



AlphaDelta Canadian Focused Equity Class

Financial Statements

(Unaudited)

June 30, 2017

AlphaDelta Canadian Focused Equity Class

Statements of Financial Position

(Unaudited)

As at

	June 30, 2017 \$	December 31, 2016 \$
Assets		
Cash	-	1,800,339
Dividends receivable	1,920	15,040
Accounts receivable	-	9,096
Due from related parties (note 8)	83,549	75,442
Investments - at fair value (note 10)	2,268,387	6,317,602
Prepaid expenses	24,413	17,385
	<u>2,378,269</u>	<u>8,234,904</u>
Liabilities		
Bank overdraft	6,859	-
Accounts payable and accrued liabilities	40,372	80,540
Redemption payable	18,676	6,688
Distribution payable	-	27
Management fees payable (notes 7 and 8)	1,827	6,861
	<u>67,734</u>	<u>94,116</u>
Net assets attributable to holders of redeemable shares	<u>2,310,535</u>	<u>8,140,788</u>
Series net assets attributable to holders of redeemable shares		
Series A	223,996	530,919
Series F	365,739	860,801
Series G	1,720,800	6,749,068
	<u>2,310,535</u>	<u>8,140,788</u>
Shares outstanding (note 3)		
Series A	21,366	54,640
Series F	34,061	86,979
Series G	145,424	620,750
Net assets attributable to holders of redeemable shares per share (note 2)		
Series A	10.48	9.72
Series F	10.74	9.90
Series G	11.83	10.87

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



Maurice Levesque
Director



John Loeprich
Director

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

AlphaDelta Canadian Focused Equity Class

Statement of Comprehensive Income (Unaudited)

	Six-month period ended June 30	
	2017	2016
	\$	\$
Income		
Interest income	-	4,344
Early redemption fees	35	-
Foreign exchange loss on cash	(13,831)	-
Dividend income	11,425	60,223
Other changes in fair value of investments		
Net realized gain (loss) on sale of investments	634,464	(365,902)
Change in unrealized (depreciation) appreciation of investment	(430,444)	402,117
Total income - net	201,649	100,782
Expenses		
Shareholder recordkeeping and fund accounting fees (note 9)	36,939	36,585
Audit	18,902	16,422
Transaction costs	17,953	10,850
Legal	17,311	11,407
Management fee (notes 7 and 8)	11,389	47,105
Filing	11,383	10,047
Custodial fees	7,646	7,242
Independent review committee fees	4,019	4,299
Securityholder reports	3,078	967
Translation fee	2,759	2,982
Tax review	2,576	890
Bank charges	586	626
Foreign withholding taxes	476	436
Interest	427	-
Expense reimbursement (note 8)	(83,549)	(73,797)
Total expenses	51,895	76,061
Increase in net assets attributable to holders of redeemable shares from operations	149,754	24,721
Increase (decrease) in net assets attributable to holders of redeemable shares from operations - Series A shares	31,588	(6,352)
Increase in net assets attributable to holders of redeemable shares from operation - Series F shares	50,407	31,073
Increase in net assets attributable to holders of redeemable shares from operation - Series G shares	67,759	-
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per Series A share (note 13)	0.78	(0.06)
Increase in net assets attributable to holders of redeemable shares from operations per Series F share (note 13)	0.87	0.06
Increase in net assets attributable to holders of redeemable shares from operations per Series G share (note 13)	0.64	-

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

AlphaDelta Canadian Focused Equity Class

Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares (Unaudited)

