



AlphaDelta Growth of Dividend Income Class

**2016 Annual Management
Report of Fund Performance**

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This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of AlphaDelta 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

Investment Objective and Strategies

The Fund seeks to provide investors with income and longer-term capital appreciation by investing primarily in dividend paying equity securities of companies around the world.

The Fund will invest primarily in larger capitalization, global, dividend paying, equity securities (including securities of unit trusts, real estate investment trusts and depository receipts) and their derivatives, with the intent of providing its shareholders with a consistent distribution yield, growth in the absolute level of distributions per share through time and long-term appreciation of capital.

Risk

The Fund is suitable for investors seeking income and long-term capital appreciation with a tolerance for medium risk. General risks of an investment in the Fund are detailed in the simplified prospectus and include capital gains risk, concentration risk, market risk, currency risk, derivatives risk, foreign investment risk, class risk, interest rate risk, large transaction risk, among others.

There were no significant changes to the investment objectives and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for particular investor’s remains as discussed in the simplified prospectus.

Results of Operations

The Fund 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. On August 2, 2016, the Fund issued Series G 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 year ended December 31, 2016, the Fund issued 22,429 Series A shares, 29,111 Series F shares, 107,116 Series G shares and 12,244 Series I shares and redeemed 13,589 Series A shares, 51,064 Series F shares, 188 Series G shares and 3,467 Series I shares. As at December 31, 2016, 74,768 Series A shares, 66,953 Series F shares, 108,108 Series G shares and 10,846 Series I shares were outstanding. During the year ended December 31, 2016, the Fund realized an accounting gain of \$36,363 from the disposition of securities.

For the year ended December 31, 2016, the Fund earned dividend income of \$63,000. Total expenses before expense reimbursement was \$200,000 comprised mainly of \$58,000 in shareholder recordkeeping and fund accounting fees, \$45,000 in audit fees, \$26,000 in custodial fees, \$17,000 in management fees (calculated daily at an annual rate of 1.3% of the NAV of Series A shares, 0.8% of the NAV of Series F shares and 0.4% of the NAV of Series G shares), \$17,000 in legal fees and \$15,000 in filing fees.

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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 year ending December 31, 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 Depositary Receipts). As of December 31, 2016, the Fund held a diversified portfolio of 79 dividend paying equities with the largest individual equity holding being 3.0% of the net asset value of the Fund. As of December 31, 2016, the weighted average gross dividend yield of the Fund’s holdings was approximately 3.2%, while the weighted average annual trailing 1-year and 3-year dividend per share growth rate of its holdings were approximately 16.0% and 18.6%, respectively.

Recent Developments

The global news during the second half of 2016 was dominated by the surprise victory of Republican Party nominee Donald Trump in the US presidential election. In addition, the Republican Party won enough seats in Congress to control both the House of Representatives and the Senate. These surprise victories lead to a sharp rise in the US and global stock markets (despite fears prior to the election of a sharp fall should Donald Trump be elected), and a sharp rise in US and global bond yields. The increase in stock markets and bond yields were predicated on the expectations of a substantial US corporate tax rate cut, wide-spread US de-regulation, and the introduction of a major US infrastructure program. Behind these headlines, however, the US economy had already begun to pick up speed, as had Europe and Japan along with some stabilization in China and other emerging markets. In addition, the oil market had partially recovered and stabilized earlier in the year adding to the recovery of oil producing countries such as Canada. Finally, at the end of 2016, the US Federal Reserve increased the Federal Funds Rate for the first time in 2016, and only the second time since the Great Recession with many hoping (including the Federal Reserve itself) that this rate hike was the beginning of a slow, multi-year interest rate “normalization” process.

As we enter and progress through 2017, the expectations created in late 2016 will remain in focus. First, the size and timing of the US corporate tax rate cuts, US de-regulation and US infrastructure programs will remain as crucially important factors for US stock markets. Positive and negative movements in any of the variables related to these Republican Party promises relative to current expectations will likely move markets. Second, the path and timing of US Federal Reserve interest rate increases will continue to be of great interest to both stock and bond markets around the world. While a slow, moderate, well telegraphed path of interest rate increases is currently priced into the markets, any perceived acceleration relative to these expectations could create market volatility. Third, the US and many other important global economies (for example, Europe, Japan and China) appear to have stabilized and are gaining more traction with promising trends in growth, employment, inflation, and overall consumer and business confidence. Continuation of these trends would be important to keeping the global stock markets advancing. Fourth, despite a number of positive trends in the US and other major parts of the world, geopolitical risks around the world remain very high and deserve attention during 2017. For example, many fear that the Donald Trump’s “US First” policies on trade, immigration and foreign policy may add to global instability. As well, there are a number of important elections around the world in 2017, especially in Europe, with populist and nationalist candidates running that if elected could create instability (for example, the forthcoming French election). In addition, Brexit negotiations will likely begin this year, geopolitical risks in the middle east remain high, Russian actions on a number of fronts are concerning, North Korea remains problematic, etc. Overall, geopolitical risks are likely to be relatively high during 2017. Nevertheless, despite all these risks, we enter 2017 optimistically with macroeconomic tail-winds that will hopefully drive corporate earnings and stock dividends to new highs.

