



AlphaDelta Canadian Prosperity Class

2016 Semi-Annual Management
Report of Fund Performance

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

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

Management Discussion of Fund Performance

Results of Operations

The Fund commenced operations in March of 2015. During the six-month period ended June 30, 2016, the Fund issued 163 Series A shares and 386,506 Series F shares and redeemed 47,552 Series A shares and 97,254 Series F shares. As at June 30, 2016, 75,558 Series A shares and 758,864 Series F shares were outstanding. During the six-month period ended June 30, 2016, the Fund realized an accounting loss of \$365,902 from the disposition of securities.

For the six-month period ended June 30, 2016, the Fund earned dividend income of \$60,000. Total expenses before expense reimbursement was \$150,000 comprised mainly of \$47,000 in management fees (calculated daily at an annual rate of 2.5% of the NAV of Series A shares and 1.5% of the NAV of Series F shares), \$37,000 in shareholder recordkeeping and fund accounting fees, \$16,000 in audit fees, \$11,000 in legal fees, and \$11,000 in transaction costs.

At June 30, 2016, net assets attributable to holders of redeemable shares for Series A shares was \$677,978 or \$8.97 per share, and for Series F shares was \$6,897,524 or \$9.09 per share.

There has been significant amount of cash deposits and withdrawals throughout the period relative to the opening market value of the fund. Cash flow can have a positive or negative impact to fund performance and asset mix. The Canadian equity market performance has been largely impacted by the rising price of gold and industrial metals. The fund does not invest in these types of companies. As such, performance has lagged the market. Also, economic event such as the exit of Britain from the EU and the US Federal Reserve interest rate policy has exacerbated overall market volatility. As we are a buy and hold investor, this volatility has had both positive and negative impact to overall performance, largely depending on sentiment.

Recent Developments

There are no changes to the strategic position 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 of the Fund and 0.75% of the net asset value of Series G shares of the Fund, calculated daily and payable monthly in arrears. For the six-month period ended June 30, 2016, the Fund incurred \$47,105 in management fees of which \$9,919 was payable at June 30, 2016.

In order for the Fund to maintain a competitive position with other mutual funds with respect to operating expenses charged to the Fund, AlphaDelta Management Corp. (“AlphaDelta”), an affiliate of Qwest Investment Fund Management Ltd. (the “Manager”), has agreed at its discretion to pay for some of the operating expenses of the Fund. AlphaDelta has absorbed a total of \$73,797 of the operating expenses of the Fund for the six-month period ended June 30, 2016.

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Financial Highlights

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

Net Assets per mutual fund share ⁽¹⁾

Net Assets attributable to holders of redeemable shares per Series A	June 30, 2016	December 31, 2015
Initial NAV	\$ 8.93	\$ 10.00
Increase (decrease) from operations:		
Total revenue	0.10	0.23
Total expenses	(0.15)	(0.27)
Realized losses	(0.06)	(0.62)
Unrealized gains (losses)	0.05	(0.46)
Total decrease from operations ⁽²⁾	(0.06)	(1.12)
Distributions:		
From dividends	-	(0.20)
Total distributions	-	(0.20)
Net assets attributable to holders of redeemable shares at end of period	\$ 8.97	\$ 8.93

Net Assets attributable to holders of redeemable shares per Series F	June 30, 2016	December 31, 2015
Initial NAV	\$ 8.99	\$ 10.00
Increase (decrease) from operations:		
Total revenue	0.10	0.23
Total expenses	(0.12)	(0.19)
Realized gains (losses)	0.80	(0.79)
Unrealized losses	(0.72)	(0.58)
Total increase (decrease) from operations ⁽²⁾	0.06	(1.33)
Distributions:		
From dividends	-	(0.21)
Total distributions	-	(0.21)
Net assets attributable to holders of redeemable shares at end of period	\$ 9.09	\$ 8.99

⁽¹⁾ This information is derived from the Fund's semi-annual June 30, 2016 financial statements and December 31, 2015 annual audited financial statements.

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

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Ratios and Supplemental Data

Series A	June 30, 2016	December 31, 2015
Total net asset value (000's)	\$ 678	\$ 1,097
Number of mutual fund shares outstanding	75,558	122,947
Management expense ratio ⁽¹⁾	3.33 %	2.89 %
Management expense ratio before absorption ⁽¹⁾	6.08 %	4.94 %
Portfolio turnover rate ⁽²⁾	64.55 %	79.11 %
Trading expense ratio ⁽³⁾	0.42 %	0.51 %
Net asset value per share	\$ 8.97	\$ 8.93

Series F	June 30, 2016	December 31, 2015
Total net asset value (000's)	\$ 6,898	\$ 4,223
Number of mutual fund shares outstanding	758,864	469,612
Management expense ratio ⁽¹⁾	2.24 %	1.83 %
Management expense ratio before absorption ⁽¹⁾	4.99 %	3.88 %
Portfolio turnover rate ⁽²⁾	64.55 %	79.11 %
Trading expense ratio ⁽³⁾	0.42 %	0.51 %
Net asset value per share	\$ 9.09	\$ 8.99

⁽¹⁾ 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.

⁽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.

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 G	0.75%	-	100%

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

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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.

Summary of Investment Portfolio

As at June 30, 2016, the net assets attributable to holders of redeemable shares of the Fund was \$7,575,502. Below is a breakdown of the investment portfolio as at June 30, 2016, by sector and as a percentage of the aggregate net asset value of the top 25 securities in the investment portfolio:

Top Holdings	% of Net Assets
Altus Group Ltd.	4.25
Enghouse Systems Ltd.	4.21
Stella-Jones Inc.	3.84
WSP Global Inc.	3.62
Ag Growth International Inc.	3.61
The Descartes Systems Group Inc.	3.55
Premium Brands Holdings Corp.	3.51
Exco Technologies Ltd.	3.19
Winpak Ltd.	3.15
Canadian Western Bank	3.13
Intertape Polymer Group Inc.	2.96
High Liner Foods Inc.	2.96
Martinrea International Inc.	2.82
Laurentian Bank of Canada	2.61
Computer Modelling Group Ltd.	2.51
ATS Automation Tooling Systems Inc.	2.50
Leon's Furniture Ltd.	2.47
Richelieu Hardware Ltd.	2.41
ShawCor Ltd.	2.33
Morneau Shepell Inc.	2.30
Raging River Exploration Inc.	2.26
E-L Financial Corp Ltd.	2.19
Uni-Select Inc.	2.10
Spartan Energy Corp.	2.08
Equitable Group Inc.	1.99

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Sector/Subgroup	% of Net Assets
Industrial	29.00
Financial	17.25
Consumer, Non-cyclical	14.86
Technology	11.19
Energy	10.72
Cash	9.20
Consumer, Cyclical	7.73
Other assets net assets	0.05
	100.00

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

Caution Regarding Forward-looking Statements

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