

**Annual Information Form**

**August 7, 2020**



**Offering Series A, Series F and Series I shares of**

**ALPHADELTA TACTICAL GROWTH CLASS**

**Offering Series A, Series F, Series G, Series H and Series I shares of**

**ALPHADELTA CANADIAN MOMENTUM EQUITY  
CLASS**

**Offering Series A, Series F, Series G, Series H and Series I shares of**

**ALPHADELTA CANADIAN GROWTH OF DIVIDEND  
INCOME CLASS**

**and**

**Offering Series A1, Series F, Series G, Series H and Series I shares of**

**ALPHADELTA GROWTH OF DIVIDEND INCOME  
CLASS**

*No securities regulatory authority has expressed an opinion about the shares of the Funds and it is an offence to claim otherwise. The Funds and the shares of the Funds offered under the Simplified Prospectus and this Annual Information Form are not registered with the United States Securities and Exchange Commission, and are sold in the United States only in reliance on exemptions from registration.*

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## Formation and History of the Funds

Qwest Funds Corp. (the “**Corporation**”) is a mutual fund corporation incorporated under the laws of Canada on March 8, 2006. AlphaDelta Tactical Growth Class, AlphaDelta Canadian Momentum Equity Class, AlphaDelta Canadian Growth of Dividend Income Class and AlphaDelta Growth of Dividend Income Class (together, the “**Funds**” and each, a “**Fund**”) are classes of special shares (“**shares**”) of the Corporation. The Funds’ offices are located at Suite 732, 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2.

On June 7, 2011, the Corporation’s Articles of Incorporation were amended to change the name of the Corporation from “QE Funds Corp.” to “Qwest Funds Corp.”, and on December 5, 2014 they were amended to terminate the Qwest Energy Growth & Income Class of special shares. On January 1, 2015, the Corporation’s Articles of Incorporation were further amended by director’s resolution to rename the Class 3, Class 4 and Class 5 special shares of the Corporation to the “AlphaDelta Global Value Class”, “AlphaDelta Canadian Prosperity Class” and “AlphaDelta Growth of Dividend Income Class” of special shares, respectively, to designate a series of shares as the “Series I shares”, and to confirm the Corporation’s ability to make distributions by way of returns of capital. On January 14, 2016, there was a further amendment to the Corporation’s Articles of Incorporation to change the name of the AlphaDelta Global Value Class to the “AlphaDelta Tactical Growth Class”. On April 29, 2016, the Corporation’s Articles of Incorporation were again amended by directors’ resolution to designate a series of shares as the “Series G shares”. On December 30, 2016, the Articles of Incorporation were amended to change the name of the AlphaDelta Canadian Prosperity Class to the “AlphaDelta Canadian Focused Equity Class”. On July 10, 2018 the Articles of Incorporation were amended to designate two new series’ of shares as the “Series A1 shares” and the “Series H shares”. On July 10, 2018, the Articles of Incorporation were amended by director’s resolution to rename the Class 6 special shares of the Corporation to the “AlphaDelta Canadian Growth of Dividend Income Class” of special shares. On August 2, 2019, the Articles of Incorporation were amended to change the name of the AlphaDelta Canadian Focused Equity Class to the “AlphaDelta Canadian Momentum Equity Class”.

Also on December 30, 2016, the fundamental investment objective of the AlphaDelta Canadian Focused Equity Class was changed to provide long-term capital appreciation by investing primarily in equity securities of Canadian and foreign companies. Previously, this Fund invested primarily in equity securities of Canadian companies with market capitalization of up to \$3 billion as of the date of investment.

Previously, the Corporation also offered Series A and Series F shares of the Qwest Energy Canadian Resource Class, but ceased offering them as of June 30, 2019.

The manager of the Funds is Qwest Investment Fund Management Ltd. (“**Qwest**” or the “**Manager**”), which was incorporated under the laws of Canada on September 27, 2005 and was formerly called “Qwest Energy Fund Management Ltd.”. The Manager commenced acting as manager of the Funds on May 31, 2010.

## Investment Restrictions and Practices of the Fund

### Investment Restrictions

The Corporation is subject to the standard investment restrictions and practices contained in securities legislation, including National Instrument 81-102 *Investment Funds* (“**NI 81-102**”). This legislation is designed, in part, to ensure that the investments of the Funds are diversified and relatively liquid and to

ensure the proper administration of the Funds. Except as described below, the Funds adhere to these standard investment restrictions and practices.

The Manager has obtained relief from applicable securities regulators that permits the Funds to invest in certain specific commodity pools structured as exchange-traded funds that use financial instruments that correlate to a multiple (or inverse multiple) of the daily performance of a “permitted index” (as defined in NI 81-102) except for a permitted index that is based, directly or indirectly, on a physical commodity other than gold. This relief is limited such that the Funds may not purchase securities of specified commodity pools if, immediately after the purchase, more than 10% of the net assets of a Fund, taken at market value at the time of purchase, would consist of those specified commodity pools.

Any change in the fundamental investment objective of a Fund must be approved by a majority of the votes cast at a meeting of that Fund’s shareholders called for that purpose. However, the investment strategies described in the Simplified Prospectus for a Fund may be changed by the Manager in its discretion.

### **Registered Plan Status**

The Corporation qualifies as a mutual fund corporation within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”) and is expected to continue to so qualify at all material times in the future. Accordingly, Series A, Series A1, Series F, Series G, Series H and Series I shares of the Funds are qualified investments under the Tax Act for registered retirement savings plans (“**RRSPs**”), registered retirement income funds (“**RRIFs**”), deferred profit sharing plans, tax-free savings accounts (“**TFSAs**”), registered disability savings plans (“**RDSPs**”) and registered education savings plans (“**RESPs**”) (collectively, “**Registered Plans**”). Annuitants of RRSPs and RRIFs, subscribers of RESPs, and holders of TFSAs and RDSPs, should consult with their own tax advisors as to whether shares would be a “prohibited investment” under the Tax Act in their particular circumstances.

### **Description of Shares**

The authorized capital of the Corporation consists of an unlimited number of Class A shares of which 51 shares have been issued to Qwest Investment Management Corp., an affiliate of the Manager, and 49 shares have been issued to AlphaDelta Management Corp., which is also a service provider for the Funds (see “Other Service Providers” below), an unlimited number of Class B shares of which 1,000 shares have been issued to Qwest Investment Management Corp., and an unlimited number of special shares. Currently, there are four classes of special shares that have been issued, however, the Corporation may offer additional classes of special shares in the future. The Funds are divided into Series A, A1, F, G, H and I, and the number of shares of each series that may be issued is unlimited. The AlphaDelta Tactical Growth Class currently offers Series A, Series F and Series I shares, the AlphaDelta Canadian Momentum Equity Class and AlphaDelta Canadian Growth of Dividend Income Class currently both offer Series A, Series F, Series G, Series H and Series I shares, and the AlphaDelta Growth of Dividend Income Class currently offers Series A1, Series F, Series G, Series H and Series I shares. Additional series of shares of the Funds may be issued in the future.

The Funds generally derive their value from the portfolio assets held and the income earned in respect of those assets. The net asset value of the Funds and each outstanding series of shares is calculated daily, and is determined as described under “Calculation of Net Asset Value” and “Valuation of Portfolio Securities”.

Each holder of a whole share of a series of a Fund is entitled to one vote per share at meetings of holders of that series of shares of that Fund.

Dividends in respect of the Corporation, including capital gains dividends, may be declared payable by the Board of Directors of the Corporation in its sole discretion.

