



## **AlphaDelta Tactical Growth Class**

**2018 Semi-Annual Management  
Report of Fund Performance**

## **AlphaDelta Tactical Growth Class**

### **2018 Semi-Annual Management Report of Fund Performance**

---

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual financial statements of AlphaDelta Tactical Growth 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](mailto:info@qwestfunds.com); by viewing the information on our website at [www.qwestfunds.com](http://www.qwestfunds.com); or by viewing the information on SEDAR at [www.sedar.com](http://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 was seeded and struck its’ first net asset value on March 31, 2016, at \$10.00 per share for each of Series A and Series F Shares. On September 21, 2016, the Fund issued Series I Shares at \$10.00 per share. During the six-month period ended June 30, 2018, the Fund issued 4,584 Series A shares, 13,784 Series F shares and redeemed 1,540 Series A shares, 61,392 Series F shares and 7,524 Series I shares. As at June 30, 2018, 201,835 Series A shares, 536,506 Series F shares and 238,133 Series I shares were outstanding. During the six-month period ended June 30, 2018, the Fund realized an accounting gain of \$1,662,386 from the disposition of securities.

For the six-month ended June 30, 2018, the Fund earned dividend income of \$68,502. Total expenses before expense reimbursement was \$218,659 comprised mainly of \$96,134 in management fees (calculated daily at an annual rate of 2.5% of the NAV of Series A shares, 1.5% of the NAV of Series F shares and 0.75% of the NAV of Series I shares), \$39,308 in shareholder recordkeeping and fund accounting fees, \$23,379 in audit fees, \$20,649 in transaction costs and \$11,871 in custodian fees.

At June 30, 2018, net assets attributable to holders of redeemable shares for Series A shares was \$2,555,073 or \$12.66 per share, for Series F was \$6,948,890 or \$12.96 per share, and for Series I shares was \$3,138,847 or \$13.18 per share.

#### **Recent Developments**

The Fund holds 30 positions of primarily growth-oriented stocks. Stocks trending higher, strong earnings, strong relative strength and earnings revisions higher are favored. A small component of high dividend large cap stocks is present in the Fund to offset style risk.

Low interest rates plus another great earnings season have created a positive environment for growth stocks and the Fund’s performance is benefitting from this trend. Technology has been the largest weight in the Fund and earnings in this sector has been pleasing.

Good GDP numbers, full employment and tax cuts have provided an ideal environment for stocks. Investors now appear to be more complacent extrapolating further good news. This complacency is a caution flag and the Fund has taken some profits on higher beta names and redeployed the capital to lower beta, high dividend names. More defense is thought to be wise at this point in the cycle but the Fund is still adhering to a growth mandate.

## AlphaDelta Tactical Growth Class

### 2018 Semi-Annual Management Report of Fund Performance

---

The U.S dollar has been a tail wind for the Fund in the first half of the year. The USD/CAD pair is +4.0% year to date and has added to returns as the Fund is 84% exposed to the US dollar.

There are no large changes to the strategic positioning of the Fund.

#### Related Party Transactions

Pursuant to the amended and restated master management agreement, the Manager is entitled to an annual management fee of 2.5% of the net asset value of Series A shares, 1.5% of the net asset value of Series F shares and 0.75% of the net assets value of Series I of the Fund, calculated daily and payable monthly in arrears. For the period ended June 30, 2018, the Fund incurred \$96,134 in management fees of which \$33,446 was payable at June 30, 2018.

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 \$6,423 of the operating expenses of the Fund for the six-month period ended June 30, 2018.

#### 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 past period. This information is derived from the Fund’s financial statements.

