Inc.	1.20		

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available at www.qwestfunds.com.

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Caution Regarding Forward-looking Statements

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