Within a Fund, each series of shares rank on the same level as other series when it comes to payment of declared dividends and return of capital in the event of liquidation, dissolution or winding-up.

Fractions of shares may be issued. Fractional shares carry the rights and privileges, and are subject to the restrictions and conditions, applicable to whole shares in the proportions which they bear to one share; however, the holder of a fractional share is not entitled to vote in respect of such fractional share.

Shareholders can redeem all or any of their shares at the series net asset value of the shares as described under "Redemption of Shares". All shares are transferable without restriction.

Further details of the rights attaching to the Series A, Series A1, Series F, Series G, Series H and Series I shares of the Funds are contained in the Articles of Incorporation of the Corporation. The rights and conditions attached to the Series A, Series A1, Series F, Series G, Series H and Series I shares of a Fund may be modified only in accordance with the provisions attached to such shares and the provisions of the corporate legislation applicable to the Corporation. A description of the Series A, Series A1, Series F, Series G, Series H and Series I shares offered by the Funds and the eligibility requirements attached to the shares is contained in the Funds' Simplified Prospectus.

### **Meetings of Investors**

The Corporation holds meetings in compliance with corporate legislation. Qwest Investment Management Corp. and AlphaDelta Management Corp., as the holders of all the issued Class A shares of the Corporation, elect the directors and appoint the auditors of the Funds. In addition, investors in the Funds are permitted to vote on all matters that require shareholder approval under NI 81-102. As at the date of this Annual Information Form these matters are:

- a change in the basis of the calculation of a fee or expense or the introduction of a fee or expense, charged to or to be charged to a Fund or directly to a Fund's shareholders by a Fund or the Manager that could result in an increase in charges to a Fund or shareholders (however, in either case, shareholder consent will not be required if the change or new fee or expense is a result of a change made by a third party at arm's length to a Fund. In this case, you will be sent written notice at least 60 days before the effective date of the change);
- a change of the Manager, unless the new manager is an affiliate of the Manager;
- a change in the fundamental investment objective of a Fund;
- a decrease in the frequency of the calculation of the net asset value per share of a Fund; and
- except in the circumstances described below, certain material reorganizations of a Fund.

However, under NI 81-102, each Fund has the ability to make the following changes without shareholder approval:

- change the auditor of the Fund, provided that the independent review committee for the Funds (the "IRC") has approved the change and shareholders are sent a written notice at least 60 days prior to the change; and

- complete a reorganization of the Fund with, or a transfers its assets to, another fund (for example, a fund merger) where: (i) the Fund will cease to continue after the transaction; and (ii) the transaction results in the shareholders of the Fund becoming shareholders in the other fund, provided that the IRC has approved the transaction, the Fund is being reorganized with, or its assets are being transferred to, another fund to which NI 81-102 and National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107”) apply and that is managed by the Manager, or an affiliate of the Manager and shareholders are sent written notice at least 60 days prior to the completion of the transaction and certain other conditions are met.

## Calculation of Net Asset Value and Valuation of Portfolio Securities

### Calculation of Net Asset Value

The purchase and redemption price of Series A, Series A1, Series F, Series G, Series H and Series I shares of a Fund are based on the net asset value (“NAV”) per share determined after the receipt of a purchase or redemption order. The NAV per share is calculated on each valuation day. For the Funds, a “**valuation day**” is any day on which the Toronto Stock Exchange is open for trading.

The Funds maintain a separate net asset value for each series of shares, as if the series were a separate fund. However, the assets of the Funds constitute a single pool for investment purposes. The NAV for a series is based on series specific amounts, such as amounts paid on the purchase and redemption of shares of the series and expenses attributable solely to the series, and on the series’ share of the Funds’ investment earnings, market appreciation or depreciation of assets, common expenses and other amounts not attributable to a specific series.

The NAV per share of each series is calculated by dividing the NAV for the series by the total number of outstanding shares of the series.

We calculate the NAV per share of the Funds at 4:00 p.m. (Eastern Standard Time) on each valuation day. The purchase and redemption price of shares is the NAV per share next determined after the receipt of a purchase or redemption order.

You can get a copy of the net asset value and net asset value per share 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 732, 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2;
- by emailing us at [info@qwestfunds.com](mailto:info@qwestfunds.com); or
- by viewing the information on our website at [www.qwestfunds.com](http://www.qwestfunds.com).

### Valuation of Portfolio Securities

In calculating the NAV of the Series A, Series A1, Series F, Series G, Series H and Series I shares, the following valuation principles apply:

1. The value of any cash or its equivalent on hand, on deposit or on call, bills and demand notes and accounts receivable, prepaid expenses, cash dividends declared and interest accrued and not yet received will be its face amount, unless the Manager determines an otherwise fair value.

2. The value of any security or interest in a security that is listed or dealt in upon a stock exchange will be determined by:
  - (a) in the case of a security traded on the day as of which the NAV is being determined, the last sale price or official close price, where available, on the principal exchange on which it is traded;
  - (b) in the case of a security not traded on the day as of which the NAV is being determined because such exchange is closed for business on such day, unless determined otherwise by the Manager, the most recent closing sale price; and
  - (c) subject to paragraph (4) below, in the case of any other security not traded on such exchange on the day as of which the NAV is being determined, a price estimated to be the true value thereof by the Manager on such basis and in such manner as may be approved by the Manager, such price being between the closing ask and bid prices for the security or interest therein as reported by any report in common use or authorized as official by a stock exchange.
3. The value of any security or interest therein that is not listed or dealt in upon any stock exchange will be determined as nearly as may be possible in the manner described in paragraph (2) above, except that there may be used, for the purpose of determining the sale price or the ask and bid prices, any public quotations in common use which may be available.
4. Securities and other assets for which market quotations are, in the Manager's opinion, inaccurate, unreliable, not reflective of all available material information, not readily available or not available are valued at their fair value, as determined by the Manager.
5. Long positions in clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants will be valued at the current market value thereof.
6. Where a clearing corporation option, option on futures or over-the-counter option is written by a Fund, the premium received by that Fund will be reflected as a deferred credit which will be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the NAV of the Fund; the securities, if any, which are the subject of a written clearing corporation option or over-the-counter option will be valued in the manner described above for listed securities.
7. The value of a futures contract or a forward contract shall be the gain or loss, if any, that would arise as a result of closing the position in the futures contract or forward contract, as the case may be, on the day as of which the NAV is being determined unless daily limits are in effect, in which case fair market value will be based on the current value of the underlying interest.
8. For any securities denominated in any currency other than Canadian currency, the value so determined in that currency is converted into Canadian currency at the day's exchange rate.
9. If an asset cannot be valued under the above rules or under any valuation rules set out in securities legislation or if any of the valuation rules adopted by the Manager but not set out in securities legislation are at any time considered by the Manager to be inappropriate in the circumstances, then

the Manager shall use a valuation that it considers to be fair in the circumstances. The Manager has not exercised this discretion in the past three years.

The Manager has retained SGGG Fund Services Inc., an independent third party service provider, to calculate the NAV of the Funds.

In the event of any inconsistency between the valuation principles set out above and the provisions of applicable securities legislation, the provisions of applicable securities legislation shall prevail.

## **Purchase of Shares**

### **Minimum Purchase Amounts**

The minimum initial investment in each of the Funds is \$1,000, except for Series G and H shares where the minimum initial investment is \$25,000. Each subsequent investment must be at least \$100.

### **Process of Making Purchases**

You may buy shares on any valuation day. To do so, you must complete a purchase order and your dealer must send the order, along with payment, to the Funds' registrar and transfer agent on the same day the dealer receives the order. If the dealer receives the order after the close of business or on a day which is not a valuation day, the dealer must send the order to the Funds' registrar and transfer agent on the next valuation day.