#### *Net Assets per mutual fund share <sup>(1)</sup>*

Net Assets attributable to holders of redeemable shares per Series A	June 30, 2018	December 31, 2017	December 31, 2016
<b>Initial NAV</b>	\$ 11.13	\$ 10.54	\$ 10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.07	0.11	0.11
Total expenses	(0.27)	(0.48)	(0.33)
Realized gains (losses)	1.63	0.39	(0.41)
Unrealized gains (losses)	0.10	0.60	1.30
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>1.53</b>	<b>0.62</b>	<b>0.67</b>
<b>Distributions:</b>			
From dividends	-	(0.02)	(0.01)
<b>Total distributions</b>	<b>-</b>	<b>(0.02)</b>	<b>(0.01)</b>
<b>Net assets attributable to holders of redeemable shares at end of period</b>	<b>\$ 12.66</b>	<b>\$ 11.13</b>	<b>\$ 10.54</b>

**AlphaDelta Tactical Growth Class**  
2018 Semi-Annual Management Report of Fund Performance

<b>Net Assets attributable to holders of redeemable shares per Series F</b>	<b>June 30, 2018</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
<b>Initial NAV</b>	\$ 11.33	\$ 10.62	\$ 10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.07	0.12	0.11
Total expenses	(0.18)	(0.38)	(0.25)
Realized gains (losses)	1.64	(0.40)	(0.64)
Unrealized gains (losses)	0.12	0.60	2.10
<b>Total increase from operations <sup>(2)</sup></b>	<b>1.65</b>	<b>0.74</b>	<b>1.32</b>
<b>Distributions:</b>			
From dividends	-	(0.02)	(0.01)
<b>Total distributions</b>	<b>-</b>	<b>(0.02)</b>	<b>(0.01)</b>
<b>Net assets attributable to holders of redeemable shares at end of period</b>	<b>\$ 12.96</b>	<b>\$ 11.33</b>	<b>\$ 10.62</b>

<b>Net Assets attributable to holders of redeemable shares per Series I</b>	<b>June 30, 2018</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
<b>Initial NAV</b>	\$ 11.48	\$ 10.68	\$ 10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.07	0.12	0.04
Total expenses	(0.14)	(0.29)	(0.06)
Realized gains (losses)	1.66	0.40	(0.31)
Unrealized gains (losses)	0.12	0.60	1.01
<b>Total increase from operations <sup>(2)</sup></b>	<b>1.71</b>	<b>0.83</b>	<b>0.68</b>
<b>Distributions:</b>			
From dividends	-	0.02	0.01
<b>Total distributions</b>	<b>-</b>	<b>0.02</b>	<b>0.01</b>
<b>Net assets attributable to holders of redeemable shares at end of period</b>	<b>\$ 13.18</b>	<b>\$ 11.48</b>	<b>\$ 10.68</b>

<sup>(1)</sup> This information is derived from the Fund's semi-annual June 30, 2018 financial statements and audited annual financial statements.

<sup>(2)</sup> 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.

## AlphaDelta Tactical Growth Class

### 2018 Semi-Annual Management Report of Fund Performance

---

#### Ratios and Supplemental Data

Series A	June 30, 2018	December 31, 2017	December 31, 2016
Total net asset value (000's)	\$2,555	\$2,212	\$2,070
Number of mutual fund shares outstanding	201,825	198,791	196,401
Management expense ratio <sup>(1)</sup>	4.11%	4.22%	4.06%
Management expense ratio before absorption	4.22%	4.27%	5.39%
Portfolio turnover rate <sup>(2)</sup>	257.50%	185.66%	124.53%
Trading expense ratio <sup>(3)</sup>	0.34%	0.27%	0.33%
Net asset value per share	\$12.66	\$11.13	\$10.54

Series F	June 30, 2018	December 31, 2017	December 31, 2016
Total net asset value (000's)	\$6,949	\$6,619	\$6,281
Number of mutual fund shares outstanding	536,165	584,115	591,343
Management expense ratio <sup>(1)</sup>	3.05%	3.17%	3.02%
Management expense ratio before absorption <sup>(1)</sup>	3.16%	3.22%	4.35%
Portfolio turnover rate <sup>(2)</sup>	257.50%	185.66%	124.53%
Trading expense ratio <sup>(3)</sup>	0.34%	0.27%	0.33%
Net asset value per share	\$12.96	\$11.33	\$10.62

Series I	June 30, 2018	December 31, 2017	December 31, 2016
Total net asset value (000's)	\$3,139	\$2,820	\$2,617
Number of mutual fund shares outstanding	238,133	245,657	245,172
Management expense ratio <sup>(1)</sup>	2.27%	2.38%	2.23%
Management expense ratio before absorption <sup>(1)</sup>	2.37%	2.43%	3.56%
Portfolio turnover rate <sup>(2)</sup>	257.50%	185.66%	124.53%
Trading expense ratio <sup>(3)</sup>	0.34%	0.27%	0.33%
Net asset value per share	\$13.18	\$11.48	\$10.68

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

<sup>(2)</sup> 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.

