AlphaDelta Canadian Growth of Dividend Income Class

Financial Statements
December 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of the AlphaDelta Canadian Growth of Dividend Income Class

Opinion

We have audited the financial statements of the AlphaDelta Canadian Growth of Dividend Income Class, which comprise:

- the statement of financial position as at end of December 31, 2018
- the statement of comprehensive income for the year then ended
- the statement of changes in net assets attributable to holders of redeemable shares for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit 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 Report on Fund Performance for the Fund 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 audit 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 Fund filed with the relevant Canadian Securities Commissions as at the date of this auditors' 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 auditors' 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, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
March 29, 2019

AlphaDelta Canadian Growth of Dividend Income Class

Statement of Financial Position

December 31, 2018

Assets

Current assets:		
Cash	$	11,476
Receivable for investment sold		4,250
Dividends receivable		4,023
Subscriptions receivable		46,481
Investments – at fair value (note 8)		1,377,130
Due from related parties (note 7)		18,413
		1,461,773

Liabilities

Current liabilities:		
Accounts payable and accrued liabilities		20,531
Distribution payable		2,664
Management fees payable (note 7)		416
		23,611
Net assets attributable to holders of redeemable shares	$	1,438,162

Net assets attributable to holders of redeemable shares per series:		
Series A	$	3,516
Series F		90,358
Series G		620,184
Series H		22,003
Series I		702,101
	$	1,438,162

Number of redeemable shares outstanding: (note 6)		
Series A		270
Series F		6,902
Series G		47,397
Series H		1,687
Series I		53,598

Net assets attributable to holders of redeemable shares per share:		
Series A	$	13.02
Series F		13.09
Series G		13.08
Series H		13.04
Series I		13.10

Commitments (note 12)

See accompanying notes to financial statements.

Approved on behalf of the Board of Qwest Funds Corp.

Maurice Levesque, Director

Victor Therrien, Director

AlphaDelta Canadian Growth of Dividend Income Class

Statements of Comprehensive Income

For the period from the commencement of operations on August 30, 2018 to December 31, 2018

Revenue:		
Dividend income	$	14,966
Foreign exchange loss on cash		(669)
Interest income		310
Net realized loss on sale of investments		(6,618)
Net change in unrealized depreciation in value of investments		(133,996)
		(126,007)
Expenses:		
Shareholder recordkeeping and fund accounting fees		18,799
Custodian fees		7,250
Audit		3,461
Translation fee		940
Foreign withholding taxes		803
Bank charges		696
Transaction costs (note 5)		614
Tax review		571
Filing fees		500
Management fee (note 7)		499
Legal		319
Securityholder reports		290
Independent review committee fees		237
Interest expense		123
Expenses reimbursements (note 7)		(31,413)
		3,689
Decrease in net assets attributable to holders of redeemable shares	$	(129,696)
(Decrease) in net assets attributable to holders of redeemable shares per series:		
Series A	$	(484)
Series F		(3,511)
Series G		(41,851)
Series H		(2,997)
Series I		(80,853)
	$	(129,696)
(Decrease) in net assets attributable to holders of redeemable shares per share: (note 11)		
Series A	$	(1.81)
Series F		(2.18)
Series G		(2.36)
Series H		(1.79)
Series I		(1.73)

See accompanying notes to financial statements.

AlphaDelta Canadian Growth of Dividend Income Class

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

For the period from the commencement of operations on August 30, 2018 to December 31, 2018

December 31, 2018	Net assets attributable to holders of redeemable shares, beginning of period	Proceeds from redeemable shares issued	Redemption of redeemable shares	Distributions to investors	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 period
Series A	$ -	$ 4,000	$ -	$ (45)	$ 45	$ (484)	$ 3,516
Series F	-	94,004	(135)	(448)	448	(3,511)	90,358
Series G	-	662,035	-	(5,055)	5,055	(41,851)	620,184
Series H	-	25,000	-	(286)	286	(2,997)	22,003
Series I	-	790,935	-	(8,528)	547	(80,853)	702,101
	$ -	$ 1,575,974	$ (135)	$ (14,362)	$ 6,381	$ (129,696)	$ 1,438,162