Whenever practicable, the dealer must send purchase orders by courier, fax or electronic entry to ensure that the Funds' registrar and transfer agent receives it as quickly as possible. The cost of sending the order must be paid by the dealer. As a security measure, purchase orders placed by fax directly from investors will not be accepted.

If a purchase order is received by the Funds' registrar and transfer agent before 4:00 p.m. (Eastern Standard Time) on a valuation day, the purchase order will be processed at the NAV per share calculated on the same valuation day. If the purchase order is received by the Funds' registrar and transfer agent after 4:00 p.m. (Eastern Standard Time) on a valuation day or on a day which is not a valuation day, it will be processed in the same way on the next valuation day.

If payment of the total amount of the purchase order and all necessary documents are not received by the Funds' registrar and transfer agent within two business days after the date on which the price of the shares is determined for the purchase order, the Manager will reverse the purchase order by processing a redemption request on the next business day for the number of shares that were purchased. The redemption proceeds will be used to pay for the amount owing on the purchase. Any excess proceeds belong to the relevant Fund. Any shortfall will initially be paid to the relevant Fund by the Manager, but the Manager will be entitled to collect the shortfall, plus any costs involved, from the dealer who placed the order for the shares. The dealer may, in turn, collect the shortfall plus any costs involved from the investor who placed the order. Where no dealer was involved, the Manager will be entitled to collect the shortfall and costs from the investor who placed the order.

The Manager has the right to accept or reject any purchase order, but must make a decision to reject an order within one business day after receiving the order with complete documentation. The payment received with that order must be refunded immediately. If your cheque for the purchase of shares is not honoured, we may reverse the purchase order and hold you responsible for any costs incurred.



## Switching Privileges

You may switch shares of one series of a Fund for shares of another series of that Fund. You may also switch shares of a Fund for shares of another Fund.

In order to switch your shares of a Fund, you must provide us or the transfer agent with the following information:

- your name and account number;
- the date of the transaction;
- the name of the series and dollar amount of shares you want to switch from;
- the name of the series of shares you want to switch to; and
- your signature, if the transaction is submitted by mail or by fax.

If you are no longer eligible to hold a series of shares, we may switch your shares to another series of the Fund.

## Redemption of Shares

You may redeem your shares at the relevant NAV per share on any valuation day. A short-term trading fee may apply. See “Short-Term Trading Fees” for additional information.

### Redemption Process

You may redeem shares of the Funds on any valuation day. To do so, you must complete a written redemption request. If the redemption request is deposited with a dealer, the dealer must send the redemption request to the Funds’ registrar and transfer agent on the same day. If the dealer receives the redemption request after 4:00 p.m. (Eastern Standard Time) or on a day that is not a valuation day, the dealer must send it to the Funds’ registrar and transfer agent on the next valuation day.

A redemption request received by the Funds’ registrar and transfer agent before 4:00 p.m. (Eastern Standard Time) on a valuation day will be processed at the NAV per share calculated at the close of business on that valuation day. A redemption request received by the Funds’ registrar and transfer agent after 4:00 p.m. (Eastern Standard Time) on a valuation day or on a day which is not a valuation day will be processed in the same way on the next valuation day.

Whenever practicable, a dealer must send your redemption request by courier, fax or electronic entry, to ensure that the Funds’ registrar and transfer agent receives it as quickly as possible. The cost of sending the redemption request must be paid by the dealer. As a security measure, a redemption request sent by fax directly by an investor will not be accepted.

For the protection of other shareholders, your signature on any redemption request must be guaranteed by a Canadian chartered bank, trust company or a dealer. This procedure must be followed carefully. Other documentation may be required for redemption by corporations or other investors that are not individuals.

If all necessary redemption documents have been properly completed and sent to the Funds’ registrar and transfer agent with the redemption request, the Manager will pay the redemption amount within two

business days of the business day on which the redemption is processed. Otherwise, the redemption amount will be paid within two business days after the Funds' registrar and transfer agent receives the missing documentation. If all necessary documents are not received by the Funds' registrar and transfer agent within ten business days following the date on which the redemption was requested, the Manager will reverse the redemption order by processing a purchase order on the tenth business day after the redemption order, for the number of shares that were redeemed. The redemption proceeds will be used to pay for the shares purchased. Any excess proceeds belong to the relevant Fund. Any shortfall will initially be paid to the relevant Fund by the Manager, but the Manager will be entitled to collect the shortfall, plus any costs involved, from the dealer who placed the redemption request. The dealer may, in turn, collect the shortfall plus any costs involved from the investor who placed the redemption request. Where no dealer has been involved, the Manager will be entitled to collect the shortfall and costs from the investor who placed the redemption request.

There is no charge for redemptions, unless you are redeeming shares within 90 days of their purchase (see "Short-Term Trading Fees" below).

If you are holding shares of a Fund in a registered plan, the redemption amount will be paid to the trustee of the plan because the necessary tax forms must be prepared and, in some cases, income tax deducted before payment can be released to you.

The Manager has the right to redeem your shares of the Funds if your investment has a value less than \$1,000. The Manager will give you 30 days' notice that the redemption will take place. You will have the option to make an additional investment to increase your investment in the Funds to more than \$1,000. If a partial redemption of shares reduces the value of an investment to less than \$1,000, the Fund has the right to automatically redeem the balance.

Your right to redeem shares of the Funds may be suspended with the consent of the Canadian securities regulatory authorities or for any period when normal trading is suspended on any stock exchange, in or outside Canada, where more than 50% of the securities held by the Funds by market value, or underlying market exposure, are listed or traded if those securities are not traded on any other exchange that represent a reasonably practical alternative for the Funds.

## **Short-Term Trading Fees**

If you redeem or switch shares of the Fund within 90 days of purchase, you may be charged a short-term trading fee of 2% of the value of the shares redeemed.

In addition to any applicable short-term trading fees, we may, in our sole discretion, refuse future purchase orders if we determine that your trading activities may be detrimental to the Funds.

## **Management of the Funds**

### **The Manager**

The manager of the Funds is Qwest Investment Fund Management Ltd. The office of the Manager is located at Suite 732, 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2. You can reach the Manager by telephone, toll free, at 1-866-602-1142 or by e-mail at [info@qwestfunds.com](mailto:info@qwestfunds.com). The Manager's website address is [www.qwestfunds.com](http://www.qwestfunds.com). The Manager is responsible for managing the overall business and operations of the Funds.

