



MARQUEST GROUP OF FUNDS

ANNUAL REPORT

Year ended December 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Unitholders or Shareholders of:

Marquest American Dividend Growth Fund
Marquest American Dividend Growth Fund (Corporate Class)
Marquest Canadian Fixed Income Fund
Marquest Canadian Bond Fund
Marquest Canadian Resource Fund
Marquest Canadian Resource Fund (Corporate Class)
Marquest Global Balanced Fund
Marquest Covered Call Canadian Banks Plus Fund
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)
Marquest Money Market Fund
Marquest Monthly Pay Fund
Marquest Monthly Pay Fund (Corporate Class)
Marquest Short Term Income Fund (Corporate Class)
Marquest Small Companies Fund
(Collectively the "Marquest Group of Funds" or "Funds")

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We have audited the accompanying financial statements of the Funds, which comprise the statements of financial position as at December 31, 2016 and December 31, 2015 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable unit/shares and cash flows for the years ended December 31, 2016 and 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2016 and 2015 and the results of their financial performance and their cash flows for the years ended December 31, 2016 and 2015, in accordance with International Financial Reporting Standards.

Collins Barrow Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
March 31, 2017

MARQUEST MONEY MARKET FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value	2,321,443	2,341,570
Cash	173,408	8,233
Accrued interest receivable	2,148	1,348
	2,496,999	2,351,151
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	46	22
Other payables and accrued expenses	15	6
Distribution payable	35	32
	96	60
Net assets attributable to holders of redeemable units (Note 3)	2,496,903	2,351,091
Net assets attributable to holders of redeemable units (Note 3)		
Class A	2,477,916	2,345,994
Class F	18,987	5,097
Net assets attributable to holders of redeemable units per unit		
Class A	10.00	10.00
Class F	10.00	10.00

Approved on behalf of the Board of Directors of Marquest Asset Management Inc., the Manager of the Fund.

"Gerry L. Brockelsby"

 Gerry L. Brockelsby
 Director
 Marquest Asset Management Inc.

"Andrew A. McKay"

 Andrew A. McKay
 Director
 Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST MONEY MARKET FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Interest for distribution purposes	16,964	22,122
Securities lending income	97	265
Total Income (loss)	17,061	22,387
Expenses (Note 4)		
Management fees	7,441	8,800
Interest charges	4	-
Operating fees	79,598	119,786
Audit fees	10,014	11,705
Custodian fees	26,191	25,732
Legal fees	4,131	2,958
Independent review committee fees	1,914	1,945
Unitholder reporting costs	2,525	3,423
Total Expenses	131,818	174,349
Expenses waived (Note 4)	(121,888)	(162,609)
Net Expenses	9,930	11,740
Increase (decrease) in net assets attributable to holders of redeemable units from operations	7,131	10,647
Increase (decrease) in net assets attributable to holders of redeemable units from operations per class		
Class A	7,090	10,549
Class F	41	98
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit		
Class A	0.03	0.04
Class F	0.04	0.05

The accompanying notes form an integral part of the financial statements

MARQUEST MONEY MARKET FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (CDN \$)

For the years ended December 31,

	<u>2016 (\$)</u>	<u>2015 (\$)</u>	<u>2016 (\$)</u>	<u>2015 (\$)</u>
	Class A		Class F	
Net assets attributable to holders of redeemable units, beginning of year	2,345,994	3,124,834	5,097	-
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations	7,090	10,549	41	98
Distributions to holders of redeemable units				
From net investment income	(7,091)	(10,548)	(40)	(97)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units	1,341,390	675,964	13,858	41,206
Reinvestment of distributions to holders of redeemable units	6,710	10,323	31	97
Amounts paid on redemption of redeemable units	(1,216,177)	(1,465,128)	-	(36,207)
Net redeemable unit transactions	131,923	(778,841)	13,889	5,096
Net Increase (decrease) in net assets attributable to holders of redeemable units	131,922	(778,840)	13,890	5,097
Net assets attributable to holders of redeemable units, end of year	2,477,916	2,345,994	18,987	5,097
			<u>2016 (\$)</u>	<u>2015 (\$)</u>
			Total	
Net assets attributable to holders of redeemable units, beginning of year			2,351,091	3,124,834
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations			7,131	10,647
Distributions to holders of redeemable units				
From net investment income			(7,131)	(10,645)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units			1,355,248	717,170
Reinvestment of distributions to holders of redeemable units			6,741	10,420
Amounts paid on redemption of redeemable units			(1,216,177)	(1,501,335)
Net redeemable unit transactions			145,812	(773,745)
Net Increase (decrease) in net assets attributable to holders of redeemable units			145,812	(773,743)
Net assets attributable to holders of redeemable units, end of year			2,496,903	2,351,091

The accompanying notes form an integral part of the financial statements

MARQUEST MONEY MARKET FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations	7,131	10,647
Purchases of investments	(13,513,528)	(12,654,112)
Proceeds from sale and maturity of investments	13,549,818	13,437,099
Accrued interest receivable	(16,963)	(19,696)
Management fees payable	24	(178)
Other payables and accrued expenses	9	(60)
Net cash from (used in) operating activities	26,491	773,700
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(387)	(540)
Proceeds from sale of redeemable units	1,355,248	717,170
Amounts paid on redemption of redeemable units	(1,216,177)	(1,501,335)
Net cash from (used in) financing activities	138,684	(784,705)
Net decrease in cash	165,175	(11,005)
Cash (bank indebtedness) at beginning of year	8,233	19,238
Cash (bank indebtedness) at end of year	173,408	8,233
Supplementary disclosures on cash flow from operating activities:		
Interest received	1	2,426
Interest paid	(4)	-

The accompanying notes form an integral part of the financial statements

MARQUEST MONEY MARKET FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Par Value		Maturity	Yield	Average Cost	Fair Value
SHORT TERM NOTES (92.97%)					
Discount Commercial Paper (32.79%)					
240,000	Daimler Canada Finance Inc.	1/17/2017	0.92%	\$ 239,462	\$ 239,462
220,000	Enbridge Pipelines Inc.	1/9/2017	0.80%	219,899	219,899
180,000	Gaz Métro Inc.	1/18/2017	0.80%	179,673	179,672
180,000	Hydro One Inc.	1/17/2017	0.85%	179,599	179,599
				<u>818,633</u>	<u>818,632</u>
Bankers Acceptance (26.59%)					
160,000	Canadian Imperial Bank of Commerce	1/13/2017	0.76%	159,806	159,806
180,000	National Bank of Canada	2/28/2017	0.77%	179,667	179,667
80,000	Royal Bank of Canada	2/9/2017	0.82%	79,912	79,913
245,000	The Toronto-Dominion Bank	2/7/2017	0.77%	244,562	244,561
				<u>663,947</u>	<u>663,947</u>
Treasury Bills (25.00%)					
275,000	Canadian Treasury Bill	1/12/2017	0.46%	274,704	274,705
255,000	Canadian Treasury Bill	2/23/2017	0.48%	254,678	254,678
95,000	Canadian Treasury Bill	3/23/2017	0.48%	94,877	94,877
				<u>624,259</u>	<u>624,260</u>
Bearer Deposit Notes (8.59%)					
215,000	Manulife Bank of Canada	2/14/2017	0.80%	214,604	214,604
				<u>214,604</u>	<u>214,604</u>
TOTAL SHORT TERM NOTES				<u>2,321,443</u>	<u>2,321,443</u>
Total cost and fair value of investments (92.97%)				2,321,443	2,321,443
Other assets (net) (7.03%)				175,460	175,460
Net assets attributable to holders of redeemable units				<u>\$ 2,496,903</u>	<u>\$ 2,496,903</u>

See accompanying notes.

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Units	
	December 31, 2016	December 31, 2015
Discount Commercial Paper	32.79%	36.73%
Bankers Acceptance	26.59%	30.16%
Treasury Bills	25.00%	27.61%
Bearer Deposit Notes	8.59%	5.10%
Other Assets Less Liabilities	7.03%	0.40%
Total	<u>100.00%</u>	<u>100.00%</u>

See accompanying notes.

MARQUEST SHORT TERM INCOME FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value	584,070	1,462,933
Cash	66,572	15,697
Accrued interest receivable	490	975
	651,132	1,479,605
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	7	12
Other payables and accrued expenses	3	4
Payable to other corporate class (Note 4)	186,095	186,095
	186,105	186,111
Net assets attributable to holders of redeemable shares (Note 3)	465,027	1,293,494
Net assets attributable to holders of redeemable shares (Note 3)		
Series A	405,355	1,293,494
Series F	59,672	-
Net assets attributable to holders of redeemable shares per share		
Series A	11.64	11.58
Series F	10.02	-

Approved on behalf of the Board of Directors of Marquest Corporate Class Funds Ltd.

"Gerry L. Brockelsby"

 Gerry L. Brockelsby
 Director
 Marquest Asset Management Inc.