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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, 0.8% of the net asset value of Series F shares and 0.4% of the net asset value of Series G shares of the Fund, calculated daily and payable monthly in arrears. For the year ended December 31, 2016, the Fund incurred \$17,381 in management fees of which \$6,880 was payable at December 31, 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 \$160,838 of the operating expenses of the Fund for the year ended December 31, 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 year ended December 31, 2016 and 2015.

Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series A	December 31, 2016	December 31, 2015
Initial NAV	\$ 8.67	\$ 10.00
Increase (decrease) from operations:		
Total revenue	0.30	0.29
Total expenses	(0.23)	(0.17)
Realized gains (losses)	0.02	(1.39)
Unrealized gains (losses)	1.57	(0.16)
Total increase (decrease) from operations ⁽²⁾	1.66	(1.43)
Distributions:		
From dividends and return of capital	(0.27)	(0.24)
Total distributions	(0.27)	(0.24)
Net assets attributable to holders of redeemable shares at end of year	\$ 9.99	\$ 8.67

⁽¹⁾ This information is derived from the Fund's December 31, 2016 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	December 31, 2016	December 31, 2015
Total net asset value (000's)	\$747	\$557
Number of mutual fund shares outstanding	74,768	64,246
Management expense ratio ⁽¹⁾	2.57 %	1.66 %
Management expense ratio before absorption ⁽¹⁾	11.08 %	11.95 %
Portfolio turnover rate ⁽²⁾	62.52 %	22.27 %
Trading expense ratio ⁽³⁾	0.04 %	0.03 %
Net asset value per share	\$9.99	\$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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The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the year ended December 31, 2016 and 2015.

Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series F	December 31, 2016	December 31, 2015
Initial NAV	\$ 8.71	\$ 10.00
Increase (decrease) from operations:		
Total revenue	0.30	0.30
Total expenses	(0.17)	(0.12)
Realized gains (losses)	0.01	(1.18)
Unrealized gains (losses)	1.49	(0.14)
Total increase (decrease) from operations ⁽²⁾	1.63	(1.14)
Distributions:		
From dividends and return of capital	(0.27)	(0.24)
Total distributions	(0.27)	(0.24)
Net assets attributable to holders of redeemable shares at end of year	\$ 10.10	\$ 8.71

⁽¹⁾ This information is derived from the Fund's December 31, 2016 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	December 31, 2016	December 31, 2015
Total net asset value (000's)	\$676	\$763
Number of mutual fund shares outstanding	66,953	87,527
Management expense ratio ⁽¹⁾	1.99%	1.09%
Management expense ratio before absorption ⁽¹⁾	10.51%	11.38%
Portfolio turnover rate ⁽²⁾	62.52%	22.27%
Trading expense ratio ⁽³⁾	0.04%	0.03%
Net asset value per share	\$10.10	\$8.71

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⁽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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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 December 31, 2016.

Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series G	December 31, 2016
Initial NAV	\$ 10.00
Increase from operations:	
Total revenue	0.14
Total expenses	(0.06)
Realized gains	0.01
Unrealized gains	0.90
Total increase from operations ⁽²⁾	0.99
Distributions:	
From dividends and return of capital	(0.13)
Total distributions	(0.13)
Net assets attributable to holders of redeemable shares at end of year	\$ 10.83

⁽¹⁾ This information is derived from the Fund's December 31, 2016 annual audited financial statements.

⁽²⁾ Net assets attributable to holders of redeemable shares and distributions are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period.

Ratios and Supplemental Data

Series G	December 31, 2016
Total net asset value (000's)	\$1,171
Number of mutual fund shares outstanding	108,108
Management expense ratio ⁽¹⁾	1.53%
Management expense ratio before absorption ⁽¹⁾	10.04%
Portfolio turnover rate ⁽²⁾	62.52%
Trading expense ratio ⁽³⁾	0.04 %
Net asset value per share	\$10.83

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

Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series I	December 31, 2016	December 31, 2015
Initial NAV	\$ 9.45	\$ 10.00
Increase (decrease) from operations:		
Total revenue	0.34	0.31
Total expenses	(0.12)	(0.05)
Realized gains (losses)	0.02	(0.66)
Unrealized gains (losses)	1.93	(0.08)
Total increase (decrease) from operations ⁽²⁾	2.17	(0.48)
Distributions:		
From dividends and return of capital	(0.30)	(0.06)
Total distributions	(0.30)	(0.06)
Net assets attributable to holders of redeemable shares at end of year	\$ 11.06	\$ 9.45