The names and municipalities of residence of the directors and executive officers of the Manager, their positions and offices, and principal business occupation for the past five years, are as follows:

Name and Municipality of Residence	Position and Office	Principal Business Occupation During Past Five Years
Maurice Levesque Edmonton, Alberta	Chief Executive Officer, Chief Compliance Officer, Ultimate Designated Person, Chairman and Director	Chief Executive Officer, Chief Compliance Officer, Ultimate Designated Person, Chairman and director of Qwest Investment Fund Management Ltd.; President and director of Heritage Bancorp Ltd; and Chief Executive Officer, Chairman and director of Qwest Investment Management Corp.
Victor Therrien Vancouver, British Columbia	Senior Vice-President, Mutual Funds and Director	Chief Executive Officer and Director of AlphaDelta Management Corp. since May, 2014; Founder and Director, Click Realty Holdings Ltd. and MyClick Technologies from 2010 to 2014; Vice President (Ontario) of Richardson GMP from 2006 to 2010.
Don Short Calgary, Alberta	Senior Vice-President, Portfolio Manager and Director	Senior Vice-President and Portfolio Manager and director of Qwest Investment Fund Management Ltd. since June 2010. From 2006 to September 2010, President of Origin Capital Management Ltd.
Peter Fang, West Vancouver, British Columbia	Chief Operating Officer, Portfolio Manager and Director	Chief Operating Officer of Qwest Investment Fund Management Ltd. since April 2018; Portfolio Manager and Director of Qwest Investment Fund Management Ltd. since December 2017; Portfolio Manager of MY Capital Management Corp. from March 2016 to December 2017; Investment Advisor of Manulife Securities Inc. from December 2013 to July 2015; Principal & Co-founder of Promerita Investment Management from 2013 to 2017; Founder of Hoovest Enterprises Corp. since 2014.
Jackie Chen Vancouver, British Columbia	Director	Chief Executive Officer and Director of Uni-innovate Consulting Corp.; Chief Executive Officer and Director of INP Capital Management Ltd. and INP Capital Inc.; Director of Euclidean Pty Ltd., INP Greengold Fund I Limited Partnership, INP Grandoak Investment Management Ltd., Une-Innovation Consulting Australia Pty Ltd., INP Capital Australia Pty Ltd. and INP Capital GP Limited.

The Corporation has entered into an amended and restated master management agreement with Qwest Investment Fund Management Ltd. Pursuant to the amended and restated master management agreement, the Corporation has appointed the Manager to provide it with all necessary administrative and management

services. These services include providing, or arranging for the provision of, investment advice on the purchase and sale of portfolio securities, portfolio management and the calculation of net asset values of the Funds, where necessary. The Manager may provide these services directly or it may retain agents to perform these services. The Manager has retained sub-advisors to provide portfolio management services to certain of the Funds. Information about these sub-advisors is set out below under the heading “Management of the Funds – Sub-Advisors”.

The amended and restated master management agreement provides that the Manager is paid a management fee as compensation for its services to the Funds. Please refer to the Funds’ Simplified Prospectus for a description of the management fees applicable to the Funds.

The amended and restated master management agreement will continue in effect from year to year unless terminated by either party upon at least 60 days written notice or as a result of the insolvency or default of either party.

The amended and restated master management agreement permits the Manager to appoint agents to assist it in performing all necessary services required by the Funds. The amended and restated master management agreement may not be assigned by the Manager without any applicable regulatory approval and the approval of at least a majority of the votes cast at a meeting of the shareholders of the Funds, unless the assignment is to an affiliate of the Manager.

#### **Qwest Funds Corp.**

The business of the Corporation is managed by its Board of Directors, which may exercise all powers that are not required by statute, the articles of incorporation or its by-laws to be exercised by the shareholders. The day-to-day operations of the Corporation are administered by the Manager. The directors of the Corporation receive no compensation in respect of their positions with the Corporation. The names and municipalities of residence of the directors and executive officers of the Corporation, their positions and offices, and principal business occupation for the past five years, are as follows:

<b>Name and Municipality of Residence</b>	<b>Position and Office</b>	<b>Principal Business Occupation During Past Five Years</b>
Maurice Levesque Edmonton, Alberta	Chief Executive Officer, Chairman and Director	Chief Executive Officer, Chief Compliance Officer, Chairman and director of Qwest Investment Fund Management Ltd.; President and director of Heritage Bancorp Ltd; and Chief Executive Officer, Chairman and director of Qwest Investment Management Corp.
Victor Therrien Vancouver, British Columbia	Senior Vice-President, Mutual Funds and Director	Chief Executive Officer and Director of AlphaDelta Management Corp. since May, 2014; Founder and Director, Click Realty Holdings Ltd. and MyClick Technologies from 2010 to 2014; Vice President (Ontario) of Richardson GMP from 2006 to 2010.

<b>Name and Municipality of Residence</b>	<b>Position and Office</b>	<b>Principal Business Occupation During Past Five Years</b>
Don Short Calgary, Alberta	Senior Vice-President, Portfolio Manager and Director	Senior Vice-President and Portfolio Manager and director of Qwest Investment Fund Management Ltd. since June 2010. From 2006 to September 2010, President of Origin Capital Management Ltd.
Peter Fang West Vancouver, British Columbia	Chief Operating Officer	Chief Operating Officer of Qwest Investment Fund Management Ltd. since April 2018; Portfolio Manager and Director of Qwest Investment Fund Management Ltd. since December 2017; Portfolio Manager of MY Capital Management Corp. from March 2016 to December 2017; Investment Advisor of Manulife Securities Inc. from December 2013 to July 2015; Principal & Co-founder of Promerita Investment Management from 2013 to 2017; Founder of Hoovest Enterprises Corp. since 2014.

## Portfolio Adviser

The Manager is responsible for managing the investment portfolio of the Funds. The Manager is responsible for providing, or causing to be provided, investment analysis for the Funds and for making, or causing to be made, investment recommendations to the Manager and investment decisions for the Funds' portfolio. As discussed under "Sub-Advisors" below, the Manager has retained sub-advisors to provide portfolio management services in respect of certain of the Funds.

The Manager may place orders on behalf of the Funds for the purchase and sale of portfolio securities through brokers or dealers who are affiliates or subsidiaries of the Manager. It may do so provided that such orders are to be executed on terms and conditions as favourable to the Funds as could be expected to be obtained from other brokers or dealers, and at commission rates comparable to that which would have been charged by such other brokers or dealers.

The name, title and length of service of the person employed by the Manager who is principally responsible for the day-to-day management of the Funds or implementing its investment strategy is as follows:

<b>Name</b>	<b>Title</b>	<b>Length of Service</b>	<b>Business Experience for Past 5 Years</b>
Don Short Calgary, Alberta	Senior Vice-President, Portfolio Manager and Director	10 years	Senior Vice-President and Portfolio Manager and director of Qwest Investment Fund Management Ltd. since June 2010. From 2006 to September 2010, President of Origin Capital Management Ltd.

## Sub-Advisors

Pursuant to the master management agreement the Manager is entitled to delegate its responsibilities to third parties, provided that the Manager remains liable to the Funds for the selection of such persons and

must require such persons to perform their services to a standard of care that is at least as high as the standard of care required by the Manager pursuant to the master management agreement.

The Manager has retained sub-advisors to provide portfolio management services for each of the AlphaDelta Tactical Growth Class, AlphaDelta Canadian Momentum Equity Class, AlphaDelta Canadian Growth of Dividend Income Class and AlphaDelta Growth of Dividend Income Class. Each sub-advisor the Manager has retained has discretionary authority to purchase and sell securities for all or a portion of the portfolio of the Fund in respect of which it provides advisory services, subject to that Fund's investment objectives, restrictions and policies and any other limitations the Manager may impose. Sub-advisors are paid by the Manager out of its management fees, and are not paid by the Funds.

The following is a list of the sub-advisors and the individuals that are principally responsible for the investment decisions made on behalf of the AlphaDelta Tactical Growth Class, AlphaDelta Canadian Momentum Equity Class, AlphaDelta Canadian Growth of Dividend Income Class and AlphaDelta Growth of Dividend Income Class as at the date of this Annual Information Form.

***AlphaDelta Tactical Growth Class***

Aventine Management Group Inc.  
Toronto, Ontario

<u>Name</u>	<u>Title</u>	<u>Length of Service</u>	<u>Business Experience for Past 5 Years</u>
Barry Hirowatari	Portfolio Manager	32 years	Portfolio Manager, Aventine Management Group Inc.
James Telfser	Managing Partner and Portfolio Manager	13 years	Managing Partner and Portfolio Manager, Aventine Management Group Inc.