"Andrew A. McKay"

 Andrew A. McKay
 Director
 Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST SHORT TERM INCOME FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Interest for distribution purposes	6,656	12,213
Securities lending income	64	192
Total Income (loss)	6,720	12,405
Expenses (Note 4)		
Management fees	2,212	4,345
Interest charges	-	8
Operating fees	23,621	24,520
Audit fees	656	2,056
Custodian fees	25,739	25,050
Legal fees	46	65
Independent review committee fees	1,914	1,945
Shareholder reporting costs	28	75
Total Expenses	54,216	58,064
Expenses waived (Note 4)	(51,252)	(52,261)
Net Expenses	2,964	5,803
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	3,756	6,602
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per class		
Series A	3,641	6,602
Series F	115	-
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per share		
Series A	0.06	0.06
Series F	0.04	-

The accompanying notes form an integral part of the financial statements

MARQUEST SHORT TERM INCOME FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (CDN \$)

For the years ended December 31,

	<u>2016 (\$)</u>	<u>2015 (\$)</u>	<u>2016 (\$)</u>	<u>2015 (\$)</u>
	Series A		Series F	
Net assets attributable to holders of redeemable shares, beginning of year	1,293,494	1,478,773	-	-
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	3,641	6,602	115	-
Redeemable share transactions (Note 3)				
Proceeds from sale of redeemable shares	44,723	786,531	59,557	-
Amounts paid on redemption of redeemable shares	(936,503)	(978,412)	-	-
Net redeemable share transactions	(891,780)	(191,881)	59,557	-
Net Increase (decrease) in net assets attributable to holders of redeemable shares	(888,139)	(185,279)	59,672	-
Net assets attributable to holders of redeemable shares, end of year	405,355	1,293,494	59,672	-
			<u>2016 (\$)</u>	<u>2015 (\$)</u>
			Total	
Net assets attributable to holders of redeemable shares, beginning of year			1,293,494	1,478,773
Increase (decrease) in net assets attributable to holders of redeemable shares from operations			3,756	6,602
Redeemable share transactions (Note 3)				
Proceeds from sale of redeemable shares			104,280	786,531
Amounts paid on redemption of redeemable shares			(936,503)	(978,412)
Net redeemable unit transactions			(832,223)	(191,881)
Net Increase (decrease) in net assets attributable to holders of redeemable shares			(828,467)	(185,279)
Net assets attributable to holders of redeemable shares, end of year			465,027	1,293,494

The accompanying notes form an integral part of the financial statements

MARQUEST SHORT TERM INCOME FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	3,756	6,602
Adjustments for:		
Purchases of investments	(5,300,573)	(7,069,042)
Proceeds from sale and maturity of investments	6,186,574	7,218,785
Accrued interest receivable	(6,653)	(11,369)
Management fees payable	(5)	(74)
Other payables and accrued expenses	(1)	(33)
Net cash from (used in) operating activities	883,098	144,869
Cash flows from (used in) financing activities		
Proceeds from sale of redeemable shares	104,280	786,531
Amounts paid on redemption of redeemable shares	(936,503)	(978,412)
Net cash from (used in) financing activities	(832,223)	(191,881)
Net decrease in cash	50,875	(47,012)
Cash (bank indebtedness) at beginning of year	15,697	62,709
Cash (bank indebtedness) at end of year	66,572	15,697
Supplementary disclosures on cash flow from operating activities:		
Interest received	3	844
Interest paid	-	(8)

The accompanying notes form an integral part of the financial statements

MARQUEST SHORT TERM INCOME FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Par Value		Maturity	Yield	Average Cost	Fair Value
SHORT TERM NOTES (125.60%)					
Bankers Acceptance (49.38%)					
65,000	Canadian Imperial Bank of Commerce	1/13/2017	0.76%	\$ 64,921	\$ 64,921
65,000	National Bank of Canada	2/28/2017	0.77%	64,879	64,880
35,000	Royal Bank of Canada	2/9/2017	0.82%	34,962	34,962
65,000	The Toronto-Dominion Bank	2/7/2017	0.77%	64,884	64,884
				<u>229,646</u>	<u>229,647</u>
Treasury Bills (37.59%)					
25,000	Canadian Treasury Bill	1/12/2017	0.49%	24,972	24,972
80,000	Canadian Treasury Bill	2/23/2017	0.48%	79,896	79,895
70,000	Canadian Treasury Bill	3/23/2017	0.48%	69,910	69,910
				<u>174,778</u>	<u>174,777</u>
Discount Commercial Paper (24.68%)					
55,000	Gaz Métro Inc.	1/18/2017	0.80%	54,900	54,900
60,000	Hydro One Inc.	1/17/2017	0.85%	59,866	59,866
				<u>114,766</u>	<u>114,766</u>
Bearer Deposit Notes (13.95%)					
65,000	Manulife Bank of Canada	2/14/2017	0.80%	64,880	64,880
				<u>64,880</u>	<u>64,880</u>
TOTAL SHORT TERM NOTES				<u>584,070</u>	<u>584,070</u>
Total cost and fair value of investments (125.60%)				584,070	584,070
Other assets (net) (-25.60%)				(119,043)	(119,043)
Net assets attributable to holders of redeemable shares				<u>\$ 465,027</u>	<u>\$ 465,027</u>

See accompanying notes.

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Shares	
	December 31, 2016	December 31, 2015
Bankers Acceptance	49.38%	17.75%
Treasury Bills	37.59%	28.20%
Discount Commercial Paper	24.68%	58.66%
Bearer Deposit Notes	13.95%	8.49%
Other Assets Less Liabilities	-25.60%	-13.10%
Total	<u>100.00%</u>	<u>100.00%</u>

See accompanying notes.

MARQUEST CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value	1,823,078	2,265,105
Cash	49,203	11,919
Accrued interest receivable	7,927	12,949
Receivable for investments sold	8,229	43,983
	1,888,437	2,333,956
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	110	66
Other payables and accrued expenses	57	34
Payable on redemption of redeemable units	13,973	-
Payable for investments purchased	-	55,363
Distribution payable	3	3
	14,143	55,466
Net assets attributable to holders of redeemable units (Note 3)	1,874,294	2,278,490
Net assets attributable to holders of redeemable units (Note 3)		
Class A	1,807,276	2,231,142
Class F	67,018	47,348
Net assets attributable to holders of redeemable units per unit		
Class A	4.32	4.50
Class F	4.74	4.89

Approved on behalf of the Board of Directors of Marquest Asset Management Inc., the Manager of the Fund.

"Gerry L. Brockelsby"

Gerry L. Brockelsby
Director
Marquest Asset Management Inc.

"Andrew A. McKay"

Andrew A. McKay
Director
Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Interest for distribution purposes	54,149	95,795
Securities lending income	144	226
Other income	414	164
Net realized gain (loss) on sale of investments	7,023	83,680
Change in net unrealized appreciation (depreciation) on investments	(2,240)	(54,176)
Total Income (loss)	59,490	125,689
Expenses (Note 4)		
Management fees	22,241	32,450
Interest charges	108	4,914
Operating fees	48,918	65,993
Audit fees	5,608	6,905
Custodian fees	25,500	27,832
Legal fees	1,892	1,325
Independent review committee fees	1,914	1,945
Unitholder reporting costs	1,157	1,533
Total Expenses	107,338	142,897
Expenses waived (Note 4)	(73,622)	(87,277)
Net Expenses	33,716	55,620
Increase (decrease) in net assets attributable to holders of redeemable units from operations	25,774	70,069
Increase (decrease) in net assets attributable to holders of redeemable units from operations per class		
Class A	25,108	57,769
Class F	666	12,300
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit		
Class A	0.06	0.10
Class F	0.06	0.10

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (CDN \$)

For the years ended December 31,

	<u>2016 (\$)</u> Class A	<u>2015 (\$)</u>	<u>2016 (\$)</u> Class F	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable units, beginning of year	2,231,142	3,342,526	47,348	734,549
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations	25,108	57,769	666	12,300
Distributions to holders of redeemable units				
From net investment income	(20,748)	(43,826)	(514)	(10)
From net realized gain on sale of investments	(7,906)	(89,813)	(196)	(579)
Return of capital	(79,801)	(6,674)	(1,976)	(27,082)
Total distributions to holders of redeemable units	(108,455)	(140,313)	(2,686)	(27,671)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units	521,586	251,124	20,000	47,930
Reinvestment of distributions to holders of redeemable units	90,134	96,571	1,690	26,912
Amounts paid on redemption of redeemable units	(952,239)	(1,376,535)	-	(746,672)
Net redeemable unit transactions	(340,519)	(1,028,840)	21,690	(671,830)
Net Increase (decrease) in net assets attributable to holders of redeemable units	(423,866)	(1,111,384)	19,670	(687,201)
Net assets attributable to holders of redeemable units, end of year	1,807,276	2,231,142	67,018	47,348
			<u>2016 (\$)</u> Total	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable units, beginning of year			2,278,490	4,077,075
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations			25,774	70,069
Distributions to holders of redeemable units				
From net investment income			(21,262)	(43,836)
From net realized gain on sale of investments			(8,102)	(90,392)
Return of capital			(81,777)	(33,756)
Total distributions to holders of redeemable units			(111,141)	(167,984)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units			541,586	299,054
Reinvestment of distributions to holders of redeemable units			91,824	123,483
Amounts paid on redemption of redeemable units			(952,239)	(2,123,207)
Net redeemable unit transactions			(318,829)	(1,700,670)
Net Increase (decrease) in net assets attributable to holders of redeemable units			(404,196)	(1,798,585)
Net assets attributable to holders of redeemable units, end of year			1,874,294	2,278,490

