



AlphaDelta Canadian Focused Equity Class

**Financial Statements
(Unaudited)
June 30, 2018**

AlphaDelta Canadian Focused Equity Class

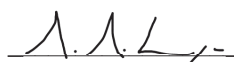
Statements of Financial Position

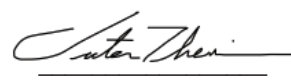
(Unaudited)

As at

	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Cash	\$ 187,756	\$ 154,497
Dividends receivable	1,079	1,558
Subscriptions receivable	–	3,442
Accounts receivable	–	1,347
Due from related parties (Note 9)	83,199	102,599
Investments – at fair value (Note 11)	2,833,803	2,341,767
Prepaid expenses	39,829	13,124
	<u>3,145,666</u>	<u>2,618,334</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	26,920	29,885
Management fees payable (Notes 8 and 9)	4,455	1,938
Distribution payable	86	86
	<u>31,461</u>	<u>31,909</u>
Net Assets Attributable to Holders of Redeemable Shares	<u>\$ 3,114,205</u>	<u>\$ 2,586,425</u>
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	\$ 378,297	\$ 315,256
Series F	367,784	368,811
Series G	2,368,124	1,902,358
	<u>\$ 3,114,205</u>	<u>\$ 2,586,425</u>
Number of Redeemable Shares Outstanding (Note 3)		
Series A	31,269	27,599
Series F	29,352	31,347
Series G	170,756	146,409
Net Assets Attributable to Holders of Redeemable Shares per Share (Note 2)		
Series A	\$ 12.10	\$ 11.42
Series F	12.53	11.77
Series G	13.87	12.99

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


Maurice Levesque
Director


Victor Therrien
Director

AlphaDelta Canadian Focused Equity Class

Statements of Comprehensive Income

For the six-months ended June 30 (Unaudited)

	2018	2017
Income		
Early redemption fees	\$ 309	\$ 35
Dividend income	16,706	11,425
Foreign exchange gain (loss) on cash	274	(13,831)
Net realized (loss) gain on sale of investments	(15,195)	634,464
Change in unrealized appreciation (depreciation) of investments	216,270	(430,444)
	<u>218,364</u>	<u>201,649</u>
Expenses		
Shareholder recordkeeping and fund accounting fees (Note 10)	25,105	36,939
Management fee (Notes 8 and 9)	12,490	11,389
Custodian fees	5,732	7,646
Audit	5,329	18,902
Filing	4,004	11,383
Legal	3,955	17,311
Transaction costs (Note 7)	2,133	17,953
Securityholder reports	1,873	3,078
Independent review committee fees	1,000	4,019
Translation fee	941	2,759
Bank charges	564	586
Foreign withholding taxes	561	476
Tax review	113	2,576
Interest	7	427
Expenses reimbursements (Note 9)	(30,600)	(83,549)
	<u>33,207</u>	<u>51,895</u>
Increase in Net Assets Attributable to Holders of Redeemable Shares	<u>\$ 185,157</u>	<u>\$ 149,754</u>
Increase in Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	\$ 20,929	\$ 31,588
Series F	23,508	50,407
Series G	140,720	67,759
	<u>\$ 185,157</u>	<u>\$ 149,754</u>
Weighted Average of Redeemable Shares Outstanding During the Period		
Series A	29,524	40,272
Series F	29,521	57,731
Series G	164,605	106,499
Increase in Net Assets Attributable to Holders of Redeemable Shares per Share (Note 14)		
Series A	\$ 0.71	\$ 0.78
Series F	0.80	0.87
Series G	0.85	0.64

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Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six-months ended June 30 (Unaudited)

	Net assets attributable to holders of redeemable shares, beginning of period	Proceeds from redeemable shares issued	Redemption of redeemable shares	Increase in net assets attributable to holders of redeemable shares	Net assets attributable to holders of redeemable shares, end of period
June 30, 2018					
Series A	\$ 315,256	\$ 62,051	\$ (19,939)	\$ 20,929	\$ 378,297
Series F	368,811	8,490	(33,025)	23,508	367,784
Series G	1,902,358	409,396	(84,349)	140,720	2,368,124
	<u>\$ 2,586,425</u>	<u>\$ 479,937</u>	<u>\$ (137,313)</u>	<u>\$ 185,157</u>	<u>\$ 3,114,205</u>