⁽¹⁾ This information is derived from the Fund's December 31, 2016 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	December 31, 2016	December 31, 2015
Total net asset value (000's)	\$120	\$17
Number of mutual fund shares outstanding	10,846	1,812
Management expense ratio ⁽¹⁾	1.11%	0.96 %
Management expense ratio before absorption ⁽¹⁾	9.62%	50.82 %
Portfolio turnover rate ⁽²⁾	62.52%	22.27 %
Trading expense ratio ⁽³⁾	0.04 %	0.14 %
Net asset value per share	\$11.06	\$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.

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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%
Series G	0.4%	-	100%

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

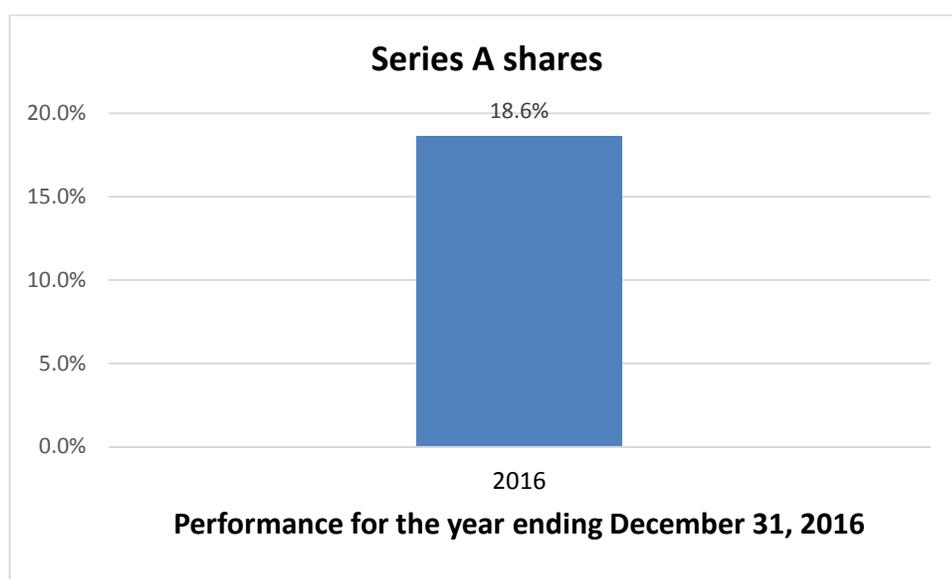
See also “Related Party Transactions” with respect to management fees payable to the Manager in accordance with the master management agreement.

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.

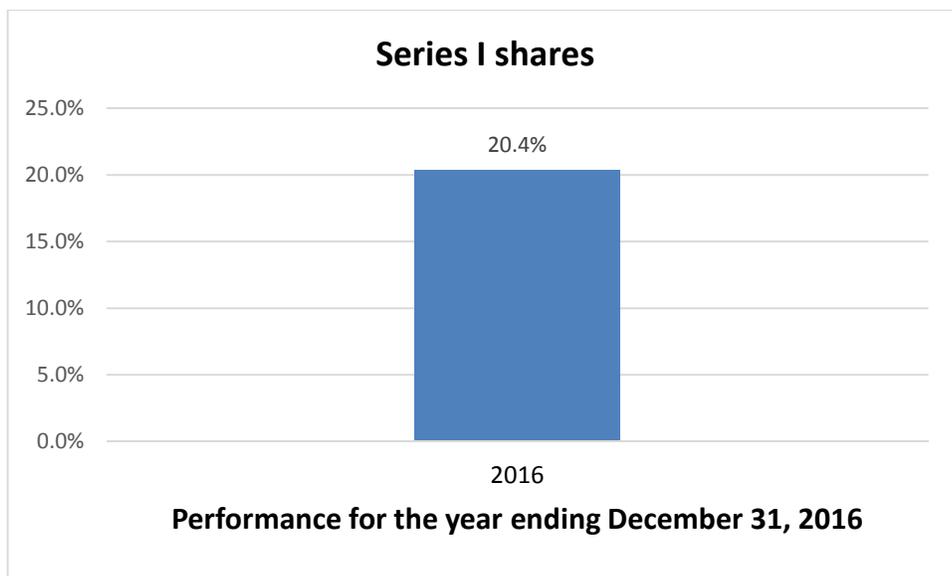
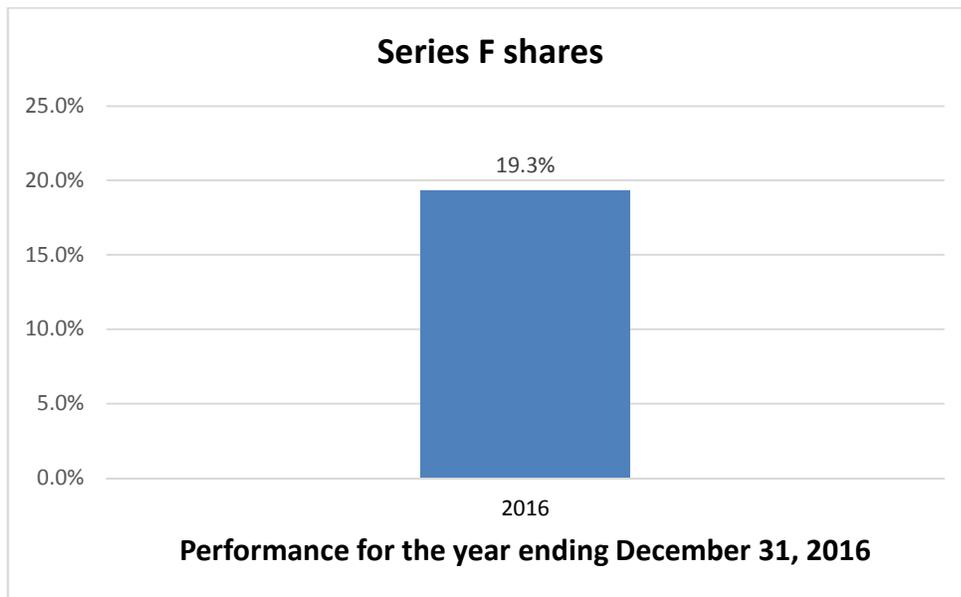
Year-by-Year Returns