***AlphaDelta Canadian Growth of Dividend Income Class, AlphaDelta Growth of Dividend Income Class and AlphaDelta Canadian Momentum Equity Class***

SciVest Capital Management Inc.  
London, Ontario

<u>Name</u>	<u>Title</u>	<u>Length of Service</u>	<u>Business Experience for Past 5 Years</u>
John J. Schmitz, PhD, CFA	President	23 years	President, CEO and portfolio manager, SciVest Capital Management Inc.

**Brokerage Arrangements**

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of portfolio transactions, including selection of market, dealer or broker and the negotiation, where applicable, of commissions, are made by the Manager or, where the manager has retained a sub-advisor, the sub-advisor. In effecting portfolio transactions, the Manager seeks to obtain best execution of trades on behalf of the Funds, taking into account all factors it deems relevant, including but not limited to, the price of the security, speed of execution, certainty of execution, transaction size, liquidity of the security, market conditions, and commission costs/spreads relative to the transaction. The Manager or sub-advisor, as applicable, may also take into account whether any additional goods and services are provided by broker-dealers and are included

in the brokerage commissions. These additional services, other than order execution services, may include (i) advice as to the value of securities and the advisability of effecting transactions in securities; (ii) analysis and reports concerning securities, portfolio strategy or performance, issuers, industries, or economic or political factors and trends; and (iii) databases or software to the extent they are designed mainly to support the services referred to in (i) and (ii). When selecting brokers for the provision of any order execution goods and services or research goods and services by the broker or third party, the Manager or sub-advisor, as applicable, will make a good faith determination that the Funds receive reasonable benefit considering both the use of the goods and services and the amount of brokerage commission paid. Specifically, with respect to the Manager, the Manager monitors the services provided by broker-dealers to ensure that brokerage commissions are only used for goods and services that assist the Manager in the investment decision-making process; that the brokerage commissions paid are reasonable in relation to the research and execution services received, and, at all times, the Manager seeks the best price and execution for each transaction. There are no contractual obligations to allocate brokerage business with respect to the Funds to any specific brokerage firm, and brokerage transactions are not carried out through any entity that is affiliated with the Manager.

Where the investment objectives and policies of the Funds and other clients for which the Manager provides its services are substantially similar, the Manager has determined to buy or sell the same security for the Funds and for one or more other entities, the orders for all securities will be placed for execution by methods determined by the Manager to be impartial and fair in order to seek favourable results for all of its clients. Generally, the Manager pro-rates each client's participation in an investment opportunity based upon the capacity of the client, taking into consideration each client's investment portfolio and other factors present at the time.

## **Independent Review Committee**

In accordance with NI 81-107, an IRC for the Funds has been established. The IRC is responsible for reviewing or in some cases, approving conflicts of interest matters related to the Funds. The compensation payable to, and the expenses of, the IRC will be paid by the Funds and other investment funds managed by the Manager or its affiliates. For further information, see the section below called "Fund Governance".

## **Custodian**

The portfolio assets of the Funds are held under the custodianship of RBC Investor Services Trust, whose head office is in Toronto, Ontario, pursuant to an amended and restated custodian agreement dated May 31, 2010, as amended by amending agreements dated August 2, 2010 and December 31, 2014 (collectively, the "**Custodian Agreement**"). The Custodian Agreement may be terminated without any penalty by one party giving at least 90 days' notice to the other parties of such termination.

RBC Investor Services Trust may enter into agreements with sub-custodians to hold assets of the Funds.

## **Auditor**

The auditor of the Funds are KPMG LLP of Vancouver, British Columbia.

## **Registrar and Transfer Agent**

SGGG Fund Services Inc., the registrar and transfer agent of the Funds, maintains the register of Series A, Series A1, Series F, Series G, Series H and Series I shares of the Funds at its principal office in Toronto, Ontario.

## Other Service Providers

The Manager has retained AlphaDelta Management Corp. (“ADM”) to provide certain structuring and marketing services to the Manager in respect of the establishment and operation of mutual funds, including the Funds. ADM shares certain common directors, officers and shareholders with Qwest Investment Management Corp., and it also owns 49% of the Corporation’s outstanding common shares. Pursuant to its agreement with the Manager, ADM assists the Manager in identifying, screening and selecting sub-advisors with the expertise and track records to manage mutual funds, including the Funds, managed by the Manager in targeted market segments. ADM will also assist the Manager by monitoring the sub-advisors’ compliance with the relevant investment mandates to avoid style drift.

The compensation payable to, and the expenses of, ADM pursuant to its agreement with the Manager is payable by the Manager, and not the Funds. The agreement is for an initial term of 5 years, and renewable in successive one year periods unless terminated earlier. The agreement may be terminated after the end of the initial term by either party on 90 days written notice to the other party, and by ADM in certain specified events.

## Principal Holders of Securities

As of July 30, 2020, Qwest Investment Management Corp., an affiliate of the Manager, owned 51% of the issued and outstanding Class A shares of the Corporation and 100% of the Class B shares of the Corporation. ADM, a company that shares certain common directors, officers and shareholders with Qwest Investment Management Corp., owns the other 49% of the issued and outstanding Class A shares of the Corporation. As of July 24, 2020, the following individuals, companies or other entities directly or indirectly owned more than 10% of the outstanding series of shares of the Funds:

<u>Name</u>	<u>Name of Fund</u>	<u>Series of shares</u>	<u>Number of shares</u>	<u>Percentage of shares</u>
A*	AlphaDelta Tactical Growth Class	A	47,542	35.5%
B*	AlphaDelta Tactical Growth Class	A	22,628	16.9%
C*	AlphaDelta Tactical Growth Class	I	140,082	70.5%
D*	AlphaDelta Tactical Growth Class	I	32,114	16.2%
E*	AlphaDelta Tactical Growth Class	I	25,569	12.9%
F*	AlphaDelta Canadian Momentum Equity Class	A	4,873	30.6%
G*	AlphaDelta Canadian Momentum Equity Class	A	2,045	12.8%
H*	AlphaDelta Canadian Momentum Equity Class	A	1,759	11.0%
I*	AlphaDelta Canadian Momentum Equity Class	F	5,454	26.3%
J*	AlphaDelta Canadian Momentum Equity Class	F	4,145	20.0%
K*	AlphaDelta Canadian Momentum Equity Class	F	2,727	13.2%
L*	AlphaDelta Canadian Momentum Equity Class	F	2,143	10.4%
M*	AlphaDelta Canadian Momentum Equity Class	H	6,522	21.5%
N*	AlphaDelta Canadian Momentum Equity Class	H	4,836	15.9%
O*	AlphaDelta Canadian Momentum Equity Class	H	4,836	15.9%
P*	AlphaDelta Canadian Momentum Equity Class	H	4,832	15.9%
Q*	AlphaDelta Canadian Momentum Equity Class	H	4,647	15.3%
R*	AlphaDelta Canadian Momentum Equity Class	H	3,046	10.0%



