



AlphaDelta Canadian Focused Equity Class

2017 Annual Management
Report of Fund Performance

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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 Canadian Focused Equity Class. 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 invests primarily in equity securities of Canadian and foreign companies.

The Fund will invest its portfolio such that it generally falls within the Canadian Focused Equity investment strategy category. As such, the Fund generally invests at least 50% and less than 90%, of its equity portfolio in securities domiciled in Canada. The Fund will invest no more than 49% of its assets in foreign securities, with the majority of these foreign securities expected to be domiciled in the United States. In addition, the weighted average market capitalization of the Fund's equity portfolio is generally considered mid to large capitalization.

The portfolio advisor's investment approach follows a company focused investment style, seeking companies with unique competitive capabilities, strong management, good growth prospects and a solid financial position. Emphasis is placed on paying reasonable prices for cash flow growth that companies in the portfolio are expected to achieve. The portfolio advisor expects the Fund to generally hold between 20 and 40 equity positions, diversified across business activities and/or sectors.

Risk

The Fund is suitable for investors seeking 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 gains risk, illiquid investment risk, small capitalization risk, concentration risk, market 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 of 2015. During the year ended December 31, 2017, the Fund issued 9,134 Series A shares, 1,911 Series F shares and 155,894 Series G shares and redeemed 36,345 Series A shares, 57,738 Series F shares and 631,175 Series G shares. As at December 31, 2017, 27,599 Series A shares, 31,347 Series F shares and 146,409 Series G shares were outstanding. During the year ended December 31, 2017, the Fund realized an accounting gain of \$650,892 from the disposition of securities.

For the year ended December 31, 2017, the Fund earned dividend income of \$25,551. Total expenses before expense reimbursement was \$191,000 comprised mainly of \$22,000 in management fees (calculated daily at an annual rate of 2.0% of the NAV of Series A shares, 1.0% of the NAV of Series F shares and 0.6% of the NAV of Series G shares), \$54,000 in shareholder recordkeeping and fund accounting fees, \$33,000 in legal fees, \$28,000 in filing fees, \$18,000 transaction costs, \$13,000 custodial fees and \$12,000 audit fees.

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Net realized gain was \$633,880 for the year ended December 31, 2017 and net realized loss was \$58,857 for the year ended December 31, 2016. Unrealized depreciation of investments was \$172,306 for the year ended December 31, 2017 and unrealized appreciation was \$949,961 for the year ended December 31, 2016.

At December 31, 2017, net assets attributable to holders of redeemable shares for Series A shares was \$315,256 or \$11.42 per share, for Series F shares was \$368,811 or \$11.77 per share, and for Series G shares was \$1,902,358 or \$12.99 per share.

Recent Developments

Canadian market show evidence of shaking off a prolonged slump as we entered 2018 with commodities and financials perking up. 2018 is likely the year that global monetary accommodation decisively reverses. Despite bouts of volatility, holding onto equity investments over the long term produces superior results to alternative asset classes or trying to time the market.

Related Party Transactions

Pursuant to the amended and restated master management agreement, the Manager is entitled to an annual management fee of 2.0% of the net asset value of Series A shares, 1.0% of the net asset value of Series F shares of the Fund and 0.6% of the net asset value of Series G shares of the Fund, calculated daily and payable monthly in arrears. For the year ended December 31, 2017, the Fund incurred \$22,151 in management fees of which \$1,938 was payable at December 31, 2017.

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 \$102,599 of the operating expenses of the Fund for the year ended December 31, 2017.

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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 year ended December 31, 2017, 2016 and 2015.

Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series A	December 31, 2017	December 31, 2016	December 31, 2015
Initial NAV	\$ 9.72	\$ 8.93	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.11	0.19	0.22
Total expenses	(0.52)	(0.36)	(0.27)
Realized losses	3.08	(0.05)	(0.62)
Unrealized gains (losses)	(0.84)	0.83	(0.45)
Total increase (decrease) from operations ⁽²⁾	1.83	0.61	(1.12)
Distributions:			
From dividends	(0.07)	(0.16)	(0.20)
Total distributions	(0.07)	(0.16)	(0.20)
Net assets attributable to holders of redeemable shares at end of year	\$ 11.42	\$ 9.72	\$ 8.93

⁽¹⁾ This information is derived from the Fund's annual 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, 2017	December 31, 2016	December 31, 2015
Total net asset value (000's)	\$315	\$531	\$1,097
Number of mutual fund shares outstanding	27,599	54,640	122,947
Management expense ratio ⁽¹⁾	4.25%	3.69%	2.89 %
Management expense ratio before absorption ⁽¹⁾	8.63%	5.68%	4.94 %
Portfolio turnover rate ⁽²⁾	108.77%	78.38%	79.11 %
Trading expense ratio ⁽³⁾	0.78%	0.34%	0.51 %
Net asset value per share	\$11.42	\$9.72	\$8.93

⁽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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Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series F	December 31, 2017	December 31, 2016	December 31, 2015
Initial NAV	\$ 9.90	\$ 8.99	\$ 10.00
Increase (decrease) from operations: operations:			
Total revenue	0.11	0.19	0.23
Total expenses	(0.41)	(0.26)	(0.19)
Realized losses	3.10	(0.04)	(0.79)
Unrealized gains (losses)	(0.85)	0.58	(0.58)
Total increase (decrease) from operations ^{(2) (2)}	1.95	0.47	(1.33)
Distributions:			
From dividends	(0.08)	(0.17)	(0.21)
Total distributions	(0.08)	(0.17)	(0.21)
Net assets attributable to holders of redeemable shares at end of year	\$ 11.77	\$ 9.90	\$ 8.99

⁽¹⁾ This information is derived from the Fund's annual 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.

Series F	December 31, 2017	December 31, 2016	December 31, 2015
Total net asset value (000's)	\$369	\$861	\$4,223
Number of mutual fund shares outstanding	31,347	86,979	469,612
Management expense ratio ⁽¹⁾	3.12%	2.61%	1.83 %
Management expense ratio before absorption ⁽¹⁾	7.51%	4.60%	3.88 %
Portfolio turnover rate ⁽²⁾	108.77%	78.38%	79.11 %
Trading expense ratio ⁽³⁾	0.78%	0.34%	0.51 %
Net asset value per share	\$11.77	\$9.90	\$8.99

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Financial Highlights

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Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series G	December 31, 2017	December 31, 2016
Initial NAV	\$ 10.87	\$ 10.00
Increase from operations: operations:		
Total revenue	0.12	0.10
Total expenses	(0.42)	(0.10)
Realized losses	3.11	(0.07)
Unrealized gains	(0.84)	1.11
Total increase from operations ⁽²⁾	1.97	1.04
Distributions:		
From dividends	(0.08)	(0.18)
Total distributions	(0.08)	(0.18)
Net assets attributable to holders of redeemable shares at end of period	\$ 12.99	\$ 10.87

⁽¹⁾ This information is derived from the Fund's annual 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 G	December 31, 2017	December 31, 2016
Total net asset value (000's)	\$1,902	\$6,749
Number of mutual fund shares outstanding	146,409	620,750
Management expense ratio ⁽¹⁾	2.69%	1.82%
Management expense ratio before absorption ⁽¹⁾	7.08%	3.82%
Portfolio turnover rate ⁽²⁾	108.77%	78.38%
Trading expense ratio ⁽³⁾	0.78%	0.34%
Net asset value per share	\$12.99	\$10.87

⁽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.

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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	<u>Breakdown of Services</u>	
		Distribution	Other*
Series A	2.0%	40%	60%
Series F	1.0%	-	100%
Series G	0.6%	-	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.