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.



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Annual Compound Returns

The table below compares the investment portfolio's compound return to the S&P/TSX Composite Index for the same time period.

	One-year	Since Inception
AlphaDelta Growth of Dividend Income Class – Series A	18.6 %	2.9 %
AlphaDelta Growth of Dividend Income Class – Series F	19.3 %	3.5 %
AlphaDelta Growth of Dividend Income Class – Series I	20.4 %	12.2 %
S&P/TSX Composite Index	17.5 %	0.4 %

The S&P/TSX Composite Index is a broad-based securities market index that statistically measures the state of the stock market based on the performance of certain stocks listed on the Toronto Stock Exchange. The performance of the index is typically viewed as a broad indicator of the direction of the economy.

The Fund's investment portfolio is comprised mostly of global dividend-paying companies and a comparison of the Fund's performance to a broad-based securities market index may not necessarily be relevant as only certain mature large corporations are included in the S&P/TSX Composite Index

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Summary of Investment Portfolio

As at December 31, 2016, the net assets attributable to holders of redeemable shares of the Fund was \$2,714,259. Below is a breakdown of the investment portfolio as at December 31, 2016, by sector and as a percentage of the aggregate net asset value of the top 25 securities in the investment portfolio:

Top Holdings	% of Net Assets	Sector/Subgroup	% of Net Assets
Whirlpool Corp.	2.97	Financial	29.77
AbbVie Inc.	2.63	Consumer, Cyclical	23.01
QUALCOMM Inc.	2.58	Consumer, Non-cyclical	14.36
The Boeing Co.	2.54	Technology	8.75
CVS Health Corp.	2.34	Industrial	7.21
Royal Caribbean Cruises Ltd.	2.15	Basic Materials	4.97
Cisco Systems Inc.	2.11	Energy	4.49
Morgan Stanley	2.05	Communications	4.37
Magna International Inc.	2.04	Utilities	0.75
Manulife Financial Corp.	2.03	Other assets net of liabilities	2.32
MetLife Inc.	2.03		100.00
Broadcom Ltd.	2.01		
Wyndham Worldwide Corp.	1.96		
Lowe's Cos Inc.	1.94		
Pfizer Inc.	1.93		
Legg Mason Inc.	1.92		
General Motors Co.	1.90		
CI Financial Corp.	1.86		
j2 Global Inc.	1.86		
Prudential Financial Inc.	1.83		
Honeywell International Inc.	1.78		
JPMorgan Chase & Co.	1.71		
The Dow Chemical Co.	1.64		
Lincoln National Corp.	1.64		
International Paper Co.	1.57		

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available at www.qwestfunds.com.

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Caution Regarding Forward-looking Statements

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts, but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest in and the risks detailed from time to time in the Fund's simplified prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, management of the Fund does not undertake, and specifically disclaims any intention or obligation to update or revise any forward-looking statements, future events or otherwise, unless required by applicable law.