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations	25,774	70,069
Adjustments for:		
Net realized loss (gain) on sale of investments	(7,023)	(83,680)
Change in net unrealized depreciation (appreciation) on investments	2,240	54,176
Purchases of investments	(7,577,876)	(7,127,924)
Proceeds from sale and maturity of investments	8,005,188	8,919,633
Accrued interest receivable	4,911	15,548
Management fees payable	44	(688)
Other payables and accrued expenses	23	(389)
Net cash from (used in) operating activities	453,281	1,846,745
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(19,317)	(44,501)
Proceeds from sale of redeemable units	541,586	299,054
Amounts paid on redemption of redeemable units	(938,266)	(2,127,753)
Net cash from (used in) financing activities	(415,997)	(1,873,200)
Net decrease in cash	37,284	(26,455)
Cash (bank indebtedness) at beginning of year	11,919	38,374
Cash (bank indebtedness) at end of year	49,203	11,919
Supplementary disclosures on cash flow from operating activities:		
Interest received	59,060	111,343
Interest paid	(108)	(4,914)

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Par Value		Maturity	Coupon	Average Cost	Fair Value
FIXED INCOME (97.27%)					
Corporate Bonds (63.74%)					
160,000	Bank of Montreal	10/28/2021	1.61%	\$ 157,645	\$ 157,025
100,000	Canadian Western Bank	9/13/2021	2.79%	100,000	99,857
50,000	Daimler Canada Finance Inc.	12/16/2021	2.23%	49,996	49,950
17,000	Enbridge Gas Distribution Inc.	2/25/2036	5.21%	19,357	20,172
100,000	Enbridge Inc.	3/11/2021	3.16%	102,659	103,264
35,000	Enbridge Inc.	8/27/2042	4.24%	32,956	32,954
100,000	Ford Credit Canada Ltd.	5/10/2021	2.58%	100,000	99,313
48,000	FortisBC Energy Inc.	10/28/2044	4.00%	47,967	48,698
75,000	Laurentian Bank of Canada	6/13/2019	2.81%	76,974	76,329
130,000	Manufacturers Life Insurance Co.	6/1/2025	2.10%	129,995	129,462
35,000	PSP Capital Inc.	8/18/2021	1.34%	34,990	34,455
90,000	Royal Bank of Canada	9/13/2021	1.58%	89,154	88,185
75,000	Royal Bank of Canada	6/4/2025	2.48%	74,985	74,272
83,000	Sun Life Financial Inc.	9/25/2025	2.60%	83,706	83,721
30,000	Thomson Reuters Corp.	9/30/2020	4.35%	32,813	32,296
25,000	The Toronto-Dominion Bank	6/24/2025	2.69%	24,773	24,953
37,000	TransCanada Pipelines Ltd.	7/19/2023	3.69%	39,308	39,690
				1,197,278	1,194,596
Provincial Bonds (33.53%)					
125,000	Province of Alberta	9/1/2021	1.35%	123,519	123,320
121,000	Province of Alberta	6/1/2026	2.20%	121,196	117,538
37,000	Province of Alberta	6/1/2031	3.50%	39,006	38,708
25,000	Province of Manitoba	6/2/2023	2.55%	26,418	25,666
35,000	Province of Manitoba	6/2/2025	2.45%	36,236	34,995
161,000	Province of Nova Scotia	6/1/2027	2.10%	160,906	151,673
120,000	Province of Ontario	6/2/2026	2.40%	120,456	119,133
17,000	Province of Quebec	9/1/2025	2.75%	17,863	17,449
				645,600	628,482
TOTAL FIXED INCOME				1,842,878	1,823,078
Total cost and fair value of investments (97.27%)				1,842,878	1,823,078
Other assets (net) (2.73%)				51,216	51,216
Net assets attributable to holders of redeemable units				\$ 1,894,094	\$ 1,874,294

See accompanying notes.

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Units	
	December 31, 2016	December 31, 2015
Corporate Bonds	63.74%	74.44%
Provincial Bonds	33.53%	20.47%
Municipal Bonds	-	4.50%
Other Assets Less Liabilities	2.73%	0.59%
Total	100.00%	100.00%

See accompanying notes.

MARQUEST CANADIAN FIXED INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value	4,930,816	4,365,195
Cash	114,692	13,433
Accrued interest receivable	25,490	25,107
	<u>5,070,998</u>	<u>4,403,735</u>
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	204	85
Other payables and accrued expenses	70	31
Payable on redemption of redeemable units	5,918	-
Payable for investments purchased	-	11,073
Distribution payable	21,534	31,830
	<u>27,726</u>	<u>43,019</u>
Net assets attributable to holders of redeemable units (Note 3)	<u>5,043,272</u>	<u>4,360,716</u>
Net assets attributable to holders of redeemable units (Note 3)		
Class A	310,992	135,848
Class F	4,732,280	4,224,868
Net assets attributable to holders of redeemable units per unit		
Class A	10.09	10.16
Class F	10.06	10.14

Approved on behalf of the Board of Directors of Marquest Asset Management Inc., the Manager of the Fund.

"Gerry L. Brockelsby"

Gerry L. Brockelsby
Director
Marquest Asset Management Inc.

"Andrew A. McKay"

Andrew A. McKay
Director
Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN FIXED INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Interest for distribution purposes	134,150	100,162
Securities lending income	203	174
Net realized gain (loss) on sale of investments	35,610	36,541
Change in net unrealized appreciation (depreciation) on investments	(27,832)	(36,700)
Total Income (loss)	142,131	100,177
Expenses (Note 4)		
Management fees	35,229	25,143
Interest charges	179	128
Operating fees	36,718	31,964
Audit fees	3,855	3,869
Custodian fees	35,046	33,819
Legal fees	1,002	291
Independent review committee fees	1,914	1,945
Unitholder reporting costs	612	337
Total Expenses	114,555	97,496
Expenses waived (Note 4)	(66,800)	(63,007)
Net Expenses	47,755	34,489
Increase (decrease) in net assets attributable to holders of redeemable units from operations	94,376	65,688
Increase (decrease) in net assets attributable to holders of redeemable units from operations per class		
Class A	2,048	(307)
Class F	92,328	65,995
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit		
Class A	0.08	(0.03)
Class F	0.21	0.19

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN FIXED INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (CDN \$)

For the years ended December 31,

	<u>2016 (\$)</u> Class A	<u>2015 (\$)</u>	<u>2016 (\$)</u> Class F	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable units, beginning of year	135,848	10	4,224,868	537,864
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations	2,048	(307)	92,328	65,995
Distributions to holders of redeemable units				
From net investment income	(2,914)	(936)	(83,688)	(64,913)
From net realized gain on sale of investments	(2,231)	(1,136)	(33,950)	(35,404)
Total distributions to holders of redeemable units	(5,145)	(2,072)	(117,638)	(100,317)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units	251,686	148,991	2,049,556	4,157,400
Reinvestment of distributions to holders of redeemable units	2,971	226	53,121	30,088
Amounts paid on redemption of redeemable units	(76,416)	(11,000)	(1,569,955)	(466,162)
Net redeemable unit transactions	178,241	138,217	532,722	3,721,326
Net Increase (decrease) in net assets attributable to holders of redeemable units	175,144	135,838	507,412	3,687,004
Net assets attributable to holders of redeemable units, end of year	310,992	135,848	4,732,280	4,224,868
			<u>2016 (\$)</u> Total	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable units, beginning of year			4,360,716	537,874
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations			94,376	65,688
Distributions to holders of redeemable units				
From net investment income			(86,602)	(65,849)
From net realized gain on sale of investments			(36,181)	(36,540)
Total distributions to holders of redeemable units			(122,783)	(102,389)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units			2,301,242	4,306,391
Reinvestment of distributions to holders of redeemable units			56,092	30,314
Amounts paid on redemption of redeemable units			(1,646,371)	(477,162)
Net redeemable unit transactions			710,963	3,859,543
Net Increase (decrease) in net assets attributable to holders of redeemable units			682,556	3,822,842
Net assets attributable to holders of redeemable units, end of year			5,043,272	4,360,716

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN FIXED INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations	94,376	65,688
Adjustments for:		
Net realized loss (gain) on sale of investments	(35,610)	(36,541)
Change in net unrealized depreciation (appreciation) on investments	27,832	36,700
Purchases of investments	(22,883,104)	(19,772,908)
Proceeds from sale and maturity of investments	22,314,198	15,942,586
Accrued interest receivable	(393)	(21,472)
Management fees payable	119	-
Other payables and accrued expenses	39	116
Net cash from (used in) operating activities	(482,543)	(3,785,831)
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(76,987)	(40,751)
Proceeds from sale of redeemable units	2,301,242	4,306,401
Amounts paid on redemption of redeemable units	(1,640,453)	(477,162)
Net cash from (used in) financing activities	583,802	3,788,488
Net decrease in cash	101,259	2,657
Cash (bank indebtedness) at beginning of year	13,433	10,776
Cash (bank indebtedness) at end of year	114,692	13,433
Supplementary disclosures on cash flow from operating activities:		
Interest received	133,757	78,690
Interest paid	(179)	(128)