	Six-month period ended June 30	
	2017	2016
	\$	\$
Net assets attributable to holders of redeemable shares -		
Beginning of period		
Series A shares	530,919	1,097,434
Series F shares	860,801	4,223,177
Series G shares	6,749,068	-
	<u>8,140,788</u>	<u>5,320,611</u>
Increase (decrease) in net assets attributable to holders of redeemable shares		
from operations		
Series A shares	31,588	(6,352)
Series F shares	50,407	31,073
Series G shares	67,759	-
	<u>149,754</u>	<u>24,721</u>
Shareholder transactions (note 3)		
Issuance of Series A shares	12,011	1,485
Issuance of Series F shares	10,000	3,518,025
Issuance of Series G shares	1,714,398	-
Series A shares redeemed	(350,522)	(414,589)
Series F shares redeemed	(555,469)	(874,751)
Series G shares redeemed	(6,810,425)	-
	<u>(5,980,007)</u>	<u>2,230,170</u>
Net (decrease) increase in net assets attributable to holders of redeemable		
shares	<u>(5,830,253)</u>	<u>2,254,891</u>
Net assets attributable to holders of redeemable shares - End of period	<u>2,310,535</u>	<u>7,575,502</u>
Net assets attributable to holders of redeemable shares - End of period - Series		
A shares	223,996	677,978
Net assets attributable to holders of redeemable shares - End of period - Series		
F shares	365,739	6,897,524
Net assets attributable to holders of redeemable shares - End of period - Series		
G shares	1,720,800	-

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

AlphaDelta Canadian Focused Equity Class

Statement of Cash Flows

(Unaudited)

	Six-month period ended June 30	
	2017	2016
	\$	\$
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable shares from operations	149,754	24,721
Adjustments to determine net cash used in operating activities		
Net realized (gain) loss on sale of investments	(634,464)	365,902
Foreign exchange loss on cash	13,831	-
Due from related parties	(8,107)	9,842
Accounts receivable	9,096	-
Management fees payable	(5,034)	2,210
Prepaid expenses	(7,028)	(1,790)
Dividends receivable	13,120	(2,479)
Accounts payable and accrued liabilities	(40,169)	(9,321)
Change in unrealized depreciation (appreciation) of investments	430,444	(402,117)
Purchase of investment securities	(2,650,417)	(3,314,858)
Proceeds from sale of investment securities	6,903,653	1,674,467
Net cash used in operating activities	4,174,679	(1,653,423)
Cash flows from financing activities		
Payment for Series A shares redeemed	(331,846)	(414,589)
Payment for Series F shares redeemed	(555,469)	(874,751)
Payment for Series G shares redeemed	(6,817,113)	-
Proceeds from issuance of Series A shares	12,011	1,485
Proceeds from issuance of Series F shares	10,000	3,524,965
Proceeds from issuance of Series G shares	1,714,398	-
Distribution paid in cash – Series A	(27)	-
Net cash from financing activities	(5,968,046)	2,237,110
(Decrease) Increase in cash	(1,793,367)	583,687
Foreign exchange loss on cash	(13,831)	-
Cash - Beginning of period	1,800,339	112,907
(Bank overdraft) cash - End of period	(6,859)	696,594
Interest received	-	4,290
Dividend received	24,069	53,699
Interest paid	427	-
Supplemental cash flow items are operational in nature		

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AlphaDelta Canadian Focused Equity Class

Schedule of Investment Portfolio

(Unaudited)