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

## AlphaDelta Tactical Growth Class

### 2018 Semi-Annual Management Report of Fund Performance

---

#### 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	2.5%	40%	60%
Series F	1.5%	-	100%
Series I	0.75%	-	100%

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

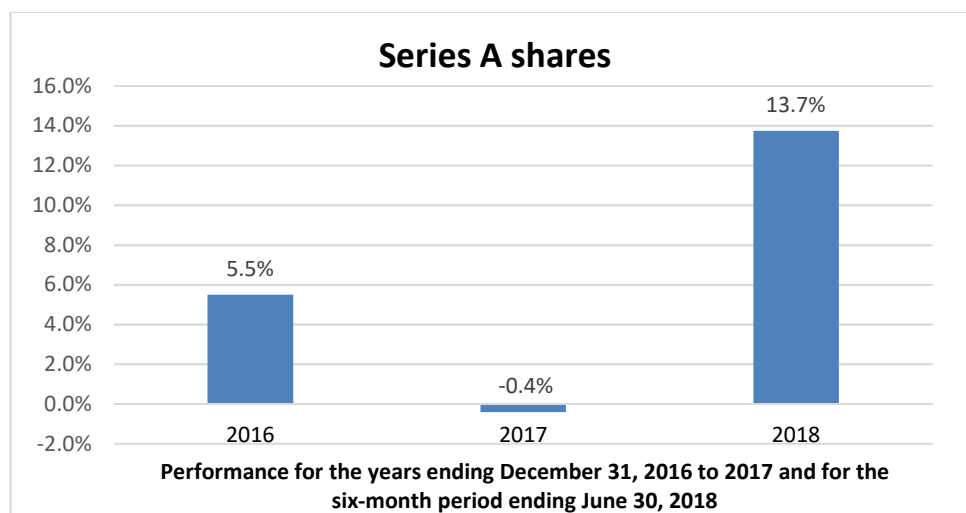
See also “Related Party Transactions” with respect to management fees payable to the Manager in accordance with the master management agreement.