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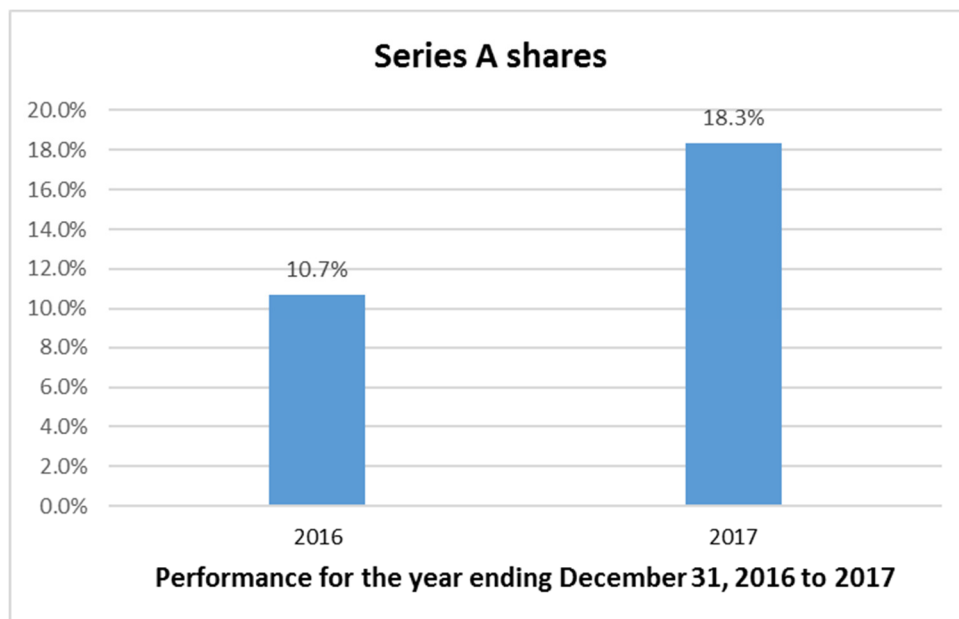
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Past Performance