AlphaDelta Canadian Growth of Dividend Income Class

Statements of Cash Flows

For the period from the commencement of operations on August 30, 2018 to December 31, 2018

Cash provided by (used in):	
Operations:	
Decrease in Net Assets Attributable to Holders of Redeemable Shares	$ (129,696)
Items not involving cash:	
Foreign exchange loss on cash	669
Net realized loss on sale of investments	6,618
Change in unrealized depreciation of investments	133,996
Dividend income	(14,966)
Interest income	(310)
Interest expense	123
Changes in other non-cash balances:	
Receivable for investment sold	(4,250)
Due from related parties	(18,413)
Accounts payable and accrued liabilities	20,531
Management fee payable	416
Dividends received	10,943
Interest received	310
Interest paid	(123)
Proceeds from sale of investments	36,443
Purchase of investments	(1,554,187)
	(1,511,896)
Financing:	
Proceeds from redeemable shares issued	1,529,493
Redemption of redeemable shares	(135)
Distribution paid in cash	(11,698)
Shares issued on reinvestment of distributions	6,381
	1,524,041
Increase in cash during the period	12,145
Foreign exchange loss on cash	(669)
Cash, beginning of period	-
Cash, end of period	$ 11,476
Supplemental cash flow information*:	
Interest paid	$ 123
Interest received	310
Dividends received, net of withholding taxes	7,583

* Included as a part of cash flows from operating activities

See accompanying notes to financial statements.

AlphaDelta Canadian Growth of Dividend Income Class

Schedule of Investment Portfolio as at December 31, 2018
(Expressed in Canadian Dollars)

December 31, 2018

Description	Number of shares	Average cost	Fair value	Net asset (%)
Investments owned (95.75%)				
Equities (95.75%)				
Basic Materials (1.84%)				
Western Forest Products Inc.	14,000	$ 29,623	$ 26,460	1.84
Total Basic Materials		29,623	26,460	1.84
Communications (3.64%)				
BCE Inc.	100	5,262	5,393	0.37
Cogeco Inc.	600	36,538	34,944	2.43
Comcast Corp.	260	12,388	12,079	0.84
Total Communications		54,188	52,416	3.64
Consumer, Cyclical (10.49%)				
Canadian Tire Corp Ltd.	250	38,576	35,685	2.48
Carnival Corp.	220	17,293	14,798	1.03
CVS Health Corp.	320	31,235	28,607	1.99
Magna International Inc.	500	32,219	30,985	2.15
NFI Group Inc	1,200	52,554	40,848	2.84
Total Consumer, Cyclical		171,877	150,923	10.49
Consumer, Non-cyclical (4.52%)				
Abb Vie Inc.	230	27,056	28,930	2.01
Maple Leaf Foods Inc.	500	15,217	13,665	0.95
Premium Brands Holdings Corp.	300	23,729	22,458	1.56
Total Consumer, Non-cyclical		66,002	65,053	4.52
Diversified (0.94%)				
Exchange Income Corp.	480	14,621	13,565	0.94
Total Diversified		14,621	13,565	0.94
Energy (18.22%)				
Canadian Natural Resources Ltd.	1,400	55,647	46,116	3.21
Enbridge Inc.	910	39,285	38,593	2.68
Enerflex Ltd.	1,800	29,604	28,764	2.00
Pembina Pipeline Corp.	1,000	43,856	40,510	2.82
Suncor Energy Inc.	1,100	48,921	41,943	2.92
TransCanada Corp.	1,000	54,107	48,750	3.39
Vermilion Energy Inc.	600	22,047	17,256	1.20
Total Energy		293,467	261,932	18.22

AlphaDelta Canadian Growth of Dividend Income Class

Schedule of Investment Portfolio as at December 31, 2018
(Expressed in Canadian Dollars)