Ast at June 30, 2017

	Number of shares	Average cost \$	Fair value \$	Net assets %
Canadian Equities				
Consumer, Cyclical				
Gildan Activewear Inc.	2,870	95,280	114,370	4.95
Spin Master Corp.	2,630	88,296	101,781	4.41
Dollarama Inc.	820	81,275	101,606	4.40
		<u>264,851</u>	<u>317,757</u>	<u>13.76</u>
Consumer, Non-cyclical				
Altus Group Ltd.	3,100	91,359	86,893	3.76
Energy				
PrairieSky Royalty Ltd.	3,650	115,032	107,785	4.66
Pason Systems Inc.	5,000	95,189	96,700	4.19
		<u>210,221</u>	<u>204,485</u>	<u>8.85</u>
Financial				
The Toronto Dominion Bank	1,200	79,365	78,420	3.39
Element Fleet Management Corp.	7,000	86,055	62,300	2.70
Industrial Alliance Insurance & Financial Services Inc.	1,000	56,953	56,260	2.43
		<u>222,373</u>	<u>196,980</u>	<u>8.52</u>
Industrial				
CCL Industries Inc.	1,750	95,516	114,818	4.97
DIRTT Environmental Solutions	15,000	102,585	102,750	4.45
Ag Growth International Inc.	1,700	86,182	98,124	4.25
		<u>284,283</u>	<u>315,692</u>	<u>13.67</u>
Technology				
Enghouse Systems Ltd.	1,000	58,172	52,550	2.27
US Equities				
Consumer, Cyclical				
WABCO Holdings Inc.	500	78,030	82,773	3.58
Consumer, Non-cyclical				
Align Technology Inc.	600	79,328	116,940	5.06
Gartner Inc.	650	87,608	104,229	4.51
S&P Global Inc.	500	78,108	94,769	4.10
Capella Education Company	500	55,294	55,567	2.40
		<u>300,338</u>	<u>371,505</u>	<u>16.07</u>

AlphaDelta Canadian Focused Equity Class

Schedule of Investment Portfolio...continued

(Unaudited)

As at June 30, 2017

	Number of shares	Average cost \$	Fair value \$	Net assets %
Industrial				
National Instruments Corp.	2,500	110,348	130,544	5.65
IMAX Corporation	2,000	86,702	57,126	2.47
		<u>197,050</u>	<u>187,670</u>	<u>8.12</u>
Technology				
IPG Photonics Corporation	700	107,009	131,868	5.71
Intuit Inc.	675	104,354	116,388	5.04
ANSYS Inc.	650	83,690	102,685	4.44
Jack Henry & Associates Inc.	750	90,340	101,141	4.38
		<u>385,393</u>	<u>452,082</u>	<u>19.57</u>
Total portfolio of investments		<u>2,092,070</u>	2,268,387	98.17
Bank overdraft			(6,859)	(0.29)
Other net assets			<u>49,007</u>	<u>2.12</u>
Net assets attributable to holders of redeemable shares			<u>2,310,535</u>	<u>100.00</u>

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

AlphaDelta Canadian Focused Equity Class

Notes to Financial Statements

(Unaudited)

June 30, 2017

1 General

Qwest Funds Corp. (the “Corporation”) is a mutual fund corporation incorporated under the laws of Canada on March 8, 2006. The address of the Corporation’s registered office is Suite 802, 750 West Pender Street, Vancouver, British Columbia, V6C 2T8. The authorized capital of the Corporation consists of an unlimited number of Class A shares, Class B shares and special shares. Currently, there are four classes of special shares that are in issue - the AlphaDelta Canadian Focused Equity Class (the “Fund”), 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. The Fund currently only offers Series A, Series F, Series G 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 March 2, 2015.

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 Laurus Investment Counsel Inc.

The fundamental investment objective of the Fund is to provide long-term capital appreciation by investing primarily in equity securities of Canadian and foreign companies.

The financial statements were authorized for issue by the Board of Directors of the Corporation, on August 25, 2017.

2 Summary of significant accounting policies

Basis of preparation

These interim financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”), as applicable to the preparation of interim financial statements including International Accounting Standards (“IAS”) 34, Interim Financial Statements.

AlphaDelta Canadian Focused Equity Class

Notes to Financial Statements

(Unaudited)

June 30, 2017

The following is a summary of significant accounting policies used by the Fund:

Financial instruments

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments not measured at fair value through profit or loss ("FVTPL"). The Fund's investments have been designated at FVTPL, except for derivatives which are FVTPL because they are held for trading. The Fund's obligation for net assets attributable to holders of redeemable shares is presented as a liability at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount expected to be received or required to be paid, discounted, when appropriate, at the contract's original effective interest rate. The calculation includes all fees and amounts paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Dividend income is recognized at the ex-dividend date. Realized gains and losses on disposal of investments and derivatives and unrealized gains and losses in the value of investments and derivatives are reflected in the statement of comprehensive income and calculated on an average cost basis, where applicable. Upon disposal of an investment or derivative, previously recognized unrealized gains and losses are reversed so as to recognize the full realized gain or loss in the period of disposition. Interest is recorded on an accrual basis. All costs directly attributable to operating activities are expensed as incurred.