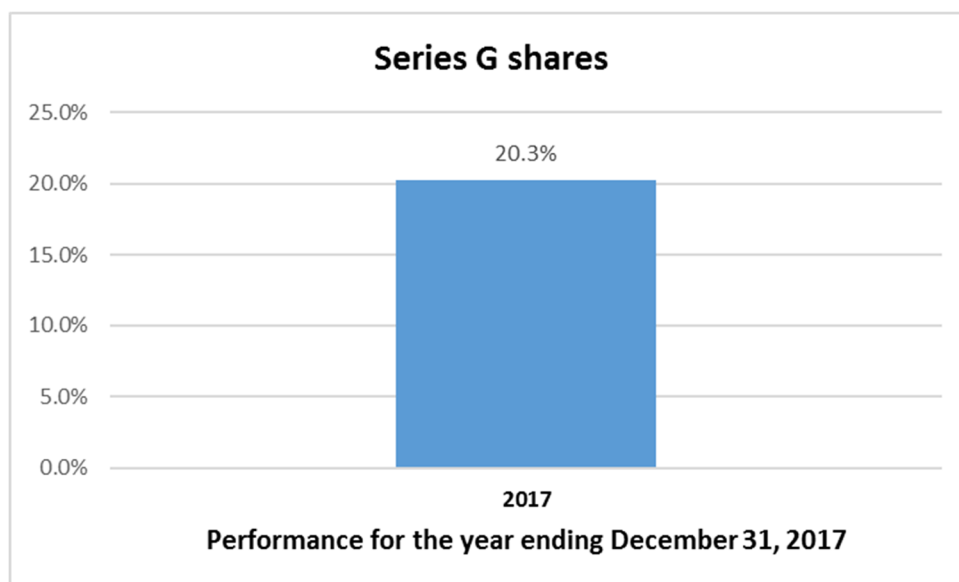
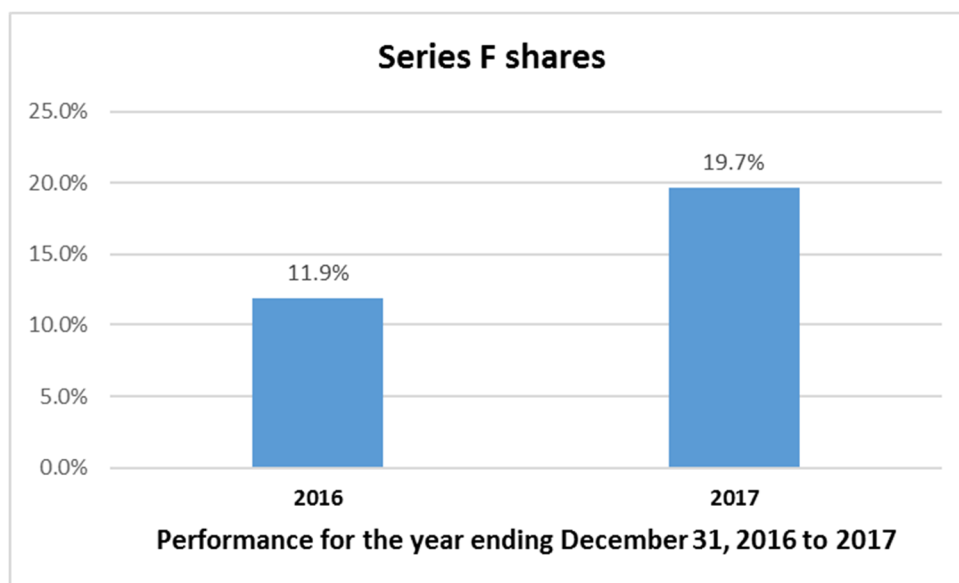
The performance information shown assumes that all distributions made by the Fund were reinvested in additional securities of the investment portfolio. The performance information below does not take into account sales, redemption, distribution or other optional charges that would have reduced returns 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/TSX Composite Index for the same time period.

	One-year	Two-year	Since Inception
AlphaDelta Canadian Focused Equity Class – Series A	10.7%	18.3%	6.5%
AlphaDelta Canadian Focused Equity Class – Series F	11.9%	19.7%	7.7%
AlphaDelta Canadian Focused Equity Class – Series G	20.3%	-	21.7%
S&P/TSX Composite Index	17.5%	6.0%	2.1%

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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.

Summary of Investment Portfolio

As at December 31, 2017, the net assets attributable to holders of redeemable shares of the Fund was \$8,140,788. 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 top 25 securities in the investment portfolio:

Top Holdings	% of Net Assets	Sector/Subgroup	% of Net Assets
IPG Photonics Corp.	5.70	Technology	22.13
Spin Master Corp.	5.49	Consumer, cyclical	18.45
Intuit Inc.	5.16	Consumer, Non-cyclical	17.24
National Instruments Corp.	5.04	Industrial	16.39
Dollarama Inc.	4.98	Financial	8.30
Align Technology Inc.	4.84	Energy	8.04
ANSYS Inc.	4.64	Cash	5.96
PrairieSky Royalty Ltd	4.52	Other net assets	3.49
Gildan Activewear Inc.	4.51		
Altus Group Ltd	4.43		
Jack Henry & Associates Inc.	4.25		
S&P Global Inc.	4.10		
CCL Industries Inc.	3.93		
DIRTT Environmental Solutions	3.91		
Gartner Inc.	3.87		
Pason Systems Inc.	3.52		
Ag Growth International Inc.	3.51		
WABCO Holdings Inc.	3.47		
The Toronto-Dominion Bank	3.42		
Element Fleet Management Corp.	2.57		
Enghouse Systems Ltd	2.38		
Industrial Alliance Insurance & Financial Services Inc.	2.31		
			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.