#### 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.

#### Year-by-Year Returns

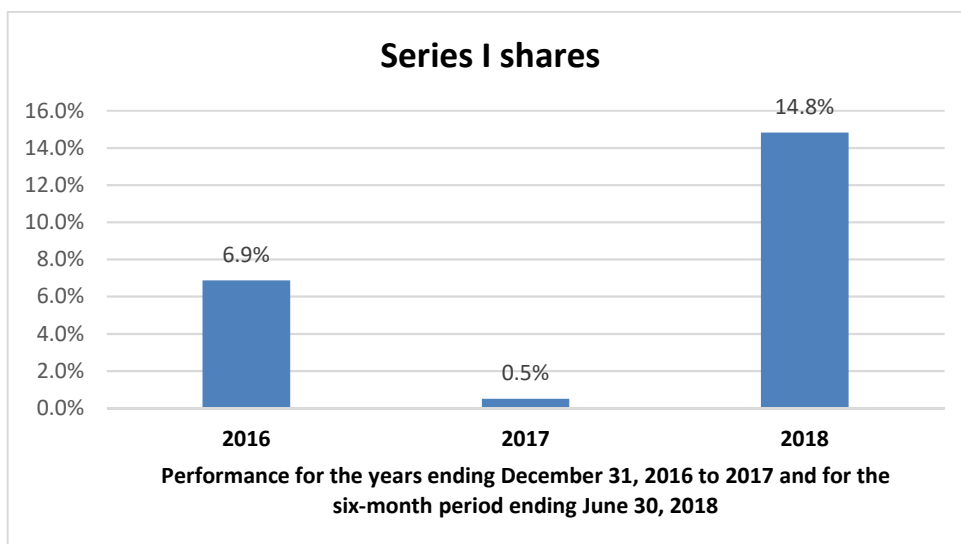
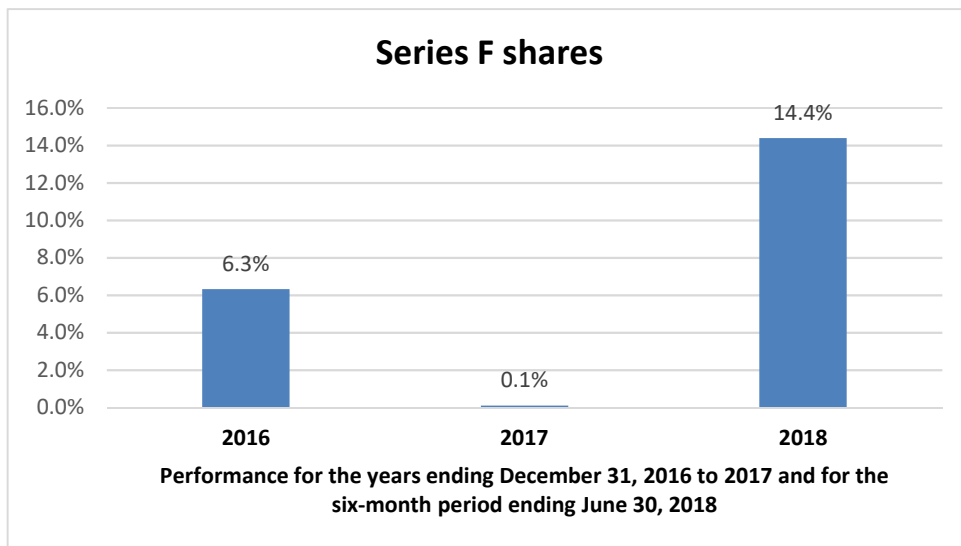
The charts show the performance of the investment portfolio for the years shown and illustrates how the investment portfolio’s performance has changed from year to year. The charts show, in percentage terms, how an investment made on the first day of each financial year would have grown or decreased by December 31 of that year and also for the six-month period ending June 30, 2018.



## AlphaDelta Tactical Growth Class

### 2018 Semi-Annual Management Report of Fund Performance

---



**AlphaDelta Tactical Growth Class**  
**2018 Semi-Annual Management Report of Fund Performance**

---

**Summary of Investment Portfolio**

As at June 30, 2018 the net assets attributable to holders of redeemable shares of the Fund was \$12,642,810. Below is a breakdown of the investment portfolio as at June 30, 2018, by sector and as a percentage of the aggregate net asset value of the 25 securities in the investment portfolio:

<b>Top Holdings</b>	<b>% of Net Assets</b>	<b>Sector/Subgroup</b>	<b>% of Net Assets</b>
Amazon.com Inc.	5.80	Communications	28.76
Axon Enterprise Inc.	5.02	Consumer, Non-cyclical	27.88
Etsy Inc.	4.94	Financial	12.74
Shopify Inc.	4.44	Consumer, Cyclical	9.13
Copart Inc.	4.18	Technology	7.41
Neogen Corp.	4.10	Other assets – net of liabilities	5.50
Netflix Inc.	4.01	Industrial	5.02
Korn/Ferry International	3.88	Utilities	3.41
Qualys Inc.	3.86	Cash and cash equivalents	0.15
Mellanox Technologies Ltd.	3.55		100.00
Vistra Energy Corp.	3.41		
Welltower Inc.	3.36		
The Bank of Nova Scotia	3.24		
Pfizer Inc.	3.23		
REGENXBIO Inc.	3.21		
Apartment Investment & Management Co.	3.11		
TriNet Group Inc.	3.07		
Stitch Fix Inc.	3.04		
Brixmor Property Group Inc.	3.03		
IDEXX Laboratories Inc.	2.95		
Palo Alto Networks Inc.	2.89		
Primo Water Corp.	2.78		
MasterCard Inc.	2.61		
Lululemon athletica Inc.	2.58		
Acushnet Holdings Corp.	2.37		

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](http://www.qwestfunds.com).



## **AlphaDelta Tactical Growth Class**

### **2018 Semi-Annual Management Report of Fund Performance**

---

#### **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.