<u>Name</u>	<u>Name of Fund</u>	<u>Series of shares</u>	<u>Number of shares</u>	<u>Percentage of shares</u>
John Schmitz	AlphaDelta Canadian Momentum Equity Class	I	465	39.9%
S*	AlphaDelta Canadian Momentum Equity Class	I	406	34.8%
John Schmitz	AlphaDelta Canadian Momentum Equity Class	I	295	25.3%
T*	AlphaDelta Canadian Growth of Dividend Income Class	A	497	80.1%
SciVest Capital Management Inc.	AlphaDelta Canadian Growth of Dividend Income Class	A	123	19.9%
U*	AlphaDelta Canadian Growth of Dividend Income Class	F	1,360	32.3%
V*	AlphaDelta Canadian Growth of Dividend Income Class	F	813	19.3%
W*	AlphaDelta Canadian Growth of Dividend Income Class	F	808	19.2%
X*	AlphaDelta Canadian Growth of Dividend Income Class	F	521	12.4%
Y*	AlphaDelta Canadian Growth of Dividend Income Class	G	42,119	92.3%
SciVest Capital Management Inc.	AlphaDelta Canadian Growth of Dividend Income Class	H	158	100.0%
AlphaDelta Growth of Dividend Income Class	AlphaDelta Canadian Growth of Dividend Income Class	I	49,336	93.5%
Z*	AlphaDelta Growth of Dividend Income Class	A1	2,207	68.3%
AA*	AlphaDelta Growth of Dividend Income Class	A1	866	26.8%
SciVest Capital Management Inc.	AlphaDelta Growth of Dividend Income Class	H	176	100.0%
AB*	AlphaDelta Growth of Dividend Income Class	I	3,289	42.6%
AC*	AlphaDelta Growth of Dividend Income Class	I	2,550	33.0%
AD*	AlphaDelta Growth of Dividend Income Class	I	1,189	15.4%

\* To protect the privacy of investors, we have omitted the name of the beneficial owner. This information is available on request by contacting us at the telephone number on the back cover of this Annual Information Form.

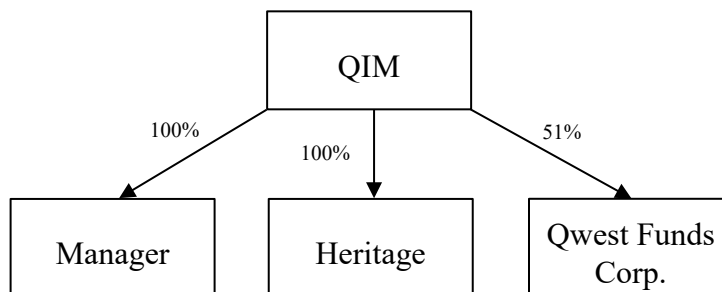
As of July 30, 2020, the only person known to the Manager to own, of record or beneficially, directly or indirectly, more than 10% of the issued and outstanding voting shares of the Manager is:

<u>Name</u>	<u>Number and Class of Shares</u>	<u>Percentage of Class</u>
Qwest Investment Management Corp.	50,000 common	100%

The amount of fees received by the Manager from the Funds is disclosed in the audited financial statements of the Funds.

## Affiliated Entities

The Manager has retained Heritage Bancorp Ltd. (“**Heritage**”) to perform certain administrative services on behalf of the Manager. Each of Heritage and the Manager is a wholly-owned subsidiary of QIM, and QIM also owns 51% of the outstanding common shares of Qwest Funds Corp. A graph of this relationship is set out below.



Maurice Levesque, the Chief Executive Officer, Chief Compliance Officer, Chairman and a Director of the Manager, is the President and sole director of Heritage and the President, Chairman and a director of QIM. Peter Fang, the Chief Operating Officer, Portfolio Manager and a Director of the Manager, is the Chief Operating Officer of QIM and Heritage.

Disclosure of the fees received by Heritage and Qwest Investment Management Corp. from the Funds, if any, is contained in the audited financial statements of the Funds.

## Fund Governance

The Board of Directors of the Corporation has the ultimate and overriding authority to manage and direct the business and affairs of the Funds, subject to applicable law and the articles of incorporation. In its capacity as manager, the Manager manages the overall business and operations of the Funds.

Responsibility for ensuring the implementation of appropriate policies, procedures and guidelines, and the general oversight of the Funds’ operations rests with the Board of Directors of the Manager. The Manager has adopted a Code of Ethics modelled after the IFIC Code of Ethics. The Code of Ethics applies to all directors, officers, and employees, and requires all employees to act in the best interests of the Funds and to report to senior management any real or perceived conflicts of interest. The Manager’s Code of Ethics also includes a Personal Trading Policy to ensure the fair treatment of the Funds and its shareholders when “access persons” make personal trades. The Manager has also implemented policies and procedures addressing areas such as sales practices to ensure that dealers sell the Funds on the basis of their clients’ best interests and not on the basis of improper incentives. Senior management and internal compliance staff of the Manager monitor compliance with internal policies and procedures. These policies and procedures are reviewed and updated annually.

In accordance with NI 81-107, an independent review committee (defined above as the “**IRC**”) for the Funds has been established. The IRC will review all conflict of interest matters related to the Funds and

any other matters that are required to be reviewed or approved by the IRC under NI 81-107 or NI 81-102. The IRC must provide an impartial and independent recommendation as to whether, in its opinion, any action that is proposed to be taken with respect to a conflict of interest matter referred to the IRC achieves a fair and reasonable result for the Funds. In accordance with NI 81-107, policies and procedures to deal with conflict of interest matters have also been established. The IRC must also review and assess, on an annual basis, the adequacy and effectiveness of any policies and procedures relating to conflicts of interest matters the Funds' compliance and the Manager's compliance with any term or condition imposed by the IRC in any of its recommendations or approvals.

The IRC is composed of the following members – David M. Gilkes (who was appointed November 20, 2018), Colin Bell, CPA, CA (who was appointed January 1, 2017) and Gary Arca, CPA, CA (who was appointed April 27, 2007). David M. Gilkes is the chairperson of the IRC. Each of these members is “independent” within the meaning of NI 81-107. The IRC has adopted a written charter and was operational and in compliance with NI 81-107 as of September 25, 2007. The compensation payable to, and the expenses of, the IRC will be paid by the Funds and other investment funds managed by the Manager or its affiliates.

Each member of the IRC is paid an annual retainer of \$7,200 and the chair of the IRC is paid an additional retainer of \$2,400.

### **Proxy Voting Policies and Procedures**

The Manager is responsible for exercising the voting rights with respect to the portfolio securities held by the Funds in accordance with the Proxy Voting Policies, Procedures and Guidelines (the “**Voting Policies**”) established by us. In certain circumstances, the Manager may delegate its voting authority to sub-advisors of the Funds. Prior to delegating voting authority the Manager will obtain a copy of the securities voting policies and satisfy itself that these policies are appropriate.

The Manager is generally responsible for overseeing the proxy voting process. The Manager may designate one or more of its directors or officers to oversee specific, on-going compliance with respect to the Voting Policies and may designate other personnel of the Manager to vote proxies on behalf of the Funds, including authorized traders of the Manager.

The Manager must vote proxies in a manner consistent with the best interests of the Funds. Generally, the Manager analyzes proxy statements on behalf of the Funds in accordance with the Voting Policies. Most proxies that the Manager receives will be voted in accordance with the predetermined proxy voting guidelines outlined in the Voting Policies. Generally all proxies are voted in accordance with these voting guidelines, therefore it normally will not be necessary for the Manager to make an actual determination of how to vote a particular proxy, thereby largely eliminating conflicts of interest for the Manager during the proxy voting process. However, the Voting Policies do address the procedures to be followed if a conflict of interest arises between the interests of the Funds, and the interests of the Manager or its affiliates. If the particular person responsible for the proxy voting process has actual knowledge of a conflict of interest and recommends a vote contrary to the voting guidelines, the Manager, prior to voting, will fully disclose the conflict to the Funds and vote the proxy in accordance with the Funds' discretion.