December 31, 2018

Description	Number of shares	Average cost	Fair value	Net asset (%)
Investments owned (continued)				
Financial (41.14%)				
American Tower Corp.	25	4,848	5,396	0.38
Brookfield Property Partners LP	5,000	120,390	110,100	7.66
Citigroup Inc.	340	29,888	24,150	1.68
CoreSite Realty Corp.	60	7,352	7,141	0.50
Crown Castle International Corp.	30	4,487	4,446	0.31
CyrusOne Inc.	100	7,953	7,215	0.50
Fiera Capital Corp.	2,700	32,163	30,483	2.12
Industrial Alliance Insurance & Financial Services Inc.	1,000	49,751	43,570	3.03
Invesco Ltd.	1,550	42,323	35,402	2.46
Manulife Financial Corp.	5,600	123,685	108,472	7.54
Morgan Stanley	500	30,095	27,049	1.88
Power Corp of Canada	540	15,105	13,246	0.92
Prudential Financial Inc.	210	25,970	23,366	1.62
The Bank of Nova Scotia	1,600	115,774	108,880	7.57
The Toronto-Dominion Bank	630	44,425	42,752	2.97
Total Financials		654,209	591,668	41.14
Industrial (3.10%)				
Magellan Aerospace Corp.	950	16,151	14,231	0.99
Martinrea International Inc.	2,800	31,828	30,408	2.11
Total Industrial		47,979	44,639	3.10
Technology (2.62%)				
Broadcom Inc.	55	16,003	19,082	1.33
Lam Research Corp.	100	21,437	18,579	1.29
Total Technology		37,440	37,661	2.62
Utilities (9.24%)				
Atco Ltd.	360	13,966	13,900	0.97
Boralex Inc.	1,200	21,439	20,208	1.41
Brookfield Infrastructure Partners LP	700	36,216	33,005	2.29
Canadian Utilities Ltd.	500	15,650	15,660	1.09
Capital Power Corp.	530	14,484	14,093	0.98
Emera Inc.	350	14,610	15,299	1.06
Keyera Corp.	800	25,355	20,648	1.44
Total Utilities		141,720	132,813	9.24
Total Equities		$ 1,511,126	$ 1,377,130	95.75
Total investments owned		$ 1,511,126	$ 1,377,130	95.75
Cash			$ 11,476	0.80
Other liabilities, net (3.45%)			49,556	3.45
Net assets attributable to holders of redeemable shares (100%)			**$ 1,438,162**	**100.00**

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 Four Bentall Centre, Suite 732, 1055 Dunsmuir Street, Vancouver, British Columbia. The authorized capital of the Corporation consists of an unlimited number of Class A shares, Class B shares and special shares. Currently, there are five classes of special shares that are in issue - the Alphadelta Canadian Growth Of Dividend Income Class (the “Fund”), AlphaDelta Canadian Focused Equity Class (the “ADCFE” Class), AlphaDelta Growth of Dividend Income Class (the “ADGDI” Class), AlphaDelta Tactical Growth Class (the “ADTG” Class) and Qwest Energy Canadian Resource Class (the “QECRC” Class); however, the Corporation may offer additional classes of special shares in the future. These financial statements present the financial information of the Fund as a separate reporting entity. If another Class of the Corporation cannot satisfy its obligations, the other classes, including the Fund, may be required to satisfy them using assets attributable to those classes. The Manager believes the risk of such cross-liability is remote, refer to note 12 for commitments of the Fund. The Fund currently only offers Series A, Series F, Series G, Series H and Series I shares. 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 Fund commenced operations on August 30, 2018.

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 Fund, 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. ADM shares common directors with the Manager. The sub-advisor for this fund is SciVest Capital Management Inc.

The fundamental investment objective of the Fund is to income and longer-term capital appreciation by investing primarily in dividend paying equity securities of Canadian and global companies.

The financial statements were authorized for issue by the Board of Directors of the Corporation, on March 29, 2019.

2. Basis of preparation:

(a) 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”).

(b) Basis of measurement:

These financial statements have been prepared on a historical cost basis except for investments and derivatives, which are measured at fair value.

2. Basis of preparation (continued:

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Fund’s functional currency.

(d) Use of estimates and judgment:

The preparation of financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

3. Summary of significant policies:

The accounting policies set out below have been applied consistently to all periods as presented in these financial statements.

(a) Financial instruments:

(*i*) Recognition 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.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. The Fund derecognizes 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 statement of financial position* only when the Fund has 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

3. Summary of significant policies (continued):

(a) Financial instruments (continued):

(i) Recognition and measurement (continued):

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal 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 Fund 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.