Regular way purchases and sales of financial assets are accounted for on a trade date basis.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Allocation of income and expenses, and realized and unrealized capital gains and losses

Income and expenses incurred in connection with the Fund's operations and realized and unrealized gains or losses that are not directly attributable to a particular series of shares are allocated between Series A, Series F, Series G and Series I using the net asset value ("NAV") of Series A, F, G and I shares.

Fair value measurement

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 Fund's policy is to recognize transfers within, into and out of the fair value hierarchy as at the beginning of the period of the transfer.

AlphaDelta Canadian Focused Equity Class

Notes to Financial Statements

(Unaudited)

June 30, 2017

Investments in publicly traded equity securities

The fair value of equity securities that are traded in an active market is measured using the last traded price at the period-end date where such price falls within the 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 which is most representative of fair value based on specific facts and circumstances. When current prices or quotations are not readily available, valuations are established based upon a valuation technique in order to estimate what that fair value would be in an arm's length transaction motivated by normal business considerations. These valuations may include use of the most recent publicly traded price or a price established by the Manager in accordance with its valuation policy.

The amounts at which publicly traded investments could be disposed of currently may differ from the carrying value based on the last traded price, as the value at which significant ownership positions are sold is often different than the quoted price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity.

Cash

Cash consists of cash held with a Canadian chartered bank.

Taxation

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 capital 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 shareholders such that no income tax is payable by the Fund with respect to taxable realized capital gains and dividends received from corporations resident in Canada. Therefore the Fund does not recognize current or deferred income taxes with respect to these types of income.

As of January 1, 2017, conversions of shares between two classes of a mutual fund corporation (including Qwest Funds Corp.) will be treated as a disposition of shares at their fair market value, in order to comply with amendments to the Income Tax Act (Canada).

Foreign currency translation

The functional and presentation currency of the Fund is the Canadian dollar. The fair value of foreign investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at 12:00pm Eastern Standard Time (the "noon rate") on each valuation day. Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into Canadian dollars at rates of exchange prevailing at the respective dates of such transactions.

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Notes to Financial Statements

(Unaudited)

June 30, 2017

Increase (decrease) in net assets attributable to holders of redeemable shares from operations per share

Increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is determined by dividing the increase (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 period (see note 13).

Critical accounting estimates and judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could differ from those reported and the differences could be material. The following paragraphs discuss the most significant accounting estimates and judgments that the Fund has made in preparing its financial statements:

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about whether or not the business of the Fund is to invest on a total return basis for the purpose of applying the fair value option for financial assets under International Accounting Standards (“IAS”) 39, *Financial Instruments - Recognition and Measurement* (IAS 39). The most significant judgments made include the determination that certain investments are held for trading and that the fair value option can be applied to those which are not.

Future accounting changes

IFRS 9 - Financial Instruments

The final version of IFRS 9, *Financial Instruments*, was issued by the IASB in July 2014 and will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity’s own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018; however, it is available for early adoption. The Fund has determined that it will not early adopt this standard and is in the process of assessing the impact to the Fund’s financial statements.

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Notes to Financial Statements

(Unaudited)

June 30, 2017

3 Shareholder transactions

The Fund is divided into Series A, F, G and I shares and the number of shares of each series that may be issued is unlimited and they are offered in all provinces and territories in Canada. Series A shares are available to all investors and may be purchased, switched or redeemed through authorized dealers. Series F and Series G shares are available to investors who have fee-based accounts with their dealers for investment advice and other services. Series F and Series G shares may only be purchased, switched or redeemed through authorized dealers, and not directly through the Manager. Series G shares are only available to investors with accounts with investment advisors that have invested at least \$1,000,000 of client assets in shares of the Fund. Series I shares are available to institutional or other high net worth investors who negotiate and pay management fees directly to the Manager. Series I shares may only be purchased, switched or redeemed through authorized dealers, and not directly through the Manager.