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN FIXED INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Par Value		Maturity	Coupon	Average Cost	Fair Value
FIXED INCOME (97.77%)					
Corporate Bonds (65.59%)					
250,000	Bank of Montreal	10/28/2021	1.61%	\$ 246,320	\$ 245,351
125,000	Bank of Montreal	6/1/2026	3.32%	124,983	127,076
56,000	Bell Canada	6/18/2019	3.35%	59,089	58,278
100,000	Bell Canada	6/17/2020	3.25%	104,100	104,432
41,000	Canadian Western Bank	1/14/2019	3.08%	42,275	41,775
100,000	Canadian Western Bank	9/13/2021	2.79%	100,000	99,857
125,000	Daimler Canada Finance Inc.	12/16/2021	2.23%	124,989	124,875
83,000	Enbridge Inc.	3/11/2021	3.16%	85,357	85,709
100,000	Enbridge Pipelines Inc.	8/17/2023	3.79%	111,195	107,243
175,000	Ford Credit Canada Ltd.	5/10/2021	2.58%	175,000	173,798
150,000	Honda Canada Finance Inc.	2/18/2021	2.16%	151,725	151,192
110,000	HSBC Bank Canada	9/29/2021	2.91%	114,675	113,319
149,000	Laurentian Bank of Canada	3/26/2018	2.56%	150,475	150,489
182,000	Laurentian Bank of Canada	6/13/2019	2.81%	186,789	185,226
73,000	Manufacturers Life Insurance Co.	2/21/2024	2.81%	75,367	74,208
50,000	Manufacturers Life Insurance Co.	6/1/2025	2.10%	49,998	49,793
100,000	Manufacturers Life Insurance Co.	11/22/2027	3.18%	103,309	102,890
65,000	National Bank of Canada	4/11/2022	3.26%	66,982	65,315
200,000	Nissan Canada Financial Services Inc.	10/7/2019	1.58%	200,000	199,183
50,000	OMERS Realty Corp.	6/4/2018	4.74%	55,143	52,435
275,000	PSP Capital Inc.	8/18/2021	1.34%	274,920	270,721
184,000	Sun Life Financial Inc.	3/2/2022	4.38%	190,900	184,863
100,000	TELUS Corp.	12/4/2019	5.05%	110,407	109,211
66,000	TELUS Corp.	7/23/2020	5.05%	75,320	72,831
125,000	The Bank of Nova Scotia	3/30/2027	2.58%	120,625	121,682
95,000	Thomson Reuters Corp.	9/30/2020	4.35%	103,988	102,271
125,000	TransCanada Pipelines Ltd.	7/19/2023	3.69%	132,799	134,089
				3,336,730	3,308,112
Provincial Bonds (29.41%)					
90,000	Financement-Quebec	12/1/2019	2.45%	93,203	92,954
110,000	Province of Alberta	9/1/2021	1.35%	110,333	108,521
215,000	Province of Alberta	6/1/2026	2.20%	215,350	208,849
50,000	Province of Alberta	6/1/2031	3.50%	53,100	52,309
325,000	Province of Manitoba	9/5/2021	1.55%	324,981	323,292
100,000	Province of New Brunswick	12/3/2021	3.35%	108,070	107,281
25,000	Province of New Brunswick	6/2/2023	2.85%	26,238	26,034
297,000	Province of Nova Scotia	6/1/2027	2.10%	296,828	279,794
254,000	Province of Ontario	6/2/2026	2.40%	254,965	252,164
31,000	Province of Quebec	9/1/2025	2.75%	32,426	31,818
				1,515,494	1,483,016
Federal Bonds (2.77%)					
60,000	Government of Canada	6/1/2026	1.50%	58,458	58,878
65,000	Government of Canada	12/1/2045	3.50%	83,788	80,810
				142,246	139,688
TOTAL FIXED INCOME				4,994,470	4,930,816
Total cost and fair value of investments (97.77%)				4,994,470	4,930,816
Other assets (net) (2.23%)				112,456	112,456
Net assets attributable to holders of redeemable units				\$ 5,106,926	\$ 5,043,272

See accompanying notes.

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Units	
	December 31, 2016	December 31, 2015
Corporate Bonds	65.59%	62.28%
Provincial Bonds	29.41%	36.59%
Federal Bonds	2.77%	-
Municipal Bonds	-	1.23%
Other Assets Less Liabilities	2.23%	-0.10%
Total	100.00%	100.00%

See accompanying notes.

MARQUEST MONTHLY PAY FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value	47,112,836	109,150,611
Cash	67,179	3,651,561
Cash held as collateral	879,400	16,405,277
Accrued dividend receivable	91,921	288,695
Accrued interest receivable	47	-
Receivable on sale of redeemable units	3,407	703,950
Receivable for investments sold	1,247,436	-
Prepaid fees	-	41,713
	49,402,226	130,241,807
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	5,827	7,756
Other payables and accrued expenses	2,857	4,203
Payable on redemption of redeemable units	632,966	428,610
Distribution payable	1,273	895
Written covered call/put options at fair value	35,700	590,192
	678,623	1,031,656
Net assets attributable to holders of redeemable units (Note 3)	48,723,603	129,210,151
Net assets attributable to holders of redeemable units (Note 3)		
Class A	45,038,326	123,660,223
Class AA	2,657,471	3,764,099
Class F	971,606	1,664,750
Class F-AA	56,200	121,079
Net assets attributable to holders of redeemable units per unit		
Class A	2.41	3.31
Class AA	11.91	13.12
Class F	3.35	4.18
Class F-AA	12.41	13.44

Approved on behalf of the Board of Directors of Marquest Asset Management Inc., the Manager of the Fund.

"Gerry L. Brockelsby"

Gerry L. Brockelsby
Director
Marquest Asset Management Inc.

"Andrew A. McKay"

Andrew A. McKay
Director
Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST MONTHLY PAY FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Dividends	1,790,713	4,454,013
Interest for distribution purposes	194	819
Securities lending income	13,926	18,296
Distribution from investment trusts	278,031	276,604
Other income	6,187	4,410
Net realized gain (loss) on sale of investments	7,627,605	10,865,613
Net realized gain (loss) on option contracts	(501,313)	(272,463)
Foreign exchange gain (loss)	(1,149,628)	(72,154)
Change in net unrealized appreciation (depreciation) on investments	(5,116,731)	(25,198,190)
Change in unrealized appreciation (depreciation) in option contracts	(225,792)	249,667
Total Income (loss)	2,723,192	(9,673,385)
Expenses (Note 4)		
Management fees	2,120,781	3,563,265
Foreign taxes withheld (Note 8)	33,099	84,648
Transaction costs (Note 6)	541,340	339,379
Interest charges	52,547	7,084
Operating fees	823,228	1,488,354
Audit fees	110,833	131,878
Custodian fees	99,215	57,500
Legal fees	55,352	43,862
Independent review committee fees	1,914	1,945
Unitholder reporting costs	33,839	50,749
Total Expenses	3,872,148	5,768,664
Expense waived (Note 4)	(34,620)	-
Net Expenses	3,837,528	5,768,664
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(1,114,336)	(15,442,049)
Increase (decrease) in net assets attributable to holders of redeemable units from operations per class		
Class A	(1,142,247)	(14,831,709)
Class AA	22,665	(354,362)
Class F	5,853	(240,201)
Class F-AA	(607)	(15,777)
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit		
Class A	(0.03)	(0.38)
Class AA	0.08	(1.15)
Class F	0.02	(0.39)
Class F-AA	(0.10)	(1.29)

The accompanying notes form an integral part of the financial statements

MARQUEST MONTHLY PAY FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (CDN \$)

For the years ended December 31,

	2016 (\$) Class A	2015 (\$)	2016 (\$) Class AA	2015 (\$)
Net assets attributable to holders of redeemable units, beginning of year	123,660,223	189,239,609	3,764,099	7,140,245
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations	(1,142,247)	(14,831,709)	22,665	(354,362)
Distributions to holders of redeemable units				
Return of capital	(28,672,758)	(34,540,119)	(375,633)	(335,406)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units	6,185,371	33,055,835	1,029,139	2,015,165
Reinvestment of distributions to holders of redeemable units	11,045,502	13,456,066	123,157	133,744
Amounts paid on redemption of redeemable units	(66,037,765)	(62,719,459)	(1,905,956)	(4,835,287)
Net redeemable unit transactions	(48,806,892)	(16,207,558)	(753,660)	(2,686,378)
Net Increase (decrease) in net assets attributable to holders of redeemable units	(78,621,897)	(65,579,386)	(1,106,628)	(3,376,146)
Net assets attributable to holders of redeemable units, end of year	45,038,326	123,660,223	2,657,471	3,764,099
	2016 (\$) Class F	2015 (\$)	2016 (\$) Class F-AA	2015 (\$)
Net assets attributable to holders of redeemable units, beginning of year	1,664,750	4,693,534	121,079	181,636
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations	5,853	(240,201)	(607)	(15,777)
Distributions to holders of redeemable units				
Return of capital	(310,577)	(538,140)	(8,498)	(13,493)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units	138,887	301,861	9,809	36,350
Reinvestment of distributions to holders of redeemable units	205,997	349,181	8,226	12,773
Amounts paid on redemption of redeemable units	(733,304)	(2,901,485)	(73,809)	(80,410)
Net redeemable unit transactions	(388,420)	(2,250,443)	(55,774)	(31,287)
Net Increase (decrease) in net assets attributable to holders of redeemable units	(693,144)	(3,028,784)	(64,879)	(60,557)
Net assets attributable to holders of redeemable units, end of year	971,606	1,664,750	56,200	121,079
	2016 (\$) Total		2015 (\$)	
Net assets attributable to holders of redeemable units, beginning of year	129,210,151		201,255,024	
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations	(1,114,336)		(15,442,049)	
Distributions to holders of redeemable units				
Return of capital	(29,367,466)		(35,427,158)	
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units	7,363,206		35,409,211	
Reinvestment of distributions to holders of redeemable units	11,382,882		13,951,764	
Amounts paid on redemption of redeemable units	(68,750,834)		(70,536,641)	
Net redeemable unit transactions	(50,004,746)		(21,175,666)	
Net Increase (decrease) in net assets attributable to holders of redeemable units	(80,486,548)		(72,044,873)	
Net assets attributable to holders of redeemable units, end of year	48,723,603		129,210,151	

