



AlphaDelta Tactical Growth Class

2018 Annual Management
Report of Fund Performance

AlphaDelta Tactical Growth 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

Investment Objective and Strategies

The Fund seeks to provide investors with long-term capital appreciation by investing primarily in equity securities of individual companies, as well as exchange trade funds, listed on securities exchanges in North America.

The Fund will invest in the sectors or industry groups that represent attractive quantitative, fundamental and technical characteristics relative to the broad North American equities markets. As part of this tactical investment strategy, the Fund may, in certain economic and market environments, undergo relatively quick shifts in industry and sector 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.

Risk

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

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

Results of Operations

The Fund commenced operations in March 2016. During the year ended December 31, 2018, the Fund issued 7,804 Series A shares, 53,993 Series F shares and 939 Series I shares; during the year then ended, the Fund redeemed 28,785 Series A shares, 78,915 Series F shares and 19,347 Series I shares. As at December 31, 2018, 178,024 Series A shares, 559,865 Series F shares and 227,522 Series I shares were outstanding. During the year ended December 31, 2018, the Fund realized an accounting gain of \$2,657,664 from the disposition of securities.

For the year ended December 31, 2018, the Fund earned dividend income of \$189,165. Total expenses before expense reimbursements were \$441,307 comprised mainly of \$199,459 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), \$50,131 in shareholder recordkeeping and fund accounting fees, \$40,083 in transaction cost, \$37,476 in audit fees, \$25,229 in custodial fees, \$24,104 in foreign withholding taxes and \$21,337 in filing fees.

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Net realized gains are \$2,657,664 and \$412,155 for the years ended December 31, 2018 and 2017, respectively. Unrealized depreciation of investments was \$1,025,847 for the year ended December 31, 2018 and unrealized appreciation of investments was \$625,634 for the year ended December 31, 2017.

At December 31, 2018, net assets attributable to holders of redeemable shares for Series A shares was \$2,243,072 or \$12.60 per share, for Series F shares was \$7,259,982 or \$12.97 per share and for Series I shares was \$3,012,541 or \$13.24 per share.

Recent Developments

Good GDP numbers, full employment and tax cuts have provided an ideal environment for stocks. Investors now appear to be more complacent extrapolating further good news. This complacency is a caution flag and the Alpha Delta Tactical Growth fund has taken some profits on higher beta names and redeployed the capital to lower beta, high dividend names.

The complacency in the market turned into fear in the fourth quarter and stocks fell precipitously. The Fund was well positioned for this correction holding low beta stocks, REITS, Utilities and perhaps most important U.S. dollar cash. The U.S. dollar gained 3.8% (against the Canadian dollar) in the second half of 2018.

The portfolio is positioned defensively at this time. After 9 quarters of rising US GDP (a record) the cycle appears to be slowing. This is showing up in earnings as earning growth has deaccelerated. A slower earnings environment causes us to then remain defensive.

The Fund is almost fully exposed to the U.S. dollar as we remain currency unhedged. The rising trend in the U.S. dollar has been a tailwind but we are looking for signs of this trend changing. At this time, we think the next profitable pivot will be to gold, gold miners, and perhaps oil.

Technology and Consumer Discretionary were the over-weights in the portfolio in the first half but now they are absent from the Fund. We think defense is the order of the day and see market participant complacency as a danger sign.

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 year ended December 31, 2018, the Fund incurred \$199,459 in management fees of which \$34,951 was payable at December 31, 2018.

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 \$21,597 of the operating expenses of the Fund for the year ended December 31, 2018.

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Financial Highlights

The following tables show selected key financial information about Series A and are intended to help you understand the financial performance of Series A for the years ended December 31, 2018, 2017 and 2016.

Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series A	December 31, 2018	December 31, 2017	December 31, 2016
Initial NAV	\$ 11.13	\$ 10.54	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.20	0.11	0.11
Total expenses	(0.48)	(0.48)	(0.33)
Realized gains (losses)	2.82	0.39	(0.41)
Unrealized gains (losses)	(1.03)	0.60	1.30
Total increase (decrease) from operations ⁽²⁾	1.51	0.62	0.67
Distributions:			
From dividends	(0.01)	(0.02)	(0.01)
Total distributions	(0.01)	(0.02)	(0.01)
Net assets attributable to holders of redeemable shares at end of period	\$ 12.60	\$ 11.13	\$ 10.54

⁽¹⁾ This information is derived from the Fund's December 31, 2018, 2017 and 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, 2018	December 31, 2017	December 31, 2016
Total net asset value (000's)	\$2,243	\$2,212	\$2,070
Number of mutual fund shares outstanding	178,024	198,791	196,401
Management expense ratio ⁽¹⁾	3.87%	4.22%	4.06%
Management expense ratio before absorption ⁽¹⁾	4.04%	4.27%	5.39%
Portfolio turnover rate ⁽²⁾	259.78%	185.66%	124.53%
Trading expense ratio ⁽³⁾	0.32%	0.27%	0.33%
Net asset value per share	\$12.60	\$11.13	\$10.54

⁽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.