Shares may be redeemed at their NAV per share on any valuation day. If the shares are redeemed or switched within 90 days of purchase, the shareholder may be charged a short-term trading fee of 2% of the value of the shares redeemed.

The number of Series A, F and G shares issued and redeemed at NAV is summarized as follows:

	Six-month period ended June 30,	
	2017	2016
Series A		
Shares issued and outstanding - Beginning of period	54,640	122,947
Shares issued during the period	1,221	163
Shares redeemed during the period	(34,495)	(47,552)
Shares issued and outstanding - End of period	<u>21,366</u>	<u>75,558</u>
Series F		
Shares issued and outstanding - Beginning of period	86,979	469,612
Shares issued during the period	963	386,506
Shares redeemed during the period	(53,881)	(97,254)
Shares issued and outstanding - End of period	<u>34,061</u>	<u>758,864</u>
Series G		
Shares issued and outstanding - Beginning of period	620,750	-
Shares issued during the period	150,730	-
Shares redeemed during the period	(626,056)	-
Shares issued and outstanding - End of period	<u>145,424</u>	<u>-</u>

AlphaDelta Canadian Focused Equity Class

Notes to Financial Statements

(Unaudited)

June 30, 2017

Classification of shares

IAS 32, *Financial Instruments: Presentation*, requires that units or shares of an entity would include a contractual obligation for the issuer to repurchase them for cash or another financial asset be classified as a liability. The Class A shares of the Corporation are not redeemable and holders are entitled to receive the remaining property of the Corporation upon liquidation, dissolution, winding-up or other distribution of assets. As a result, the Class A shares are subordinate to all other classes of shares of the Corporation, including the Fund, and thus the condition in paragraph IAS 32.16A(b) is not met. The special shares of the Fund are also redeemable on demand. As such the shares of the Fund are classified as financial liabilities. The Class A shares of the Corporation are not presented in the financial statements of the Fund.

4 Distributions

The Fund may pay annually to shareholders ordinary dividends and capital gains dividends. Ordinary dividends will generally be paid in December and capital gain dividends will generally be paid in February. Dividends and distributions may be paid at other times as determined by the Manager. In line with the terms of the prospectus, distributions are automatically reinvested in the Fund unless otherwise determined by the Manager.

5 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, 2016, the Corporation has unrecognized non-capital losses of approximately \$3,248,145 available for utilization against taxable income in future years. The Corporation has unrecognized capital losses available at December 31, 2016 of approximately \$8,625,406. The non-capital losses expire as follows:

	\$
Expiry date	
2036	525,370
2035	524,234
2034	389,415
2033	722,898
2032	<u>1,086,228</u>
	<u>3,248,145</u>

6 Expenses

The Fund is responsible for all charges and expenses incurred in connection with its operations, including regulatory, printing, legal and audit expenses (note 8).

Brokerage commissions paid by the Fund with respect to security transactions for the period ended June 30, 2017 are \$17,953 (June 30, 2016 - \$10,850). For the period ended June 30, 2017 and 2016, there were no soft dollar amounts paid.

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Notes to Financial Statements

(Unaudited)

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7 Management fee

The management fee is calculated at 2.5% per annum of the daily NAV of Series A shares, 1.5% per annum of the daily NAV of Series F shares and 0.75% per annum of the daily NAV of Series G shares plus applicable taxes, and is paid monthly. The fees are payable to the Manager (notes 1 and 8).