The accompanying notes form an integral part of the financial statements

MARQUEST MONTHLY PAY FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(1,114,336)	(15,442,049)
Adjustments for:		
Foreign exchange loss (gain)	1,149,628	72,154
Net realized loss (gain) on sale of investments	(7,627,605)	(10,865,613)
Change in net unrealized depreciation (appreciation) on investments	5,116,731	25,198,190
Change in fair value of option contracts	(554,492)	590,192
Purchases of investments	(207,937,282)	(137,486,625)
Proceeds from sale and maturity of investments	271,238,495	211,435,606
Accrued dividend receivable	196,774	263,939
Accrued interest receivable	(47)	(355)
Management fees payable	(1,929)	(75,827)
Prepaid fees	41,713	41,713
Other payables and accrued expenses	(1,346)	(79,150)
Net cash from (used in) operating activities	60,506,304	73,652,175
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(17,984,206)	(21,476,093)
Proceeds from sale of redeemable units	8,063,749	34,928,169
Amounts paid on redemption of redeemable units	(68,546,478)	(70,418,672)
Net cash from (used in) financing activities	(78,466,935)	(56,966,596)
Foreign exchange gain (loss)	(1,149,628)	(72,154)
Net decrease in cash	(17,960,631)	16,685,579
Cash (bank indebtedness) at beginning of year	20,056,838	3,443,413
Cash (bank indebtedness) at end of year	946,579	20,056,838
Supplementary disclosures on cash flow from operating activities:		
Dividends received	1,987,487	4,717,952
Foreign taxes paid	(33,099)	(84,648)
Interest received	147	464
Interest paid	(52,547)	(7,084)

The accompanying notes form an integral part of the financial statements

MARQUEST MONTHLY PAY FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares, Units, Warrants or Par Value		Maturity/ Expiry Date	Coupon/ Exercise Price	Average Cost* (Premiums)	Fair Value
FIXED INCOME (0.32%)					
115,000	Cooltech Corp.	5/19/2017	1.00%	\$ 148,798	\$ 154,222
	TOTAL FIXED INCOME			148,798	154,222
CANADIAN EQUITIES (91.29%)					
Energy (31.40%)					
149,500	Advantage Oil & Gas Ltd.			1,179,327	1,363,440
16,000	Baytex Energy Corp.			108,569	104,960
152,900	Birchcliff Energy Ltd.			1,384,456	1,432,673
41,000	Canadian Natural Resources Ltd.			1,676,325	1,754,390
85,000	Cardinal Energy Ltd.			757,565	900,149
59,200	Crew Energy Inc.			449,290	444,592
130,500	NuVista Energy Ltd.			904,454	905,670
85,000	Precision Drilling Corp.			640,581	622,200
142,100	Raging River Exploration Inc.			1,500,273	1,500,576
110,000	Secure Energy Services Inc.			982,261	1,288,100
20,000	Suncor Energy Inc.			876,087	878,000
157,300	TORC Oil & Gas Ltd.			1,282,407	1,300,871
14,000	Tourmaline Oil Corp.			499,212	502,740
25,000	TransCanada Corp.			1,488,795	1,513,500
53,700	Trinidad Drilling Ltd.			171,488	179,358
50,000	Whitecap Resources Inc.			448,479	608,000
				14,349,569	15,299,219
Financials (22.96%)					
7,000	Bank of Montreal			643,731	675,990
175,000	Distinct Infrastructure Group Inc.			236,250	252,000
50,000	Kew Media Group Inc., Warrants	25/07/2021	\$11.50	5,000	28,500
50,000	Kew Media Group Inc.			495,000	497,500
50,000	Manulife Financial Corp.			1,021,308	1,195,500
20,000	Royal Bank of Canada			1,600,391	1,817,400
50,000	Sun Life Financial Inc.			2,138,869	2,577,500
29,300	The Bank of Nova Scotia			1,967,498	2,190,467
29,500	The Toronto-Dominion Bank			1,693,248	1,953,490
				9,801,295	11,188,347
Consumer Discretionary (10.76%)					
45,000	Gildan Activewear Inc.			1,600,054	1,534,050
25,000	Restaurant Brands International Inc.			1,086,369	1,598,750
27,300	Sleep Country Canada Holdings Inc.			789,655	785,694
20,000	Thomson Reuters Corp.			658,190	1,175,200
80,000	Wow Unlimited Media Inc.			144,000	151,200
				4,278,268	5,244,894
Materials (8.39%)					
51,400	B2Gold Corp.			154,321	163,966
27,000	Barrick Gold Corp.			539,051	579,332
43,800	First Quantum Minerals Ltd.			606,249	584,730
101,500	Interfor Corp.			1,364,502	1,525,545
95,000	Kinross Gold Corp.			411,509	396,216
4,000	Methanex Corp.			240,500	235,560
29,000	Nevsun Resources Ltd.			125,668	120,350
84,700	Orla Mining Ltd.			106,769	105,875
3,500	Tahoe Resources Inc.			45,517	44,275
16,000	Torex Gold Resources Inc.			327,937	332,640
				3,922,023	4,088,489

*Average cost includes transaction costs.
See accompanying notes.

MARQUEST MONTHLY PAY FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares, Units, Warrants or Par Value	Maturity/ Expiry Date	Coupon/ Exercise Price	Average Cost* (Premiums)	Fair Value
CANADIAN EQUITIES (CONT.) (91.29%)				
Industrials (7.96%)				
20,000	Canadian National Railway Co.		\$ 1,263,673	\$ 1,807,200
25,800	Hardwoods Distribution Inc.		452,474	461,304
17,500	SNC-Lavalin Group Inc.		987,341	1,011,325
5,700	Waste Connections Inc.		563,405	600,438
			<u>3,266,893</u>	<u>3,880,267</u>
Real Estate (3.81%)				
60,000	Altus Group Ltd.		1,425,742	1,857,600
			<u>1,425,742</u>	<u>1,857,600</u>
Information Technology (3.41%)				
17,500	CGI Group Inc.		989,937	1,127,700
123,000	Lite Access Technologies Inc.		141,450	258,300
3,300	Open Text Corp.		263,613	273,540
			<u>1,395,000</u>	<u>1,659,540</u>
Utilities (2.44%)				
140,800	Crius Energy Trust		1,167,489	1,186,944
			<u>1,167,489</u>	<u>1,186,944</u>
Health Care (0.16%)				
330,000	Aequus Pharmaceuticals Inc.		99,000	79,200
			<u>99,000</u>	<u>79,200</u>
TOTAL CANADIAN EQUITIES			<u>39,705,279</u>	<u>44,484,500</u>
FOREIGN EQUITIES (5.08%)				
Utilities (4.61%)				
50,000	Brookfield Infrastructure Partners LP		1,786,637	2,246,000
			<u>1,786,637</u>	<u>2,246,000</u>
Information Technology (0.47%)				
70,000	CounterPath Corp.		176,400	228,114
			<u>176,400</u>	<u>228,114</u>
TOTAL FOREIGN EQUITIES			<u>1,963,037</u>	<u>2,474,114</u>
CANADIAN CALL OPTIONS (-0.05%)				
(150)	CGI Group Inc.	1/20/2017	\$64.00	(19,350)
(50)	First Quantum Mineral	1/20/2017	\$15.00	(2,300)
(75)	TransCanada Corp.	1/20/2017	\$62.00	(3,750)
TOTAL CANADIAN CALL OPTIONS			<u>(25,400)</u>	<u>(24,875)</u>
CANADIAN PUT OPTIONS (-0.02%)				
(125)	Alimentation Couche Tard Inc.	1/20/2017	\$60.00	(21,875)
(75)	Barrick Gold Corp.	1/20/2017	\$20.00	(13,275)
TOTAL CANADIAN PUT OPTIONS			<u>(35,150)</u>	<u>(10,825)</u>
Total cost and fair value of investments and option contracts (96.62%)			41,756,564	47,077,136
Transaction costs (note 6)			(56,531)	-
Total investments			<u>41,700,033</u>	<u>47,077,136</u>
Other assets (net) (3.38%)			1,646,467	1,646,467
Net assets attributable to holders of redeemable units			<u>\$ 43,346,500</u>	<u>\$ 48,723,603</u>

*Average cost includes transaction costs.

See accompanying notes.

MARQUEST MONTHLY PAY FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Units	
	December 31, 2016	December 31, 2015
Energy	31.40%	4.59%
Financials	22.96%	26.03%
Consumer Discretionary	10.76%	16.78%
Materials	8.39%	3.03%
Industrials	7.96%	6.80%
Utilities	7.05%	4.22%
Information Technology	3.88%	9.30%
Real Estate	3.81%	-
Fixed Income	0.32%	-
Healthcare	0.16%	2.32%
Consumer Staples	-	5.65%
Telecommunication Services	-	3.22%
Real Estate Income Trust	-	2.53%
Call Options	-0.05%	-0.08%
Put Options	-0.02%	-0.37%
Other Assets Less Liabilities	3.38%	15.98%
Total	100.00%	100.00%

See accompanying notes.