	Net assets attributable to holders of redeemable shares, beginning of period	Proceeds from redeemable shares issued	Redemption of redeemable shares	Increase in net assets attributable to holders of redeemable shares	Net assets attributable to holders of redeemable shares, end of period
June 30, 2017					
Series A	\$ 530,919	\$ 12,011	\$ (350,522)	\$ 31,588	\$ 223,996
Series F	860,801	10,000	(555,469)	50,407	365,739
Series G	6,749,068	1,714,398	(6,810,425)	67,759	1,720,800
	<u>\$ 8,140,788</u>	<u>\$ 1,736,409</u>	<u>\$ (7,716,416)</u>	<u>\$ 149,754</u>	<u>\$ 2,310,535</u>

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Statements of Cash Flows

For the six-months ended June 30 (Unaudited)

	2018	2017
Cash provided by (used in):		
Operating Activities		
Increase in Net Assets Attributable to Holders of Redeemable Shares	\$ 185,157	\$ 149,754
Adjustments for non-cash items		
Net realized loss (gain) on sale of investments	15,195	(634,464)
Foreign exchange (gain) loss on cash	(274)	13,831
Change in unrealized (appreciation) depreciation of investments	(216,270)	430,444
Change in non-cash balances		
Dividends receivable	479	13,120
Accounts receivable	1,347	9,096
Due from related parties	19,400	(8,107)
Prepaid expenses	(26,705)	(7,028)
Management fee payable	2,517	(5,034)
Accounts payable and accrued liabilities	(2,965)	(40,169)
Proceeds from sale of investments	357,608	6,903,653
Purchase of investments	(648,570)	(2,650,417)
Cash (used in) provided by operating activities	<u>(313,081)</u>	<u>4,174,679</u>
Financing Activities		
Proceeds from redeemable shares issued	463,440	1,736,409
Redemption of redeemable shares	(117,374)	(7,704,428)
Distribution paid in cash	-	(27)
Cash provided by (used in) financing activities	<u>346,066</u>	<u>(5,968,046)</u>
Increase (decrease) in cash during the period	32,985	(1,793,367)
Foreign exchange gain (loss) on cash	274	(13,831)
Cash, beginning of period	154,497	1,800,339
Cash, end of period	<u>\$ 187,756</u>	<u>\$ (6,859)</u>
Supplemental information*		
Interest paid	\$ 7	\$ 427
Dividends received, net of withholding taxes	15,540	24,069

*Included as a part of cash flows from operating activities

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Schedule of Investment Portfolio as at June 30, 2018 (Unaudited)

Expressed in Canadian Dollars

Description	Number of shares	Average cost \$	Fair value \$	Fair value %
Canadian equities (91.00%)				
Consumer, Cyclical (15.58%)				
Dollarama Inc.	2,460	81,275	125,362	4.03
Gildan Activewear Inc.	3,500	118,452	129,605	4.16
Spin Master Corp.	2,630	88,296	153,303	4.92
WABCO Holdings Inc.	500	78,030	76,894	2.47
Total Consumer, Cyclical		366,053	485,164	15.58
Consumer, Non-cyclical (17.84%)				
Align Technology Inc.	325	42,970	146,133	4.69
Gartner Inc.	800	109,837	139,726	4.49
Morneau Shepell Inc.	5,000	117,168	135,900	4.36
S&P Global Inc.	500	78,108	133,976	4.30
Total Consumer, Non-cyclical		348,083	555,735	17.84
Energy (8.66%)				
Pason Systems Inc.	6,500	125,837	139,880	4.49
PrairieSky Royalty Ltd.	5,000	152,352	129,750	4.17
Total Energy		278,189	269,630	8.66
Financial (9.11%)				
Brookfield Asset Management Inc.	2,750	145,349	146,658	4.71
The Toronto-Dominion Bank	1,800	122,235	136,962	4.40
Total Financial		267,584	283,620	9.11
Industrial (16.58%)				
Ag Growth International Inc.	2,150	110,707	119,024	3.82
CCL Industries Inc.	2,200	125,765	141,790	4.55
Hexcel Corp.	1,350	113,469	117,768	3.78
National Instruments Corp.	2,500	110,348	137,925	4.43
Total Industrial		460,289	516,507	16.58
Technology (23.23%)				
ANSYS Inc.	650	83,690	148,790	4.78
Enghouse Systems Ltd.	1,000	58,172	76,770	2.47
Intuit Inc.	550	85,029	147,674	4.74
IPG Photonics Corp.	550	84,079	159,474	5.12
Jack Henry & Associates Inc.	750	90,340	128,489	4.13
Kinaxis Inc.	700	61,572	61,950	1.99
Total Technology		462,882	723,147	23.23
Total investments owned		2,183,080	2,833,803	91.00
Cash (6.03%)			187,756	6.03
Other assets, net (2.97%)			92,646	2.97
Net Assets Attributable to Holders of Redeemable Shares (100%)			3,114,205	100.00