The voting guidelines outlined in the Voting Policies summarize the Manager's positions on various issues and give a general indication as to how the Funds should vote proxies on each issue. The Manager will usually vote proxies in accordance with the voting guidelines. However, the Manager reserves the right to vote certain issues counter to the voting guidelines if, after a review of the matter (which analysis will be documented in writing), the Manager believes that the Funds' best interests would be served by such vote. To the extent that the voting guidelines do not address a potential voting issue, the Manager will vote on

such issue in a manner that is consistent with the spirit of the voting guidelines and that the Manager believes would be in the best interests of the Funds. Pursuant to the voting guidelines, the Manager generally votes for matters such as (i) routine business decisions (such as share splits, name changes and setting the number of directors), (ii) management's nominees for election or re-election of directors (where the nominated slate is comprised of a majority of independent directors), (iii) proposals establishing or increasing indemnification of directors, (iv) proposals eliminating or reducing director's liability, (v) management's recommendation for the appointment or reappointment of auditors; (vi) the right to act by written consent of shareholders and to hold special meetings of shareholders, (vii) the separation of audit and consulting responsibilities, and (viii) confidential voting. As provided in the voting guidelines, the Manager generally votes against matters such as (i) anti-takeover measures (such as reincorporation to facilitate a takeover defence, adoption of fair price amendments, institution of classified boards of directors, elimination of cumulative voting and creation of super majority provisions); (ii) the issuance of a new class of shares with unequal voting rights, and (iii) "blank cheque" preferred share proposals. The voting guidelines also provide that the Manager will generally consider on an individual basis such proposals as (i) increasing authorized common shares, (ii) establishing or increasing a stock option plan or other employee compensation plan, (iii) approving a reorganization or merger, (iv) approving a proposal by a dissident shareholder in a proxy battle, and (v) issues related to independent directors. These voting guidelines may change from time to time.

In certain circumstances, the Manager may not be able to vote proxies or the Manager may find that the expected economic costs from voting outweigh the benefits associated with voting.

A copy of the proxy voting record of the Funds for the most recent 12 month period ended June 30 of each year will be available to any shareholder of the Funds upon request, at no cost, at any time after August 31 of that year.

You may obtain a copy of the Voting Policies or when available, the proxy voting record of the Funds, upon request, at no cost, by calling or writing to us at the number or address on the back cover.

### **Policies Regarding Derivatives**

The AlphaDelta Tactical Growth Class, AlphaDelta Canadian Momentum Equity Class, AlphaDelta Canadian Growth of Dividend Income Class and AlphaDelta Growth of Dividend Income Class may use derivatives for hedging purposes. These Funds may use over-the-counter forward or swap contracts and/or listed futures contracts to hedge some or all of the foreign currency exposures inherent in its holdings of foreign issuers or securities denominated in foreign currencies. They may also use listed equity options on exchange traded funds to hedge its equity market exposure in adverse market conditions (for example, buying put options on index ETFs and/or selling call options on index ETFs).

In order to hedge against currency exchange rate risks, the Funds may enter into forward currency exchange contracts ("**currency forwards**") not exceeding one year in duration as described below. The Funds may also conduct its currency transactions on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market.

The Funds may enter into currency forwards to attempt to minimize the risk to the Funds from adverse changes in the relationship between the Canadian dollar and other currencies. A currency forward is an obligation to purchase or sell a specific currency for an agreed price at a future date that is individually negotiated and privately traded by currency traders and their customers.

The Funds may enter into a currency forward, for example, when it enters into a contract for the purchase or sale of a security denominated in a currency other than the Canadian dollar in order to "lock in" the

Canadian dollar price of the security. When the portfolio manager believes that a currency may suffer a substantial decline against the Canadian dollar, it may enter into a currency forward to sell an amount of that currency, or another currency that acts as a proxy for that currency, approximating the market value of some or all of the Fund's portfolio securities denominated in that currency. When the portfolio manager believes that the Canadian dollar may suffer a substantial decline against another currency, the Funds may also enter into a currency forward to buy that currency for a fixed Canadian dollar amount. Currency forwards may limit potential gain from a favourable change in the relationship between the Canadian dollar and other currencies.

In addition to hedging, the AlphaDelta Tactical Growth Class, AlphaDelta Canadian Growth of Dividend Income Class and AlphaDelta Growth of Dividend Income Class may also use derivatives for income generation purposes. These Funds may use derivatives to generate income by writing (i.e., selling) equity call and put options. Specifically, these Funds may write "covered" call options (i.e. selling call options on equities owned by the Funds) and "cash-covered" put options (i.e., selling put options on equities that the portfolio advisor may wish to purchase for the Funds using cash that has been set aside for such purpose).

The investment strategies related to derivative trading are described in the Simplified Prospectus and risk management procedures in connection therewith are regularly reviewed by management. The Funds follow the investment restrictions, controls and practices contained in NI 81-102 with respect to the use of derivatives, including restrictions on the maximum size of derivative positions, and it is the responsibility of the Chief Compliance Officer to ensure these restrictions, controls and practices are complied with. The Manager monitors trading activities and is responsible for applying trading limits, if any, and other controls, if required. Only authorized investment personnel approved by senior management may initiate derivative transactions on behalf of the Funds. Any derivative positions will be monitored daily to ensure compliance with all regulatory requirements, including cash cover requirements.

The Manager has obtained relief from applicable securities regulators that permits the Fund to invest in certain specific commodity pools structured as exchange-traded funds that use financial instruments that correlate to a multiple (or inverse multiple) of the daily performance of a "permitted index" (as defined in National Instrument 81-102 - *Investment Funds*) except for a permitted index that is based, directly or indirectly, on a physical commodity other than gold. This relief is limited such that the Funds may not purchase securities of specified commodity pools if, immediately after the purchase, more than 10% of the net assets of a Fund, taken at market value at the time of purchase, would consist of those specified commodity pools. Except as described above, there are no other written policies with respect to derivative use. The Manager is responsible for establishing trading limits and other controls on derivative trading. The risk exposure of the Funds' derivatives trades are not generally independently monitored and the Manager does not employ risk measurement procedures or simulations to test the portfolios under stress conditions.

### **Short-term trading**

The Manager has adopted policies and procedures to monitor, detect and deter short-term trading in shares of the Funds. The Manager has the discretion to charge investors a fee, payable to the relevant Fund(s), equal to 2% of the invested amount if the shares are redeemed within 90 days of their purchase. This is intended to protect shareholders from the costs associated with investors frequently purchasing and redeeming shares of the Funds by creating a financial disincentive to such activities. In exercising its discretion to charge this fee, the Manager will consider the investor's circumstances surrounding the redemption, current market activity, the investor's past trading patterns and assessment of the harm or potential harm to the affected Fund(s).

## Management Fee Rebates

To encourage large investments in the Funds or to accommodate special situations, the Manager may rebate to certain investors a portion of the management fees charged to the Funds. The rebate is usually based on the cumulative size of your investments in Series A, Series A1, Series F, Series G or Series H shares.

If your investments qualify, the Manager will calculate the rebate of management fees according to a fixed schedule that the Manager may change at the Manager's discretion.

The Manager calculates management fee rebates on each valuation day. They are paid regularly to eligible investors. The rebates will be reinvested in additional shares of the Funds. The income tax consequences of management fee rebates are largely borne by the investor receiving the rebate. See "Income Tax Considerations" below for information on the tax consequences to investors of management fee rebates.

## Income Tax Considerations

The following is a summary of the principal Canadian federal income tax considerations with respect to acquiring, owning and disposing of shares of the Funds. It applies to an individual investor (other than a trust), who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length with the Funds and holds the shares as capital property.