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Financial Highlights

The following tables show selected key financial information about Series F and are intended to help you understand the financial performance of Series F for the years ended December 31, 2018, 2017 and 2016.

Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series F	December 31, 2018	December 31, 2017	December 31, 2016
Initial NAV	\$ 11.33	\$ 10.62	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.20	0.12	0.11
Total expenses	(0.36)	(0.38)	(0.25)
Realized gains (losses)	2.88	(0.40)	(0.64)
Unrealized gains (losses)	(1.06)	0.60	2.10
Total increase from operations ⁽²⁾	1.66	0.74	1.32
Distributions:			
From dividends	(0.02)	(0.02)	(0.01)
Total distributions	(0.02)	(0.02)	(0.01)
Net assets attributable to holders of redeemable shares at end of period	\$ 12.97	\$ 11.33	\$ 10.62

⁽¹⁾ This information is derived from the Fund's December 31, 2018, 2017 and 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 F	December 31, 2018	December 31, 2017	December 31, 2016
Total net asset value (000's)	\$7,260	\$6,619	\$6,281
Number of mutual fund shares outstanding	559,865	584,115	591,343
Management expense ratio ⁽¹⁾	2.82%	3.17%	3.02%
Management expense ratio before absorption ⁽¹⁾	2.99%	3.22%	4.35%
Portfolio turnover rate ⁽²⁾	259.78%	185.66%	124.53%
Trading expense ratio ⁽³⁾	0.32%	0.27%	0.33%
Net asset value per share	\$12.97	\$11.33	\$10.62

⁽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.

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Financial Highlights

The following tables show selected key financial information about Series I and are intended to help you understand the financial performance of Series I for the years ended December 31, 2018, 2017 and 2016.

Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series I	December 31, 2018	December 31, 2017	December 31, 2016
Initial NAV	\$ 11.48	\$ 10.68	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.20	0.12	0.04
Total expenses	(0.26)	(0.29)	(0.06)
Realized gains (losses)	2.93	0.40	(0.31)
Unrealized gains (losses)	(0.98)	0.60	1.01
Total increase from operations ⁽²⁾	1.89	0.83	0.68
Distributions:			
From dividends	(0.02)	0.02	0.01
Total distributions	(0.02)	0.02	0.01
Net assets attributable to holders of redeemable shares at end of period	\$ 13.24	\$ 11.48	\$ 10.68

⁽¹⁾ This information is derived from the Fund's December 31, 2018, 2017 and 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 I	December 31, 2018	December 31, 2017	December 31, 2016
Total net asset value (000's)	\$3,013	\$2,820	\$2,617
Number of mutual fund shares outstanding	227,522	245,657	245,172
Management expense ratio ⁽¹⁾	2.04%	2.38%	2.23%
Management expense ratio before absorption ⁽¹⁾	2.21%	2.43%	3.56%
Portfolio turnover rate ⁽²⁾	259.78%	185.66%	124.53%
Trading expense ratio ⁽³⁾	0.32%	0.27%	0.33%
Net asset value per share	\$13.24	\$11.48	\$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.

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Management Fees

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

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

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	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.

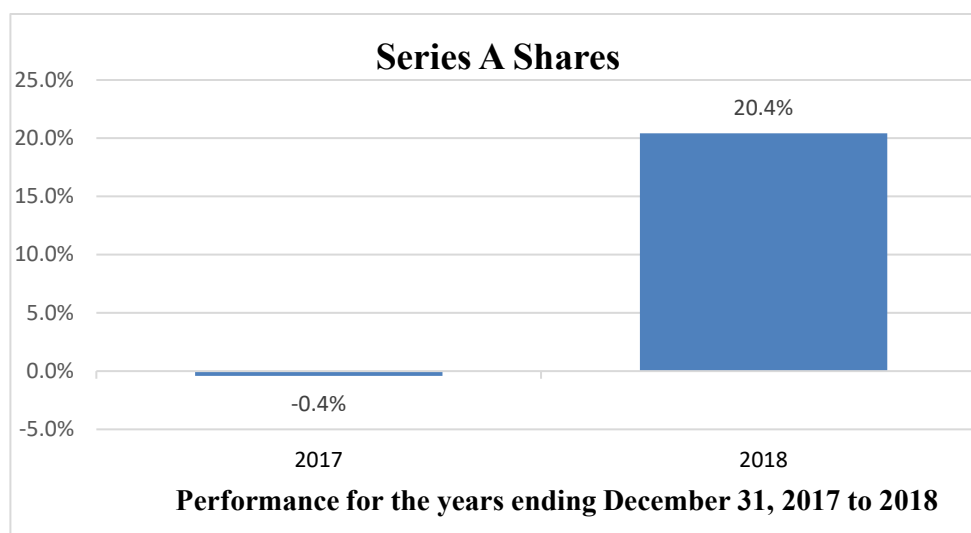
See also “Related Party Transactions” with respect to management fees payable to the Manager in accordance with the master management agreement.