(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 statement of comprehensive income in the period in which they occur. The Fund’s investments in securities and forward contracts are classified as FVTPL.

3. Summary of significant policies (continued):

(a) Financial instruments (continued):

(*ii*) Fair value through profit and loss (continued):

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 Fund uses 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 Fund's 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 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 Fund classifies cash and cash equivalents, dividends receivable, due from related parties, management fees payable, and accounts payable and accrued liabilities as amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

3. Summary of significant policies (continued):

(b) 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 Fund is in effect not taxable with respect to dividends received from corporations resident in Canada and net taxable realized gains. The Fund is not taxable as all the Fund's net income for tax purposes and sufficient net capital gains realized in the period will be distributed to shareholder's such that no income tax is payable by the Fund with respect to taxable realized capital gains and dividends received from corporation's resident in Canada and net taxable realized capital gains. Therefore, the Fund does 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 Fund currently incurs 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 statement of comprehensive income.

(c) Foreign exchange:

The financial statements of the Fund 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 (loss) gain on sales of investments' and 'Change in unrealized depreciation of investments' in the statement of comprehensive income.

3. Summary of significant policies (continued):

(d) Redeemable shares:

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Fund has 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 Fund's valuation policies at each redemption date. Distributions to holders of redeemable shares are recognized in comprehensive income when they are authorized and no longer at the discretion of the Manager.

(e) Income recognition:

Interest income is recognized on an accrual basis using the effective interest method. 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.

4. 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, 2018, the Corporation had unrecognized non-capital losses of approximately $3,452,333 available for utilization against taxable income in future years. The Corporation had unrecognized capital losses available at December 31, 2018 of approximately $7,963,317. The non-capital losses expire as follows:

Expiry date	
2038	$ 204,188
2037	1,090,669
2036	520,929
2035	524,234
2034	389,415
2033	722,898
	$ 3,452,333

5. 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 by the Fund with respect to security transactions for the year ended December 31, 2018 are $614. There were no ascertainable soft dollar amounts received during the period.

6. Redeemable shares:

The Fund is authorized to issue an unlimited number of Series A, F, G, H and I shares.

Series A shares are available to all investors who have commission-based accounts with their dealers. Series F shares are available to investors who have fee-based accounts with their dealers. Series G shares are only available to investors who make a minimum investment of $25,000 and who have fee-based accounts with their dealers. Series F shares are only available to investors who make a minimum investment of $25,000 and who have commission-based accounts with their dealers. Series I shares are available to institutional or other high net worth investors who negotiate and pay management fees directly to the Manager.

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

	Redeemable share, beginning of period	Redeemable shares issued	Redemption of redeemable shares	Reinvestment of shares	Redeemable shares, end of period
December 31, 2018					
Series A	-	267	-	3	270
Series F	-	6,878	(9)	33	6,902
Series G	-	47,025	-	372	47,397
Series H	-	1,666	-	21	1,687
Series I	-	53,558	-	40	53,598

7. 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:

Series A	1.70%
Series F	0.70%
Series G	0.35%
Series H	1.35%

The management fee charged for Series I shares is negotiated directly with each investor.

The investment management fees incurred during the year amounted to $499. As at December 31, 2018, $416 of investment management fees were payable to the Manager.

7. Related party transactions:

(b) Other related party transactions:

On occasion, QECRC, another class of special shares of the Corporation, will pay for expenses on behalf of the Fund. During the year, The Fund reimbursed QECRC $366 for expenses incurred on its behalf.

During the year, ADM reimbursed the Fund $31,413 for certain operating expenses incurred. This reimbursement is at the discretion of ADM and is calculated daily based on a set percentage of the net asset value. As at December 31, 2018, $18,413 was due as receivable from ADM.

8. 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 Fund determines 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 Fund measures 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.

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.

8. Fair value of financial instruments (continued):

(a) Valuation models (continued):

The Fund uses 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.

The Fund does not hold complex financial instruments that would require proprietary or otherwise recognizable valuation models to determine fair value.

(b) Valuation framework:

The Manager has engaged SGGG to value the net assets of the Fund 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 Levels 2 and 3.

The Fund has 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.

Specific controls include:

- verification of observable pricing inputs; and
- analysis and investigation of significant daily valuation movements.