AlphaDelta Canadian Focused Equity Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

1 GENERAL

Qwest Funds Corp. (the “Corporation”) is a mutual fund corporation incorporated under the laws of Canada on March 8, 2006. The address of the Corporation’s registered office is Suite 802, 750 West Pender Street, Vancouver, British Columbia, V6C 2T8. The authorized capital of the Corporation consists of an unlimited number of Class A shares, Class B shares and special shares. Currently, there are four classes of special shares that are in issue - the AlphaDelta Canadian Focused Equity Class (formerly AlphaDelta Canadian Prosperity Class) (the “Fund”), AlphaDelta Growth of Dividend Income Class (the “ADGDI” Class), AlphaDelta Tactical Growth Class (formerly AlphaDelta Global Value Class) (the “ADTG” Class) and Qwest Energy Canadian Resource Class (the “QECRC” Class); however, the Corporation may offer additional classes of special shares in the future. These financial statements present the financial information of the Fund as a separate reporting entity. If another Class of the Corporation cannot satisfy its obligations, the other classes, including the Fund, may be required to satisfy them using assets attributable to those classes. The Manager believes the risk of such cross-liability is remote. The Fund currently only offers Series A, Series F, Series G and Series I shares. The Corporation’s ultimate controlling party is Qwest Investment Management Corp. (“QIM”) which owns 51% of Class A voting shares and 100% of Class B voting shares of the Corporation. The Fund commenced operations on March 2, 2015.

The Corporation appointed Qwest Investment Fund Management Ltd. (the “Manager”), whose ultimate parent is QIM, as the manager of the Fund. The Manager is responsible for providing portfolio management services to the Fund, and the Manager is authorized to delegate its investment advisory duties to sub-advisors. The Manager has entered into an agreement with AlphaDelta Management Corp. (“ADM”), pursuant to which ADM will assist the Manager in identifying, screening and selecting sub-advisors. ADM shares common directors with the Manager. The sub-advisor for this Fund is Laurus Investment Counsel Inc.

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

The financial statements were authorized for issue by the Board of Directors of the Corporation, on August 17, 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

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

AlphaDelta Canadian Focused Equity Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments

Accounting policies applied from January 1, 2018:

From January 1, 2018, the Fund classifies its investments in equity securities as financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

The Fund classifies its investments at FVTPL based on the Fund's business model for managing those financial assets in accordance with the Fund's documented investment strategy. The portfolio of investments is managed and performance is evaluated on a fair value basis and the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. The Fund's obligation for net assets attributable to holders of redeemable shares is presented as a liability at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount expected to be received or required to be paid, discounted, when appropriate, at the contract's original effective interest rate. The calculation includes all fees and amounts paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

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

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

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

Accounting policies applied prior to January 1, 2018:

The Fund has applied IFRS 9 retrospectively but the application of IFRS 9 has not resulted in a restatement of comparative information. Refer to Note 5 for changes in accounting policies including classification and measurement policies of financial assets and financial liabilities as a result of the application of IFRS 9.

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Notes to Financial Statements

(Unaudited)

June 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Investments in publicly traded equity securities

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

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

Cash

Cash consists of cash held with a Canadian chartered bank.