MARQUEST MONTHLY PAY FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value (Note 13)	383,914	592,625
Cash	88,631	48,336
Receivable for investments sold	169	-
	472,714	640,961
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	34	23
Other payables and accrued expenses	15	9
Distribution payable	-	2,714
	49	2,746
Net assets attributable to holders of redeemable shares (Note 3)	472,665	638,215
Net assets attributable to holders of redeemable shares (Note 3)		
Series A	467,661	610,058
Series F	5,004	28,157
Net assets attributable to holders of redeemable shares per share		
Series A	6.53	7.84
Series F	6.79	8.15

Approved on behalf of the Board of Directors of Marquest Corporate Class Funds Ltd.

"Gerry L. Brockelsby"

 Gerry L. Brockelsby
 Director
 Marquest Asset Management Inc.

"Andrew A. McKay"

 Andrew A. McKay
 Director
 Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST MONTHLY PAY FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Other income	42	-
Net realized gain (loss) on sale of investments	(220,638)	(203,031)
Change in net unrealized appreciation (depreciation) on investments	225,371	143,552
Total Income (loss)	4,775	(59,479)
Expenses (Note 4)		
Management fees	6,613	12,675
Interest charges	191	25
Operating fees	27,547	32,374
Audit fees	1,219	2,757
Custodian fees	42,589	41,877
Legal fees	332	304
Independent review committee fees	1,914	1,945
Shareholder reporting costs	203	351
Total Expenses	80,608	92,308
Expenses waived (Note 4)	(71,010)	(74,424)
Net Expenses	9,598	17,884
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	(4,823)	(77,363)
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per class		
Series A	(5,381)	(75,087)
Series F	558	(2,276)
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per share		
Series A	(0.08)	(0.73)
Series F	0.15	(0.96)

The accompanying notes form an integral part of the financial statements

MARQUEST MONTHLY PAY FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (CDN \$)

For the years ended December 31,

	<u>2016 (\$)</u> Series A	<u>2015 (\$)</u>	<u>2016 (\$)</u> Series F	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable shares, beginning of year	610,058	1,589,235	28,157	26,056
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	(5,381)	(75,087)	558	(2,276)
Distributions to holders of redeemable shares				
From net investment income		-		-
Return of capital	(91,301)	(134,096)	(5,654)	(3,542)
Total distributions to holders of redeemable shares	(91,301)	(134,096)	(5,654)	(3,542)
Redeemable share transactions (Note 3)				
Proceeds from sale of redeemable shares	67,707	33,284	14,336	33,719
Reinvestment of distributions to holders of redeemable shares	67,944	91,508	5,048	1,376
Amounts paid on redemption of redeemable shares	(181,366)	(894,786)	(37,441)	(27,176)
Net redeemable share transactions	(45,715)	(769,994)	(18,057)	7,919
Net Increase (decrease) in net assets attributable to holders of redeemable shares	(142,397)	(979,177)	(23,153)	2,101
Net assets attributable to holders of redeemable shares, end of year	467,661	610,058	5,004	28,157
			<u>2016 (\$)</u> Total	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable shares, beginning of year			638,215	1,615,291
Increase (decrease) in net assets attributable to holders of redeemable shares from operations			(4,823)	(77,363)
Distributions to holders of redeemable shares				
From net investment income			-	-
Return of capital			(96,955)	(137,638)
Total distributions to holders of redeemable shares			(96,955)	(137,638)
Redeemable share transactions (Note 3)				
Proceeds from sale of redeemable shares			82,043	67,003
Reinvestment of distributions to holders of redeemable shares			72,992	92,884
Amounts paid on redemption of redeemable shares			(218,807)	(921,962)
Net redeemable unit transactions			(63,772)	(762,075)
Net Increase (decrease) in net assets attributable to holders of redeemable shares			(165,550)	(977,076)
Net assets attributable to holders of redeemable shares, end of year			472,665	638,215

The accompanying notes form an integral part of the financial statements

MARQUEST MONTHLY PAY FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	(4,823)	(77,363)
Adjustments for:		
Net realized loss (gain) on sale of investments	220,638	203,031
Change in net unrealized depreciation (appreciation) on investments	(225,371)	(143,552)
Purchases of investments	(34,708)	(232,815)
Proceeds from sale and maturity of investments	247,983	1,036,281
Return of capital on investments	-	155,524
Management fees payable	11	(417)
Other payables and accrued expenses	6	(167)
Net cash from (used in) operating activities	203,736	940,522
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(26,677)	(129,510)
Proceeds from sale of redeemable shares	82,043	67,003
Amounts paid on redemption of redeemable shares	(218,807)	(929,014)
Net cash from (used in) financing activities	(163,441)	(991,521)
Net decrease in cash	40,295	(50,999)
Cash (bank indebtedness) at beginning of year	48,336	99,335
Cash (bank indebtedness) at end of year	88,631	48,336
Supplementary disclosures on cash flow from operating activities:		
Interest paid	(191)	(25)

The accompanying notes form an integral part of the financial statements

MARQUEST MONTHLY PAY FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Units		Average Cost	Fair Value
	MUTUAL FUND TRUSTS (81.22%)		
114,601	Marquest Monthly Pay Fund, Class F	\$ 394,686	\$ 383,914
	TOTAL MUTUAL FUND TRUSTS	394,686	383,914
	Total cost and fair value of investments (81.22%)	394,686	383,914
	Other assets (net) (18.78%)	88,751	88,751
	Net assets attributable to holders of redeemable shares	\$ 483,437	\$ 472,665

See accompanying notes.

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Underlying Fund's Net Assets Attributable to Holders of Redeemable Shares	
	December 31, 2016	December 31, 2015
Energy	31.40%	4.59%
Financials	22.96%	26.03%
Consumer Discretionary	10.76%	16.78%
Materials	8.39%	3.03%
Industrials	7.96%	6.80%
Utilities	7.05%	4.22%
Information Technology	3.88%	9.30%
Real Estate	3.81%	0.00%
Fixed Income	0.32%	0.00%
Healthcare	0.16%	2.32%
Consumer Staples	-	5.65%
Telecommunication Services	-	3.22%
Real Estate Income Trust	-	2.53%
Call Options	-0.05%	-0.08%
Put Options	-0.02%	-0.37%
Other Assets Less Liabilities	3.38%	15.98%
Total	100.00%	100.00%

See accompanying notes.

MARQUEST GLOBAL BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value	18,744,819	20,932,847
Cash	386,886	245,768
Future contracts	168,562	221,631
Accrued dividend receivable	22,030	37,567
Accrued interest receivable	103,950	93,046
Receivable on sale of redeemable units	-	150
	19,426,247	21,531,009
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	2,250	1,292
Other payables and accrued expenses	1,159	611
Payable on redemption of redeemable units	7,560	76,239
Payable for investments purchased	177,503	-
Distribution payable	2	-
	188,474	78,142
Net assets attributable to holders of redeemable units (Note 3)	19,237,773	21,452,867
Net assets attributable to holders of redeemable units (Note 3)		
Class A	16,206,539	19,280,235
Class F	3,031,234	2,172,632
Net assets attributable to holders of redeemable units per unit		
Class A	17.34	17.35
Class F	20.15	19.77

Approved on behalf of the Board of Directors of Marquest Asset Management Inc., the Manager of the Fund.

"Gerry L. Brockelsby"

 Gerry L. Brockelsby
 Director
 Marquest Asset Management Inc.

"Andrew A. McKay"

 Andrew A. McKay
 Director
 Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST GLOBAL BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Dividends	313,749	360,843
Interest for distribution purposes	417,239	353,537
Securities lending income	1,091	736
Other income	106	886
Net realized gain (loss) on sale of investments	1,167,911	117,536
Net realized gain (loss) on future contracts	391,466	(744,845)
Foreign exchange gain (loss)	40,995	30,086
Change in net unrealized appreciation (depreciation) on investments	(327,381)	1,392,364
Change in unrealized appreciation (depreciation) in value of future contracts	(78,407)	(28,232)
Total Income (loss)	1,926,769	1,482,911
Expenses (Note 4)		
Management fees	425,956	433,394
Foreign taxes withheld (Note 8)	23,968	29,948
Transaction costs (Note 6)	15,008	11,646
Interest charges	339	462
Operating fees	175,210	214,713
Audit fees	23,747	20,175
Custodian fees	41,355	40,167
Legal fees	11,108	5,841
Independent review committee fees	1,914	1,945
Unitholder reporting costs	6,791	6,758
Total Expenses	725,396	765,049
Expenses waived (Note 4)	(43,635)	(72,665)
Net Expenses	681,761	692,384
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,245,008	790,527
Increase (decrease) in net assets attributable to holders of redeemable units from operations per class		
Class A	1,043,464	666,960
Class F	201,544	123,567
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit		
Class A	1.03	0.68
Class F	1.50	1.23

The accompanying notes form an integral part of the financial statements

MARQUEST GLOBAL BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (CDN \$)