**This is a general summary and is not intended to be advice to any investor. You should seek independent advice about the income tax consequences of investing in shares of the Funds, based on your own circumstances.**

This summary is based on the current provisions of the Tax Act, the regulations thereunder ("**Regulations**"), specific proposals to amend the Tax Act and Regulations announced by the Minister of Finance (Canada) prior to the date of this Annual Information Form and the current published administrative practices and assessing policies of Canada Revenue Agency. This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account provincial or foreign income tax legislation or considerations.

The Corporation qualifies as a mutual fund corporation under the Tax Act. This summary assumes that the Corporation will, at all material times, qualify as a mutual fund corporation under the Tax Act.

### Taxation of the Corporation

In each taxation year, the Corporation is taxable at corporate tax rates applicable to a mutual fund corporation on its taxable income (which generally does not include taxable dividends from taxable Canadian corporations) and is also subject to a 38 $\frac{1}{3}$ % refundable tax (the "**Refundable Tax**") on taxable dividends received by it from "taxable Canadian corporations" (as defined in the Tax Act). The Refundable Tax is refunded on a formula basis when the Corporation pays taxable dividends, other than capital gains dividends, to its shareholders. In addition, the Corporation may receive a refund (calculated on a formula basis) of taxes paid on realized capital gains when it pays capital gains dividends or when shares are redeemed or switched between Funds. In computing its income, the Corporation will include foreign dividends and, generally, income from derivatives as ordinary taxable income.

The Corporation's tax position will include, among other things, the revenues, deductible expenses, capital gains and capital losses of all of its investment portfolios. For example, net losses or net capital losses in respect of the investment portfolio of a particular class may be applied to reduce the net income or net

realized capital gains of the Corporation as a whole. Generally, this will benefit the investors in the classes other than the particular class. The Corporation will, on a discretionary basis, allocate its income or loss and the applicable taxes payable to each class. The Corporation may pay capital gains dividends to shareholders of any class so that it can receive a refund of capital gains taxes it has paid. Capital gains taxes may arise when a shareholder of one class switches shares to another class.

### **Taxation of Shareholders**

Shareholders, generally, will be required to include in computing their income any dividends paid to them by the Corporation, even though the dividend is automatically reinvested in additional shares.

To the extent that such dividends constitute capital gains dividends under the Tax Act, the dividend will be deemed to be a capital gain of the shareholder, and taxed according to the rules described below.

The Corporation may pay capital gains dividends to shareholders of any class so that it can receive a refund of capital gains taxes it has paid, whether or not such taxes relate to the investment portfolio of such class.

To the extent that any dividends paid to a shareholder do not constitute capital gains dividends, they will constitute ordinary taxable dividends and will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations. An enhanced gross-up and dividend tax credit is available for certain “eligible dividends” paid by the Corporation.

Returns of capital received by a shareholder will not be included in income. Instead, returns of capital will reduce the adjusted cost base of the shareholders’ shares. To the extent that the adjusted cost base of the shares would otherwise be a negative amount, the shareholder will be deemed to have realized a capital gain from the disposition of the shares equal to the negative amount and the adjusted cost base of the shares will be increased to nil.

Generally, shareholders are required to include management fee rebates received from the Manager in their income. However, in certain circumstances, a shareholder may be able to instead elect to have the amount of the rebate reduce the cost of the related shares.

Management fees paid with respect to Series I shares will not be deductible for tax purposes.

An investor who purchases shares may be taxed on income and capital gains that the Corporation has accrued or realized but not yet paid out as a dividend and that are reflected in the purchase price of the shares. If you invest in a Fund before a dividend is declared, you will have to pay tax on such dividend paid to you even though it may be paid out of income and capital gains that accrued or were realized before you invested.

### ***Capital Gains and Alternative Minimum Tax for Shareholders***

Upon the disposition or deemed disposition by a shareholder of a share, whether by redemption, sale or otherwise, a capital gain (or capital loss) will be realized to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base to the shareholder of the share. Converting shares of a Fund into shares of another series of that Fund will not result in a disposition of those shares for tax purposes, and the cost of the shares received will be equal to the adjusted cost base of the shares that were converted. Converting shares of a Fund into shares of another Fund will result in a disposition for tax purposes, and the cost of the shares received will be equal to the fair market value of the shares that were converted. Generally, one-half of a capital gain (or capital loss) is included in determining

a shareholder's taxable capital gain (or allowable capital loss). Capital gains and dividends may give rise to a liability for alternative minimum tax under the Tax Act.

### ***Eligibility of the Shares for Registered Plans***

Shares of the Funds are “qualified investments” under the Tax Act for Registered Plans. Annuitants of RRSPs and RRIFs, subscribers of RESPs and holders of TFSAs and RDSPs, should consult with their own tax advisors as to whether shares of the Funds would be a “prohibited investment” under the Tax Act in their particular circumstances.

Investors who choose to purchase shares of the Funds through a Registered Plan should consult their own professional advisers regarding the tax treatment of contributions to and acquisitions of property by such Registered Plan.

## **Material Contracts**

The material contracts for the Funds are as follows:

1. Amended and restated master management agreement described above under “Management of the Funds”.
2. Amended and restated custodian agreement described above under “Custodian”.
3. Articles of Incorporation of the Corporation.

Copies of the material contracts mentioned above may be inspected during ordinary business hours on any business day at the head office of the Funds.

## **Legal and Administrative Proceedings**

We are not aware of any legal proceedings, either pending or ongoing, which would affect the Funds.



## **Certificate of Qwest Funds Corp. and the Manager and Promoter of the Funds**

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations

Dated: August 7, 2020

### **On behalf of Qwest Funds Corp.**

*(signed) Maurice Levesque*

MAURICE LEVESQUE  
Chief Executive Officer

*(signed) Peter Fang*

PETER FANG  
Chief Operating Officer, acting in the  
capacity of Chief Financial Officer

### **On behalf of the Board of Directors of Qwest Funds Corp.**

*(signed) Don Short*

DON SHORT  
Director

*(signed) Victor Therrien*

VICTOR THERRIEN  
Director

### **On behalf of Qwest Investment Fund Management Ltd., as manager and promoter of the Funds**

*(signed) Maurice Levesque*

MAURICE LEVESQUE  
Chief Executive Officer

*(signed) Peter Fang*

PETER FANG  
Chief Operating Officer, acting in the  
capacity of Chief Financial Officer

### **On behalf of the Board of Directors of Qwest Investment Fund Management Ltd., as manager and promoter of the Funds**

*(signed) Don Short*

DON SHORT  
Director

*(signed) Victor Therrien*

VICTOR THERRIEN  
Director

**ALPHADELTA TACTICAL GROWTH CLASS  
ALPHADELTA CANADIAN MOMENTUM EQUITY CLASS  
ALPHADELTA CANADIAN GROWTH OF DIVIDEND INCOME CLASS  
ALPHADELTA GROWTH OF DIVIDEND INCOME CLASS**

Additional information about the Funds is available in the Funds' Fund Facts, financial statements and management reports of fund performance.

You can get a copy of the Funds' Fund Facts, financial statements or management reports of fund performance at no cost by calling toll-free, to 1-866-602-1142, by e-mail at [info@qwestfunds.com](mailto:info@qwestfunds.com), or from your dealer.

These documents and other information about the Funds are also available on Qwest's website at [www.qwestfunds.com](http://www.qwestfunds.com) or on SEDAR (the System for Electronic Document Analysis and Retrieval) at [www.sedar.com](http://www.sedar.com).

**Manager of the AlphaDelta Tactical Growth Class, AlphaDelta Canadian Momentum Equity Class, AlphaDelta Canadian Growth of Dividend Income Class and AlphaDelta Growth of Dividend Income Class**

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