Taxation

The Fund qualifies as a mutual fund corporation as defined in the Income Tax Act (Canada). A mutual fund corporation is subject to a special 38-1/3% tax on taxable dividends received from corporations resident in Canada and to tax at a normal corporate rate on other income and net taxable realized capital gains for the period. The special 38-1/3% tax is refundable at the rate of \$1 for every \$2.61 of ordinary dividends paid. All the tax on net taxable realized capital gains is refundable on a formula basis when shares are redeemed or capital gains dividends are paid. As a result of these refund mechanisms, the Fund is in effect not taxable with respect to dividends received from corporations resident in Canada and net taxable realized capital gains. The Fund is not taxable as all the Fund's net income for tax purposes and sufficient net capital gains realized in the period, will be distributed to shareholders such that no income tax is

AlphaDelta Canadian Focused Equity Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

payable by the Fund with respect to taxable realized capital gains and dividends received from corporations resident in Canada. Therefore the Fund does not recognize current or deferred income taxes with respect to these types of income.

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

Foreign currency translation

The functional and presentation currency of the Fund is the Canadian dollar. The fair value of foreign investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at 12:00 pm Eastern Standard Time (the “noon rate”) on each valuation day. Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into Canadian dollars at rates of exchange prevailing at the respective dates of such transactions. Foreign exchange gains and losses relating to cash are presented as ‘Foreign exchange gain (loss) on cash’ and those relating to other financial assets and liabilities are presented within ‘Net realized gain on sale of investments’ and ‘Change in unrealized appreciation (depreciation) of investments’ in the statement of comprehensive income.

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

Increase in net assets attributable to holders of redeemable shares from operations per share is determined by dividing the increase in net assets attributable to holders of redeemable shares from operations of each series by the weighted average number of shares outstanding of that series during the reporting period (see note 14).

Critical accounting estimates and judgments

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

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Notes to Financial Statements

(Unaudited)

June 30, 2018

3 SHAREHOLDER TRANSACTIONS

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

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

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

	Six-month period ended June 30	
	2018	2017
Series A		
Shares issued and outstanding - Beginning of period	27,599	54,640
Shares issued during the period	5,434	1,221
Shares redeemed during the period	(1,764)	(34,495)
Shares issued and outstanding - End of period	<u>31,269</u>	<u>21,366</u>
Series F		
Shares issued and outstanding - Beginning of period	31,347	86,979
Shares issued during the period	717	963
Shares redeemed during the period	(2,712)	(53,881)
Shares issued and outstanding - End of period	<u>29,352</u>	<u>34,061</u>
Series G		
Shares issued and outstanding - Beginning of period	146,409	620,750
Shares issued during the period	30,687	150,730
Shares redeemed during the period	(6,340)	(626,056)
Shares issued and outstanding - End of period	<u>170,756</u>	<u>145,424</u>

As at June 30, 2018, there were no Series I shares issued and outstanding (2017 - nil).

AlphaDelta Canadian Focused Equity Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

3 SHAREHOLDER TRANSACTIONS (Cont'd)

Classification of shares

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

4 DISTRIBUTIONS

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

5 CHANGES IN ACCOUNTING POLICIES:

The Corporation has applied IFRS 9 retrospectively from January 1, 2017, which has resulted in changes in accounting policies. The following accounting policies relating to classification of financial assets and financial liabilities have been changed to comply with IFRS 9 which replaces the provisions of IAS 39.

Reclassifications of financial instruments on application of IFRS 9

On the date of initial application of IFRS 9, January 1, 2018, the financial instruments of the Corporation were as follows, with any reclassifications from December 31, 2017 noted:

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Notes to Financial Statements

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5 CHANGES IN ACCOUNTING POLICIES (Cont'd):