8 Related party balances and transactions

Balances and transactions are as follows:

	For the six-month period ended June 30,	
	2017	2016
	\$	\$
Qwest Funds Corp., Qwest Energy Canadian Resource Class Reimbursement to QECRC for expenses paid by the Fund	3,174	5,068
Qwest Investment Fund Management Ltd. ("QIFM") Management fee	11,389	47,105
AlphaDelta Management Corp. (note 1) Reimbursement for the Fund's expenses paid by ADM	83,549	73,797
	June 30,	December 31,
	2017	2016
As of	\$	\$
Qwest Investment Fund Management Ltd. ("QIFM") Management fee payable	1,827	6,861
AlphaDelta Management Corp. (note 1) Accounts receivable	83,549	75,442

All amounts payable are due on demand and non-interest bearing.

Included within accounts payable is an amount of \$211 in respect of sales tax payable which is to be remitted to the tax authorities through QIFM (December 31, 2016 - \$539 sales tax receivable). In addition, an amount of \$500 was deposited in a trust account held in QIFM's name during the period to cover costs associated with shareholder transactions.

The terms of transactions with the Manager are disclosed in note 7. QECRC is another class of special shares of the Corporation. During the period, ADM has reimbursed the Fund for certain operating expenses incurred. This reimbursement is at the discretion of ADM and is calculated daily based on a % of NAV.

9 Shareholder recordkeeping and fund accounting fees

The Fund has engaged the services of SGGG Fund Services Inc. ("SGGG") and FundSERV Inc. to provide shareholder recordkeeping and fund accounting services. Shareholder recordkeeping and fund accounting fees incurred by the Fund for the period ended June 30, 2017 are \$36,939 (June 30, 2016 - \$36,585).

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10 Fair Value measurement

The following table illustrates the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2017 and December 31, 2016. The three levels of fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

	Financial assets at fair value as at June 30, 2017			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Equities	2,268,387	-	-	2,268,387

	Financial assets at fair value as at December 31, 2016			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Equities	6,141,214	176,388	-	6,317,602

All fair value measurements above are recurring. The carrying values of other financial instruments approximate their fair values due to their short-term nature.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Fund, including Level 3 measurements. The Manager has engaged SGGG to value the net assets of the Fund on a daily basis. SGGG obtains pricing from a third party pricing vendor. The Fund's overall market positions are monitored on a daily basis by the Manager and are reviewed on a quarterly basis by the Board of Directors. The Manager ensures the accuracy of the calculation of NAV prepared by SGGG by reviewing the NAV calculation on a monthly basis.

The Fund's equity positions are classified as Level 1 when the security is actively traded and reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3. During the period ended June 30, 2017, there were no transfers between levels of the fair value hierarchy (December 31, 2016 - \$nil).

As at December 31, 2016, E-L Financial Corp Ltd. was classed as level 2 in the fair value hierarchy as it did not trade on the valuation date. The fair value was based on the mid-price at December 31, 2016 which fell within the bid-ask spread. As at June 30, 2017, the Fund does not hold E-L Financial Corp Ltd.

The Fund invests in public equities all of which are financial assets measured at FVTPL.

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(Unaudited)

June 30, 2017

11 Financial instruments risk management

The Fund's activities expose it to a variety of financial instrument risks: market risk (including price risk, interest rate risk and currency risk), credit risk, concentration risk and liquidity risk.

The fundamental investment objective of the Fund is to provide long-term capital appreciation by investing primarily in equity securities of Canadian and foreign companies.

The Fund will not use derivatives. 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.

Market risk

a) Price risk

The Fund's investments are exposed to market price risk due to changing market conditions for equities as well as any changes to the tax environment in which the investee entities operate. All investments in equity securities have inherent risk of a loss of capital. The maximum risk resulting from financial instrument investments is determined by the fair value of the financial instruments. The Manager seeks to manage market risks by setting thresholds on individual investments to mitigate the risk of exposure to any one investment. The Fund's overall market positions are monitored on a daily basis by the Manager and are reviewed on a quarterly basis by the Board of Directors.

