



AlphaDelta Growth of Dividend Income Class

2016 Semi-Annual Management
Report of Fund Performance

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

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

Management Discussion of Fund Performance

Results of Operations

The Fund’s net asset value was \$1,635,416 as of June 30, 2016, being split \$582,791 to Series A Shares, \$954,187 to Series F Shares and \$98,438 to Series I Shares.

The Fund was seeded and struck its first net asset value on February 19, 2015, at \$10.00 per share for each of Series A Shares and Series F Shares. On October 28, 2015, the Fund issued Series I Shares at \$10.00 per share. The Fund began investing in securities in mid-March, 2015.

Consistent with its primary investment objective of providing income to its investors, the Fund began issuing monthly distributions to investors on March 31, 2015. To date, each monthly distribution has approximately equaled each Fund Share’s pro-rata share of all dividends payable by the securities held by the Fund during such month.

During the six-month period ended June 30, 2016, the Fund issued 4,954 Series A shares, 20,609 Series F shares and 10,087 Series I shares. As at June 30, 2016, 66,704 Series A shares, 108,370 Series F shares and 10,254 Series I shares were outstanding. During the period ended June 30, 2016, the Fund realized an accounting loss of \$10,191 from the disposition of securities.

For the six-month period ended June 30, 2016, the Fund earned dividend income of \$26,000. Total expenses before expense reimbursement was \$95,000 comprised mainly of \$27,000 in shareholder recordkeeping and fund accounting fees, \$18,000 in audit fees, \$13,000 in custodial fees, \$10,000 in legal fees, \$10,000 in filing fees and \$7,000 in management fees (calculated daily at an annual rate of 1.3% of the NAV of Series A shares and 0.8% of the NAV of Series F shares).

An important investment strategy within the Fund is to generate both enhanced income and capital gains through its options writing income overlay. Specifically, the Fund intends to write “covered” call options (i.e. selling call options on equities owned by the Fund) and write “cash covered” put options (i.e., selling put options on equities that the portfolio advisor may wish to purchase for the Fund using cash that has been set aside for such purpose) thereby generating option premium “income” for the Fund. For the period ending June 30, 2016, the Manager determined that the Fund remained too small to implement the options writing income overlay. After this options writing income overlay is implemented, the Manager expects the monthly distributions of the Fund will increase.

The Fund began investing in equities in March of 2015 and since then the Fund has built and maintained a diversified portfolio of dividend paying equities listed on both Canadian and US stock exchanges (including American Depository Receipts). As of June 30, 2016, the Fund held a diversified portfolio of 81 dividend paying equities with the largest individual equity holding being 2.5% of the net asset value of the Fund. As of June 30, 2016, the weighted average gross dividend yield of the Fund’s holdings was approximately 3.6%, while the weighted average annual trailing 1-year and 3-year dividend per share growth rate of its holdings were approximately 13.5% and 15.8%, respectively.

Amongst the Fund’s holdings at June 30, 2016, the Canadian listed positions possessed a larger unrealized percentage loss than the US listed positions. At the individual stock level, the largest unrealized gains

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amongst the current holdings were DuPont Fabros Technology Inc., Johnson & Johnson, Microsoft Corp., Honeywell International Inc. and Johnson Controls Inc. The largest unrealized losses amongst the current holdings were Seagate Technology PLC, Invesco Ltd., Gibson Energy Inc., MetLife Inc. and Qualcomm Inc.