<i>Financial Instruments</i>	<i>Classification Category</i>		<i>Measurement Category</i>		<i>Carrying amount at Jan 1, 2018</i>		
	<i>Original (IAS 39)</i>	<i>New (IFRS9)</i>	<i>Original (IAS 39)</i>	<i>New (IFRS9)</i>	<i>Original (IAS 39)</i> \$	<i>New (IFRS 9)</i> \$	<i>Difference</i> \$
Assets							
Cash	Amortized cost	Amortized cost	Amortized cost	Amortized cost	154,497	154,497	-
Accounts receivable	Loans and receivables	Amortized cost	Amortized cost	Amortized cost	1,347	1,347	-
Dividends receivable	Loans and receivables	Amortized cost	Amortized cost	Amortized cost	1,558	1,558	-
Due from related parties	Loans and receivables	Amortized cost	Amortized cost	Amortized cost	102,599	102,599	-
Investments - at fair value	FVTPL Designated at inception	FVTPL	FVTPL	FVTPL	2,341,767	2,341,767	-
Prepaid expenses	Amortized cost	Amortized cost	Amortized cost	Amortized cost	13,124	13,124	-
Subscription receivable	Loans and receivables	Amortized cost	Amortized cost	Amortized cost	3,442	3,442	-
Liabilities							
Accounts payable and accrued liabilities	Financial liabilities	Financial liabilities	Amortized cost	Amortized cost	29,885	29,885	-
Distribution payable	Financial liabilities	Financial liabilities	Amortized cost	Amortized cost	86	86	-
Management fees payable	Financial liabilities	Financial liabilities	Amortized cost	Amortized cost	1,938	1,938	-

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Notes to Financial Statements

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6 INCOME TAXES

The Corporation's available tax losses, both capital and non-capital, are determined at the corporate and not the individual class level. As at December 31, 2017, the Corporation had unrecognized non-capital losses of approximately \$3,248,145 available for utilization against taxable income in future years. The Corporation had unrecognized capital losses available at December 31, 2017 of approximately \$7,901,770. The non-capital losses expire as follows:

	\$
Expiry date	
2037	1,090,669
2036	520,929
2035	524,234
2034	389,415
2033	722,898
	<hr/>
	3,248,145
	<hr/>

7 EXPENSES

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

Brokerage commissions paid by the Fund with respect to security transactions for the period ended June 30, 2018 are \$2,133 (June 30, 2017 - \$17,953). For the period ended June 30, 2018 and 2017, there were no soft dollar amounts paid.

8 MANAGEMENT FEE

The management fee is calculated at 2.5% per annum of the daily NAV of Series A shares, 1.5% per annum of the daily NAV of Series F shares and 0.75% per annum of the daily NAV of Series G shares plus applicable taxes, and is paid monthly. The fees are payable to the Manager (notes 1 and 9).

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9 RELATED PARTY BALANCES AND TRANSACTIONS

Balances and transactions are as follows:

	For the six-month period ended June 30,	
	2018	2017
	\$	\$
Qwest Funds Corp., Qwest Energy Canadian Resource Class Reimbursement for Fund expenses paid by QECRC	922	3,174
Qwest Investment Fund Management Ltd. ("QIFM") Management fee	12,490	11,389
AlphaDelta Management Corp. (note 1) Voluntary reimbursement for Fund expenses	30,600	83,549
	June 30,	December 31,
As of	2018	2017
	\$	\$
Qwest Investment Fund Management Ltd. ("QIFM") Management fee payable	4,455	1,938
AlphaDelta Management Corp. (note 1) Due from related parties	83,199	102,599

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

The terms of transactions with the Manager are disclosed in note 8. QECRC is another class of special shares of the Corporation. During the period, ADM has reimbursed the Fund for certain operating expenses incurred. This reimbursement is at the discretion of ADM and is calculated daily based on a percentage of the NAV.

Included within accounts receivable is an amount of \$495 in respect of sales tax receivable which is to be refunded by the tax authorities through QIFM. In addition, an amount of \$250 was deposited in a trust account held in QIFM's name during the period to cover costs associated with shareholder transactions.

10 SHAREHOLDER RECORDKEEPING AND FUND ACCOUNTING FEES

The Fund has engaged the services of SGGG Fund Services Inc. ("SGGG") and FundSERV Inc. to provide shareholder recordkeeping and fund accounting services. Shareholder recordkeeping and fund accounting fees incurred by the Fund for the period ended June 30, 2018 are \$25,105 (June 30, 2017 - \$36,939).

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June 30, 2018

11 FAIR VALUE MEASUREMENT

The following table illustrates the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2018 and December 31, 2017. The three levels of fair value hierarchy are:

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

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

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

	Financial assets at fair value as at June 30, 2018			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Equities	2,833,803	-	-	2,833,803

	Financial assets at fair value as at December 31, 7			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Equities	2,341,767	-	-	2,341,767

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

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

The Fund's equity positions are classified as Level 1 when the security is actively traded and reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g. transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

There were no financial instruments that were transferred into or out of Level 1 or 2 during the period ended June 30, 2018 and year ended December 31 2017.