For the years ended December 31,

	2016 (\$) Class A	2015 (\$)	2016 (\$) Class F	2015 (\$)
Net assets attributable to holders of redeemable units, beginning of year	19,280,235	13,911,745	2,172,632	1,805,533
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations	1,043,464	666,960	201,544	123,567
Distributions to holders of redeemable units				
Return of capital	(1,081,712)	(1,081,410)	(147,197)	(108,513)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units	3,666,088	8,972,327	1,068,433	405,011
Reinvestment of distributions to holders of redeemable units	570,587	519,610	70,039	52,867
Amounts paid on redemption of redeemable units	(7,272,123)	(3,708,997)	(334,217)	(105,833)
Net redeemable unit transactions	(3,035,448)	5,782,940	804,255	352,045
Net Increase (decrease) in net assets attributable to holders of redeemable units	(3,073,696)	5,368,490	858,602	367,099
Net assets attributable to holders of redeemable units, end of year	16,206,539	19,280,235	3,031,234	2,172,632
			2016 (\$) Total	2015 (\$)
Net assets attributable to holders of redeemable units, beginning of year			21,452,867	15,717,278
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations			1,245,008	790,527
Distributions to holders of redeemable units				
Return of capital			(1,228,909)	(1,189,923)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units			4,734,521	9,377,338
Reinvestment of distributions to holders of redeemable units			640,626	572,477
Amounts paid on redemption of redeemable units			(7,606,340)	(3,814,830)
Net redeemable unit transactions			(2,231,193)	6,134,985
Net Increase (decrease) in net assets attributable to holders of redeemable units			(2,215,094)	5,735,589
Net assets attributable to holders of redeemable units, end of year			19,237,773	21,452,867

The accompanying notes form an integral part of the financial statements

MARQUEST GLOBAL BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,245,008	790,527
Adjustments for:		
Foreign exchange loss (gain)	(40,995)	(30,086)
Net realized loss (gain) on sale of investments	(1,167,911)	(117,536)
Change in net unrealized depreciation (appreciation) on investments	327,381	(1,392,364)
Change in value of future contracts	53,069	(170,037)
Purchases of investments	(13,203,507)	(13,731,874)
Proceeds from sale and maturity of investments	16,410,196	11,015,493
Accrued dividend receivable	15,537	(12,993)
Accrued interest receivable	(11,532)	(34,860)
Management fees payable	958	(7,091)
Other payables and accrued expenses	548	(1,868)
Net cash from (used in) operating activities	3,628,752	(3,692,689)
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(588,281)	(617,446)
Proceeds from sale of redeemable units	4,734,671	9,402,188
Amounts paid on redemption of redeemable units	(7,675,019)	(5,133,541)
Net cash from (used in) financing activities	(3,528,629)	3,651,201
Foreign exchange gain (loss)	40,995	30,086
Net decrease in cash	100,123	(41,488)
Cash (bank indebtedness) at beginning of year	245,768	257,170
Cash (bank indebtedness) at end of year	386,886	245,768
Supplementary disclosures on cash flow from operating activities:		
Dividends received	329,286	347,850
Foreign taxes paid	(23,968)	(29,948)
Interest received	405,707	318,677
Interest paid	(339)	(462)

The accompanying notes form an integral part of the financial statements

MARQUEST GLOBAL BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares, Units or Par Value		Maturity	Coupon	Average Cost*	Fair Value
SHORT TERM NOTES (8.36%)					
Bankers Acceptance (8.36%)					
1,200,000	The Toronto-Dominion Bank	1/24/2017	0.69%	\$ 1,608,568	\$ 1,608,264
TOTAL SHORT TERM NOTES				1,608,568	1,608,264
FIXED INCOME (22.41%)					
United States Bond (16.48%)					
200,000	AES Corp.	7/1/2021	7.38%	281,244	300,102
100,000	AES Corp.	3/15/2024	5.50%	138,623	137,123
400,000	Calpine Corp.	1/15/2025	5.75%	518,678	520,330
200,000	Crown Cork & Seal Co., Inc.	12/15/2026	7.38%	267,173	301,738
200,000	First Data Corp.	12/1/2023	7.00%	266,577	286,316
175,000	Frontier Communications Corp.	4/15/2020	8.50%	240,940	247,299
200,000	INEOS Group Holdings SA	8/1/2024	5.63%	264,351	266,871
150,000	NRG Energy Inc.	7/15/2022	6.25%	172,300	202,667
200,000	NRG Yield Inc.	8/15/2024	5.38%	235,542	270,894
200,000	Post Holdings Inc.	12/15/2022	6.00%	225,632	280,952
150,000	Rite Aid Corp.	6/15/2021	6.75%	172,391	211,450
100,000	Rite Aid Corp.	4/1/2023	6.13%	131,024	144,667
				2,914,475	3,170,409
Canadian Bond (5.93%)					
200,000	1011778 B.C. Unlimited Liability Company	4/1/2022	6.00%	267,872	280,952
150,000	Canexus Corp.	12/31/2020	6.00%	112,500	150,263
300,000	Cascades Inc.	7/15/2022	5.50%	359,783	410,363
250,000	MEG Energy Corp.	1/30/2023	6.38%	281,256	300,061
				1,021,411	1,141,639
TOTAL FIXED INCOME				3,935,886	4,312,048
CANADIAN EQUITIES (23.32%)					
Energy (10.54%)					
14,400	ARC Resources Ltd.			317,976	332,784
25,500	Cameco Corp.			415,531	358,020
10,000	Canadian Natural Resources Ltd			364,143	427,900
16,000	Crescent Point Energy Corp.			277,163	292,000
8,268	Keyera Corp.			227,343	334,523
5,000	Vermilion Energy Inc.			214,588	282,637
				1,816,744	2,027,864
Financials (8.37%)					
7,200	Bank of Nova Scotia			463,706	538,272
6,000	Royal Bank of Canada			452,750	545,221
7,960	The Toronto-Dominion Bank			449,423	527,111
				1,365,879	1,610,604
Industrials (2.07%)					
4,400	Canadian National Railway Co.			329,314	397,584
				329,314	397,584
Materials (1.48%)					
10,000	Kinross Gold Corp.			70,225	41,900
10,000	Potash Corp of Saskatchewan Inc.			212,293	242,900
				282,518	284,800
Utilities (0.86%)					
7,000	Hydro One Ltd.			154,525	165,060
				154,525	165,060
TOTAL CANADIAN EQUITIES				3,948,980	4,485,912

*Average cost includes transaction costs.
See accompanying notes.

MARQUEST GLOBAL BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares, Units or Par Value	Maturity	Coupon	Average Cost*	Fair Value
UNITED STATES EQUITIES (43.34%)				
Health Care (15.08%)				
1,000	Aetna Inc.		\$ 126,313	\$ 166,305
3,000	Celgene Corp.		409,368	465,682
4,000	HCA Holdings Inc.		370,920	397,060
2,000	Johnson & Johnson		210,076	309,007
8,000	Pfizer Inc.		274,856	348,460
6,800	Roche Holding AG		271,234	260,171
2,300	Shire PLC		564,169	525,526
2,000	UnitedHealth Group Inc.		333,948	429,246
			2,560,884	2,901,457
Consumer Discretionary (9.42%)				
5,000	AMC Networks Inc.		346,241	350,955
9,700	D.R. Horton Inc.		391,414	355,516
1,600	Home Depot Inc.		145,122	287,694
3,500	Time Warner Inc.		330,501	453,083
1,500	Whirlpool Corp.		285,307	365,646
			1,498,585	1,812,894
Financials (8.15%)				
13,000	Bank of America Corp.		385,092	385,286
6,000	HDFC Bank Ltd.		451,899	488,252
6,000	JPMorgan Chase & Co.		510,604	694,319
			1,347,595	1,567,857
Information Technology (3.91%)				
200	Alphabet Inc., Class C		191,654	207,011
2,300	Broadcom Ltd.		454,863	545,235
			646,517	752,246
Industrials (3.73%)				
9,200	General Electric Co.		285,229	389,872
2,000	Siemens AG		271,627	328,345
			556,856	718,217
Consumer Staples (1.67%)				
2,300	Diageo PLC		323,247	320,596
			323,247	320,596
Materials (1.38%)				
15,000	Freeport-McMoRan Inc.		269,802	265,328
			269,802	265,328
TOTAL UNITED STATES EQUITIES			7,203,486	8,338,595
Total cost and fair value of investments (97.43%)			16,696,920	18,744,819
Fair value, future contracts (0.88%)			-	168,562
Transaction costs (note 6)			(5,120)	-
Total investments			16,691,800	18,913,381
Other assets (net) (1.69%)			324,392	324,392
Net assets attributable to holders of redeemable units			\$ 17,016,192	\$ 19,237,773

*Average cost includes transaction costs.

See accompanying notes.

MARQUEST GLOBAL BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Units	
	December 31, 2016	December 31, 2015
United States Equities	43.34%	59.30%
Canadian Equities	23.32%	12.87%
United States Bonds	16.48%	18.52%
Canadian Short Term Notes	8.36%	-
Canadian Bonds	5.93%	6.89%
Other Assets Less Liabilities	2.57%	2.42%
Total	100.00%	100.00%

See accompanying notes.

MARQUEST AMERICAN DIVIDEND GROWTH FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value	24,686,901	4,373,911
Cash	4,908,036	146,175
Future contracts	688,473	-
Accrued dividend receivable	38,363	6,153
Receivable for investments sold	253,844	219,843
	30,575,617	4,746,082
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	3,653	265
Other payables and accrued expenses	922	69
Payable on redemption of redeemable units	-	1,492
Distribution payable	169,437	12,572
Written covered call options at fair value	51,087	-
	225,099	14,398
Net assets attributable to holders of redeemable units (Note 3)	30,350,518	4,731,684
Net assets attributable to holders of redeemable units (Note 3)		
Class A	29,728,942	4,366,440
Class F	621,576	365,244
Net assets attributable to holders of redeemable units per unit		
Class A	10.84	11.05
Class F	11.16	11.23

Approved on behalf of the Board of Directors of Marquest Asset Management Inc., the Manager of the Fund.