Recent Developments

Several major themes impacted North American stock indices and many of the Fund's holdings at various times during the first half of calendar 2016. First, US economic data was in focus throughout the period, with recession fears spiking early in the new year only to subside throughout the period as the US labour market continued to strengthen. Second, the oil price shock culminated in late January marking both the bottom of US recession fears and a fairly significant US stock market correction. Third, the US dollar remained in focus with the US dollar now appearing to have peaked late last year. Nevertheless, the Canadian-US dollar exchange rate did not put in a bottom until late January after three years of precipitous declines. Fourth, the markets focused on every potential indication of when the US Federal Reserve would next increase the US short-term interest rate. No increase has yet happened this year, following the Fed's first increase in almost ten years in December 2015. Nevertheless, many other countries continued to lower rates and/or ease monetary policy during the period. Fifth, late in the second quarter of 2016 the United Kingdom unexpectedly voted to leave the European Union. This created substantial volatility in all global financial markets, much of which has now dissipated. Overall, the global equity markets started 2016 with high volatility and substantial losses, then recovered and stabilized only to be rocked again near the end of the second quarter on the successful Brexit vote.

With the start of the second half of 2016, many of these same macroeconomic themes will remain important factors to the pricing and volatility of global equities, including the equities held by the Fund. In addition to these themes, we expect several other themes to become more important. First, the markets will remain fixated on the underlying health of the various important global economies (especially the US, EU, Japan and China), and the overall level of global economic growth and recessions risks. Second, the markets will continue to discount the timing of the next US Federal Reserve interest rate increase, as well as the expected timing and path of any further increases. Third, we expect that the implications of monetary policy divergence between the various global central banks, including the implications of the wider adoption of negative interest rates, will remain in focus as a driver of global stock and bond markets. Fourth, we expect much more talk, and possibly some action, regarding supplementing monetary policy with forceful fiscal policy and stimulus (for example, tax cuts and infrastructure programs) to further stimulate various global economies. Fifth, we expect that the markets will closely follow the upcoming Brexit negotiations between the UK and the European Union. Finally, the US election will increasingly become a focus as election day approaches.

Related Party Transactions

Pursuant to the amended and restated master management agreement, the Manager is entitled to an annual management fee of 1.3% of the net asset value of Series A shares and 0.8% of the net asset value of Series F shares of the Fund, calculated daily and payable monthly in arrears. For the period ended June 30, 2016, the Fund incurred \$7,489 in management fees of which \$1,374 was payable at June 30, 2016.

In order for the Fund to maintain a competitive position with other mutual funds with respect to operating expenses charged to the Fund, AlphaDelta Management Corp. ("AlphaDelta"), an affiliate of Qwest Investment Fund Management Ltd. (the "Manager"), has agreed at its discretion to pay for some of the operating expenses of the Fund. AlphaDelta has absorbed a total of \$82,157 of the operating expenses of the Fund for the period ended June 30, 2016.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2016 and December 31, 2015.

Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series A	June 30, 2016	December 31, 2015
Initial NAV	\$ 8.67	\$ 10.00
Increase (decrease) from operations:		
Total revenue	0.14	0.29
Total expenses	(0.08)	(0.17)
Realized gains (losses)	0.48	(1.39)
Unrealized losses	(0.35)	(0.16)
Total increase (decrease) from operations ⁽²⁾	0.19	(1.43)
Distributions:		
From dividends and return of capital	-	(0.24)
Total distributions	-	(0.24)
Net assets attributable to holders of redeemable shares at end of period	\$ 8.74	\$ 8.67

⁽¹⁾ This information is derived from the Fund's semi-annual June 30, 2016 financial statements and December 31, 2015 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	June 30, 2016	December 31, 2015
Total net asset value (000's)	\$ 583	\$ 557
Number of mutual fund shares outstanding	66,704	64,246
Management expense ratio ⁽¹⁾	1.85 %	1.66 %
Management expense ratio before absorption ⁽¹⁾	13.55 %	11.95 %
Portfolio turnover rate ⁽²⁾	63.27 %	22.27 %
Trading expense ratio ⁽³⁾	0.03 %	0.03 %
Net asset value per share	\$ 8.74	\$ 8.67

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

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

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

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2016 and December 31, 2015.

Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series F	June 30, 2016	December 31, 2015
Initial NAV	\$ 8.71	\$ 10.00
Increase (decrease) from operations:		
Total revenue	0.14	0.30
Total expenses	(0.06)	(0.12)
Realized gains (losses)	0.39	(1.18)
Unrealized losses	(0.28)	(0.14)
Total increase (decrease) from operations ⁽²⁾	0.19	(1.14)
Distributions:		
From dividends and return of capital	-	(0.24)
Total distributions	-	(0.24)
Net assets attributable to holders of redeemable shares at end of period	\$ 8.80	\$ 8.71

⁽¹⁾ This information is derived from the Fund's semi-annual June 30, 2016 financial statements and December 31, 2015 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 F	June 30, 2016	December 31, 2015
Total net asset value (000's)	\$ 954	\$ 763
Number of mutual fund shares outstanding	108,370	87,527
Management expense ratio ⁽¹⁾	1.27 %	1.09 %
Management expense ratio before absorption ⁽¹⁾	12.98 %	11.38 %
Portfolio turnover rate ⁽²⁾	63.27 %	22.27 %
Trading expense ratio ⁽³⁾	0.03 %	0.03 %
Net asset value per share	\$ 8.80	\$ 8.71

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

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

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

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2016 and December 31, 2015.

Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series I	June 30, 2016	December 31, 2015
Initial NAV	\$ 9.45	\$ 10.00
Increase (decrease) from operations:		
Total revenue	0.16	0.31
Total expenses	(0.02)	(0.05)
Realized gains (losses)	0.73	(0.66)
Unrealized losses	(0.54)	(0.08)
Total increase (decrease) from operations ⁽²⁾	0.33	(0.48)
Distributions:		
From dividends and return of capital	-	(0.06)
Total distributions	-	(0.06)
Net assets attributable to holders of redeemable shares at end of period	\$ 9.60	\$ 9.45

⁽¹⁾ This information is derived from the Fund's semi-annual June 30, 2016 financial statements and December 31, 2015 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 I	June 30, 2016	December 31, 2015
Total net asset value (000's)	\$ 98	\$ 17
Number of mutual fund shares outstanding	10,254	1,812
Management expense ratio ⁽¹⁾	0.39 %	0.96 %
Management expense ratio before absorption ⁽¹⁾	12.09 %	50.82 %
Portfolio turnover rate ⁽²⁾	63.27 %	22.27 %
Trading expense ratio ⁽³⁾	0.03 %	0.14 %
Net asset value per share	\$ 9.60	\$ 9.45

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

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

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

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Management Fees

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

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

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.3%	38%	62%
Series F	0.8%	-	100%

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

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

Past Performance

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

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Summary of Investment Portfolio

As at June 30, 2016, the net assets attributable to holders of redeemable shares of the Fund was \$1,635,416. Below is a breakdown of the investment portfolio as at June 30, 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
Whirlpool Corp.	2.30
The Boeing Co.	2.15
Johnson & Johnson	2.11
AbbVie Inc.	2.10
QUALCOMM Inc.	2.07
General Motors Co.	2.01
CI Financial Corp.	1.93
Enbridge Inc.	1.84
Manulife Financial Corp.	1.84
Cisco Systems Inc.	1.84
Skyworks Solutions Inc.	1.80
International Paper Co.	1.77
Pfizer Inc.	1.75
Johnson Controls Inc.	1.75
Magna International Inc.	1.75
Brinker International Inc.	1.73
Wyndham Worldwide Corp.	1.69
Best Buy Co Inc.	1.68
MetLife Inc.	1.68
Invesco Ltd	1.67
Macy's Inc.	1.67
Honeywell International Inc.	1.65
Prudential Financial Inc.	1.63
Legg Mason Inc.	1.63
Harman International Industries Inc.	1.62

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Sector/Subgroup	% of Net Assets
Financial	24.71
Consumer, Cyclical	20.79
Consumer, Non-cyclical	14.46
Industrial	9.08
Technology	8.59
Communications	7.88
Energy	7.71
Basic Materials	4.64
Cash	2.75
Other net liabilities net of assets	(0.61)
	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.

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.