The Fund invests in public equity securities all of which are measured at FVTPL.

AlphaDelta Canadian Focused Equity Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

12 FINANCIAL INSTRUMENTS RISK MANAGEMENT

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

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

The Fund will not use derivatives. The Fund may hold a portion of its assets in cash or short-term money market securities while seeking investment opportunities or for defensive purposes to reflect adverse market, economic, political or other conditions.

Market risk

a) Price risk

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

At June 30, 2018, the Fund's market risk is impacted directly by changes in equity prices. The immediate impact on net assets of a 5% increase or decrease in the fair value of investments assuming all other variables remain constant would be approximately \$142,000 (December 31, 2017- \$117,000).

b) Interest rate risk

The Fund's interest bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rate on its financial position and cash flows. The substantial majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

c) Currency risk

Currency risk is the risk that the value of investments denominated in currencies other than the functional currency of the Fund will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than Canadian dollars is affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the investment is denominated.

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

AlphaDelta Canadian Focused Equity Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

12 FINANCIAL INSTRUMENTS RISK MANAGEMENT (Cont'd)

The Fund's currency risk is impacted directly by changes in foreign exchange rates. The immediate impact on the assets of a 5% increase or decrease in the foreign exchange rate which the Fund has exposure to, assuming all other variables remain constant, is detailed in the table below.

Currency	As at June 30, 2018					
	Exposure			Impact on net assets attributable to holders of redeemable shares		
	Monetary \$	Non- monetary \$	Total \$	Monetary \$	Non- monetary \$	Total \$
United States Dollar % of net assets attributable to holders of redeemable shares	104,720	1,336,849	1,441,569	5,236	66,842	72,078
	3.4	42.9	46.3	0.2	2.1	2.3
Currency	As at December 31, 2017					
	Exposure			Impact on net assets attributable to holders of redeemable shares		
	Monetary \$	Non- monetary \$	Total \$	Monetary \$	Non- monetary \$	Total \$
United States Dollar % of net assets attributable to holders of redeemable shares	109,137	1,062,302	1,171,439	5,457	53,115	58,572
	4.2	41.1	45.3	0.2	2.1	2.3

AlphaDelta Canadian Focused Equity Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

12 FINANCIAL INSTRUMENTS RISK MANAGEMENT (Cont'd)

Credit risk

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

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

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

The Manager monitors the Fund's credit position regularly, and the Board of Directors reviews it on a periodic basis. The Fund has not identified any past due assets or receivables as at as at June 30, 2018 and December 31, 2017.

Concentration risk

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

	At June 30, 2018	At December 31, 2017
Sector/subgroup	% of net assets	% of net assets
Technology	23.23	22.13
Consumer, Non-Cyclical	17.84	17.24
Industrial	16.58	16.39
Consumer, Cyclical	15.58	18.45
Financial	9.11	8.30
Energy	8.66	8.04
Cash	6.03	5.96
Other net assets	2.97	3.49
	<hr/>	<hr/>
	100.00	100.00

Liquidity risk

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

AlphaDelta Canadian Focused Equity Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

12 FINANCIAL INSTRUMENTS RISK MANAGEMENT (Cont'd)

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

13 CAPITAL MANAGEMENT

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

14 INCREASE IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHARES PER SHARE

Increase in net assets attributable to redeemable shares per share for the period ended June 30, 2018 and 2017 is calculated as follows:

	2018	2017
	\$	\$
Series A		
Increase in net assets attributable to holders of redeemable shares	20,929	31,588
Weighted average shares outstanding during the period	29,524	40,272
Increase in net assets attributable to holders of redeemable shares per share	0.71	0.78
Series F		
Increase in net assets attributable to holders of redeemable shares	23,508	50,407
Weighted average shares outstanding during the period	29,521	57,731
Increase in net assets attributable to holders of redeemable shares per share	0.80	0.87
Series G		
Increase in net assets attributable to holders of redeemable shares	140,720	67,759
Weighted average shares outstanding during the period	164,605	106,499
Increase in net assets attributable to holders of redeemable shares per share	0.85	0.64