(c) 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 statement of financial position.

All fair value measurements below are recurring.

2018	Level 1	Level 2	Level 3	Total
Assets				
Investments – equities	$ 1,377,130	$ -	$ -	$ 1,377,130

8. Fair value of financial instruments (continued):

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

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 into or out of Level 1 or 2 during the year ended December 31, 2018.

(d) Financial instruments not measured at fair value:

The carrying value of cash and cash equivalents, dividends receivable, due from related parties, management fees payable, 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.

9. Financial risk management:

(a) Risk management framework:

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.

The Manager has been given discretionary authority to manage the assets in line with the Fund's 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 Fund's investment manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

9. Financial risk management (continued):

(b) 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 Fund's income or the fair value of its holdings of financial instruments.

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The fundamental investment objective of the Fund is to provide income and longer-term capital appreciation by investing primarily in dividend paying equity securities of Canadian and global companies.

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*) 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 Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in 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 investments denominated in currencies other than the functional currency of the Fund will fluctuate due to changes in foreign exchange rates. 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 Fund's currency risk is managed on a daily basis by the Manager in accordance with the policies and procedures in place. The Fund's 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 Fund's policies.

9. Financial risk management (continued):

(b) Market risk:

(*ii*) Currency risk (continued):

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.

	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
Currency	Monetary	Non-monetary	Total	Monetary	Non-monetary	Total
December 31, 2018						
CAD	$ 2,204	$ 256,240	$ 258,444	$ 110	$ 12,812	$ 12,922
% of net assets attributable to holders of redeemable shares	0.2	17.8	18.0	-	0.9	0.9

(*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.

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

The internal procedures require the Manager to manage price risk on a daily basis. The Fund's trade and investment holding reports are distributed to the Manager for review on a daily basis.

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.

9. Financial risk management (continued):

(b) Market risk (continued):

(*iii*) Other price risk (continued):

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 $137,713.

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, 2018. No exposure to any individual issuer exceeded 10% of the net assets attributable to the holders of redeemable shares at December 31, 2018.

(c) 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 Fund, resulting in a financial loss to the Fund. It arises principally from derivative financial assets, cash and cash equivalents, and other receivables due to the Fund. The carrying value of these financial instruments as recorded in the statements of financial position reflects the Fund's maximum exposure to credit risk.

The Fund's policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with reputable counterparties. 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.

Credit risk is monitored on a daily and monthly basis by the Manager in accordance with the policies and procedures in place. The Fund's 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 Fund, then the Manager is obliged to rebalance the portfolio as soon as reasonably possible.

9. Financial risk management (continued):

(c) Credit risk (continued):

The Fund's 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 Fund mitigates 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. Settlement limits form part of the credit approval and limit monitoring processes described below.

(d) Liquidity risk:

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Fund's 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 Fund's reputation.

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.

10. Capital management:

The redeemable shares issued by the Fund represent capital of the Fund. The Fund's 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 Fund is not subject to any internally or externally imposed restrictions on its capital other than certain minimum subscriptions. The minimum initial investment for Series A, Series F and Series I is $1,000, per Series. The minimum initial investment for Series G and Series H is $25,000, per Series.

11. Decrease in net assets attributable to redeemable shares per share:

Decrease in net assets attributable to holders of redeemable shares from operations per share is determined by dividing the decrease in net assets attributable to holders of redeemable shares from operations of each series by the weighted average number of shares outstanding of that series during the reporting year.

Decrease in net assets attributable to redeemable shares per share for the period from the commencement of operations on August 30, 2018 to December 31, 2018 is calculated as follows:

	Decrease in net assets attributable to holders of redeemable shares per series	Weighted average of redeemable shares outstanding during the period	Decrease in net assets attributable to holders of redeemable shares per share
December 31, 2018			
Series A	$ (484)	268	$ (1.81)
Series F	(3,511)	1,611	(2.18)
Series G	(41,851)	17,769	(2.36)
Series H	(2,997)	1,673	(1.79)
Series I	(80,853)	46,627	(1.73)

12. Commitments:

If another class of the Corporation cannot satisfy its obligations, the other classes, including the Fund, may be required to satisfy those obligations using assets attributable to those classes.