At June 30, 2017, the Fund's market risk is impacted directly by changes in equity prices. The immediate impact on net assets of a 5% increase or decrease in the fair value of investments assuming all other variables remain constant would be approximately \$113,000 (December 31, 2016 - \$316,000).

b) Interest rate risk

The Fund's interest bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rate on its financial position and cash flows. 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 the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

AlphaDelta Canadian Focused Equity Class

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c) 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 value of investments denominated in a currency other than Canadian dollars is affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the investment is denominated.

When the value of the Canadian dollar falls in relation to foreign currencies, the value in Canadian dollars of investments denominated in other currencies increases.

The Fund's currency risk is impacted directly by changes in foreign exchange rates. The immediate 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.

Currency	Exposure			Impact on net assets attributable to holders of redeemable shares		
	Monetary \$	Non- monetary \$	Total \$	Monetary \$	Non- monetary \$	Total \$
United States dollar	1,256	1,094,030	1,095,286	63	54,701	54,764
% of net assets attributable to holders of redeemable shares	0.1	47.3	47.4	0.0	2.4	2.4

As at December 31, 2016, the monetary financial assets and liabilities of the Fund were all denominated in Canadian dollars. Consequently, the Fund had no significant direct exposure to currency risk.

Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

Credit risk associated with cash is minimized by ensuring that these balances are held by high-quality financial institutions.

When the Fund trades in listed or unlisted securities that are settled upon delivery using approved brokers, the risk of default is considered minimal since delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The Fund only transacts with reputable brokers with a high credit rating.

The Manager monitors the Fund's credit position regularly, and the Board of Directors reviews it on a periodic basis. The Fund has not identified any past due assets or receivables as at June 30, 2017 and December 31, 2016.

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Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The table below shows concentration risk by industry sector.

	At June 30, 2017	At December 31, 2016
	% of net assets	% of net assets
Sector/subgroup		
Technology	21.84	6.25
Industrial	21.79	17.96
Consumer, Non-cyclical	19.83	12.38
Consumer, Cyclical	17.34	8.79
Energy	8.85	13.02
Financial	8.52	19.21
Other assets net of liabilities	2.12	0.28
Bank overdraft (cash)	(0.29)	22.11
	<hr/>	<hr/>
	100.00	100.00
	<hr/>	<hr/>

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with its financial liabilities. The Fund is exposed to daily cash redemptions of redeemable shares and liabilities when they become due. Liquidity risk is managed by holding cash balances and investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed of when liabilities come due.

All liabilities are due within 30 days of the statement of financial position date, except for net assets attributable to holders of redeemable shares which are due on demand.

12 Capital management

Shares of the Fund issued and outstanding represent the capital of the Fund. The Manager manages the capital of the Fund in accordance with the investment objectives of the Fund. There are no externally imposed restrictions on the Fund's capital other than certain minimum subscription requirements. The minimum initial investment is \$1,000.

AlphaDelta Canadian Focused Equity Class

Notes to Financial Statements

(Unaudited)

June 30, 2017

13 Increase (decrease) in net assets attributable to redeemable shares per share

Increase (decrease) in net assets attributable to redeemable shares per share for the period ended June 30, 2017 and 2016 is calculated as follows:

	2017	2016
	\$	\$
Series A		
Increase (decrease) in net assets attributable to holders of redeemable shares	31,588	(6,352)
Weighted average shares outstanding during the period	40,272	101,232
Increase (decrease) in net assets attributable to holders of redeemable shares per share	0.78	(0.06)
Series F		
Increase in net assets attributable to holders of redeemable shares	50,407	31,073
Weighted average shares outstanding during the period	57,731	517,138
Increase in net assets attributable to holders of redeemable shares per share	0.87	0.06
Series G		
Increase in net assets attributable to holders of redeemable shares	67,759	-
Weighted average shares outstanding during the period	106,499	-
Increase in net assets attributable to holders of redeemable shares per share	0.64	-