Past Performance

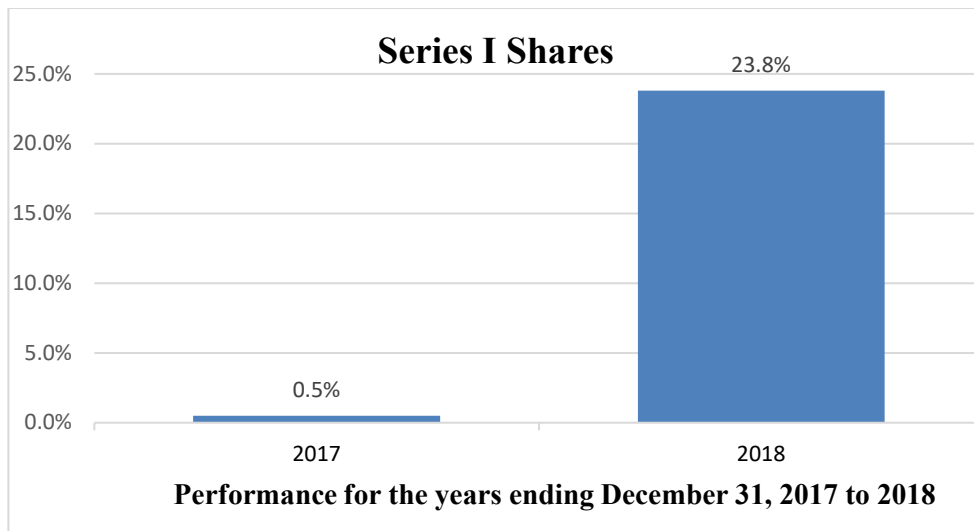
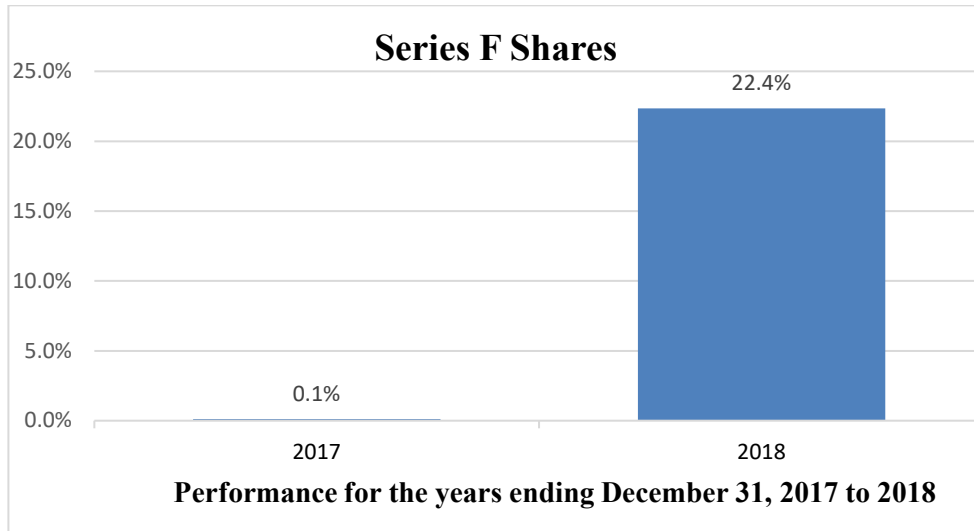
The performance information shown assumes that all distributions made by the Fund were reinvested in additional securities of the investment portfolio. The performance information below does not take into account sales, redemption, distribution or other optional charges that would have reduced returns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

Year-by-Year Returns

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



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Annual Compound Returns

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

	One-year	Since Inception
AlphaDelta Tactical Growth Class – Series A	20.4%	8.9%
AlphaDelta Tactical Growth Class – Series F	22.4%	10.1%
AlphaDelta Tactical Growth Class – Series I	23.8%	10.9%
S&P 500 Index	-6.2%	7.4%
S&P/TSX Composite Index	-12.2%	2.2%

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

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

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Summary of Investment Portfolio

As at December 31, 2018, the net assets attributable to holders of redeemable shares of the Fund was \$12,515,595. Below is a breakdown of the investment portfolio as at December 31, 2018, by sector and as a percentage of the aggregate net asset value of the 13 securities in the investment portfolio:

Top Holdings	% of Net Assets	Sector/Subgroup	% of Net Assets
The Coca-Cola Co.	6.85	Cash	45.42
Pfizer Inc.	6.73	Consumer, Non-cyclical	18.93
Welltower Inc.	5.82	Financial	14.45
Eli Lilly & Co.	5.36	Funds	6.69
Utilities Select Sector SPDR Fund	5.19	Communications	6.61
TerraForm Power Inc.	4.46	Energy	4.46
OGE Energy Corp.	3.97	Utilities	3.97
Apartment Investment & Management Co.	3.77	Other assets net of liabilities	(0.55)
Verizon Communications Inc.	3.38		
UDR Inc.	3.24		
Cisco Systems Inc.	3.23		
The Bank of Nova Scotia	1.63		
ProShares Short QQQ	1.50		
			100.00

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.