"Gerry L. Brockelsby"

 Gerry L. Brockelsby
 Director
 Marquest Asset Management Inc.

"Andrew A. McKay"

 Andrew A. McKay
 Director
 Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST AMERICAN DIVIDEND GROWTH FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Dividends	257,709	74,736
Interest for distribution purposes	-	107
Other income	2,305	314
Net realized gain (loss) on sale of investments	77,317	60,142
Net realized gain (loss) on future contracts	256,312	-
Net realized gain (loss) on option contracts	42,130	-
Foreign exchange gain (loss)	(166,997)	(17,824)
Change in net unrealized appreciation (depreciation) on investments	1,360,167	213,140
Change in unrealized appreciation (depreciation) in value of future contracts	8,381	-
Change in unrealized appreciation (depreciation) in option contracts	7,202	-
Total Income (loss)	1,844,526	330,615
Expenses (Note 4)		
Management fees	228,342	54,018
Foreign taxes withheld (Note 8)	31,909	10,583
Transaction costs (Note 6)	13,191	2,466
Interest charges	3,684	12
Operating fees	80,331	48,054
Audit fees	10,119	5,304
Custodian fees	56,768	33,477
Legal fees	4,184	780
Independent review committee fees	1,914	1,945
Unitholder reporting costs	2,558	902
Total Expenses	433,000	157,541
Expenses waived (Note 4)	(97,358)	(76,599)
Net Expenses	335,642	80,942
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,508,884	249,673
Increase (decrease) in net assets attributable to holders of redeemable units from operations per class		
Class A	1,460,076	235,141
Class F	48,808	14,532
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit		
Class A	1.52	1.02
Class F	1.01	1.17

The accompanying notes form an integral part of the financial statements

MARQUEST AMERICAN DIVIDEND GROWTH FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (CDN \$)

For the years ended December 31,

	<u>2016 (\$)</u> Class A	<u>2015 (\$)</u>	<u>2016 (\$)</u> Class F	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable units, beginning of year	4,366,440	759,089	365,244	13,476
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations	1,460,076	235,141	48,808	14,532
Distributions to holders of redeemable units				
From net investment income	-	-	-	(2,094)
From net realized gain on sale of investments	(235,950)	(8,080)	(10,807)	(1,549)
Return of capital	(728,290)	(178,714)	(33,484)	(7,684)
Total distributions to holders of redeemable units	(964,240)	(186,794)	(44,291)	(11,327)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units	27,254,646	4,144,245	261,922	339,105
Reinvestment of distributions to holders of redeemable units	322,645	122,931	44,059	10,159
Amounts paid on redemption of redeemable units	(2,710,625)	(708,172)	(54,166)	(701)
Net redeemable unit transactions	24,866,666	3,559,004	251,815	348,563
Net Increase (decrease) in net assets attributable to holders of redeemable units	25,362,502	3,607,351	256,332	351,768
Net assets attributable to holders of redeemable units, end of year	29,728,942	4,366,440	621,576	365,244
			<u>2016 (\$)</u> Total	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable units, beginning of year			4,731,684	772,565
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations			1,508,884	249,673
Distributions to holders of redeemable units				
From net investment income			-	(2,094)
From net realized gain on sale of investments			(246,757)	(9,629)
Return of capital			(761,774)	(186,398)
Total distributions to holders of redeemable units			(1,008,531)	(198,121)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units			27,516,568	4,483,350
Reinvestment of distributions to holders of redeemable units			366,704	133,090
Amounts paid on redemption of redeemable units			(2,764,791)	(708,873)
Net redeemable unit transactions			25,118,481	3,907,567
Net Increase (decrease) in net assets attributable to holders of redeemable units			25,618,834	3,959,119
Net assets attributable to holders of redeemable units, end of year			30,350,518	4,731,684

The accompanying notes form an integral part of the financial statements

MARQUEST AMERICAN DIVIDEND GROWTH FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,508,884	249,673
Adjustments for:		
Foreign exchange loss (gain)	166,997	17,824
Net realized loss (gain) on sale of investments	(77,317)	(60,142)
Change in net unrealized depreciation (appreciation) on investments	(1,360,167)	(213,140)
Change in value of future contracts	(688,473)	-
Change in fair value of option contracts	51,087	-
Purchases of investments	(20,221,014)	(3,989,802)
Proceeds from sale and maturity of investments	1,311,507	365,131
Accrued dividend receivable	(32,210)	(5,022)
Management fees payable	3,388	(48)
Other payables and accrued expenses	853	(10)
Net cash from (used in) operating activities	(19,336,465)	(3,635,536)
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(484,962)	(53,002)
Proceeds from sale of redeemable units	27,516,568	4,483,350
Amounts paid on redemption of redeemable units	(2,766,283)	(707,381)
Net cash from (used in) financing activities	24,265,323	3,722,967
Foreign exchange gain (loss)	(166,997)	(17,824)
Net decrease in cash	4,928,858	87,431
Cash (bank indebtedness) at beginning of year	146,175	76,568
Cash (bank indebtedness) at end of year	4,908,036	146,175
Supplementary disclosures on cash flow from operating activities:		
Dividends received	225,499	69,714
Foreign taxes paid	(31,909)	(10,583)
Interest received	-	107
Interest paid	(3,684)	(12)

The accompanying notes form an integral part of the financial statements

MARQUEST AMERICAN DIVIDEND GROWTH FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares	Expiry Date	Exercise Price	Average Cost* (Premiums)	Fair Value
UNITED STATES EQUITIES (81.34%)				
Health Care (14.08%)				
8,000	Bristol-Myers Squibb Co.		\$ 570,499	\$ 626,971
4,000	Johnson & Johnson		589,559	618,013
8,000	Merck & Co., Inc.		629,263	631,585
6,500	Novartis AG		658,102	634,937
14,500	Pfizer Inc.		615,689	631,584
4,000	Stryker Corp.		572,603	642,689
10,000	Teva Pharmaceutical Industries Ltd.		626,677	486,133
			4,262,392	4,271,912
Consumer Staples (11.52%)				
4,500	Diageo PLC		644,127	627,253
16,000	Flowers Foods Inc.		381,334	428,495
6,700	Nestle SA		662,687	644,590
5,200	Procter & Gamble Co.		580,345	586,332
12,000	Unilever PLC		672,267	654,973
5,000	Walgreens Boots Alliance Inc.		525,811	554,930
			3,466,571	3,496,573
Financials (10.03%)				
20,000	Bank of America Corp.		420,703	592,748
5,200	JPMorgan Chase & Co.		445,207	601,743
5,000	Northern Trust Corp.		453,403	597,106
6,000	State Street Corp.		548,433	625,362
8,500	Wells Fargo & Co.		526,322	628,198
			2,394,068	3,045,157
Information Technology (9.51%)				
3,700	Apple Inc.		549,450	574,689
15,000	Cisco Systems Inc.		580,061	607,902
2,300	International Business Machines Corp.		462,669	511,985
5,500	KLA-Tencor Corp.		495,316	580,329
7,000	QUALCOMM Inc.		594,560	612,059
			2,682,056	2,886,964
Industrial (8.35%)				
22,000	ABB Ltd.		606,482	621,634
2,000	Caterpillar Inc.		219,112	248,739
14,500	General Electric Co.		538,602	614,473
4,000	Honeywell International Inc.		580,774	621,446
4,500	Waste Management Inc.		342,790	427,925
			2,287,760	2,534,217
Energy (7.13%)				
3,000	Chevron Corp.		396,252	473,528
7,500	ConocoPhillips		449,848	504,305
8,000	Royal Dutch Shell PLC		561,912	621,929
5,000	Schlumberger Ltd.		530,075	562,909
			1,938,087	2,162,671
Telecommunication Services (6.49%)				
12,000	AT&T Inc.		590,349	684,422
9,500	Verizon Communications Inc.		615,946	680,064
18,500	Vodafone Group PLC		690,431	606,098
			1,896,726	1,970,584

*Average cost includes transaction costs.
See accompanying notes.

MARQUEST AMERICAN DIVIDEND GROWTH FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares	Expiry Date	Exercise Price	Average Cost* (Premiums)	Fair Value	
UNITED STATES EQUITIES (CONT.) (81.34%)					
Consumer Discretionary (6.01%)					
4,000	McDonalds Corp.		\$ 588,464	\$ 652,934	
4,500	The Walt Disney Co.		552,130	628,943	
11,500	Viacom Inc.		597,853	541,318	
			1,738,447	1,823,195	
Utilities (4.17%)					
6,000	Duke Energy Corp.		603,467	624,557	
4,000	NextEra Energy Inc.		632,595	640,811	
			1,236,062	1,265,368	
Materials (4.05%)					
6,000	El Du Pont de Nemours & Co.		536,340	590,602	
14,000	Newmont Mining Corp.		655,272	639,658	
			1,191,612	1,230,260	
TOTAL UNITED STATES EQUITIES			23,093,781	24,686,901	
CALL OPTIONS (-0.17%)					
(40)	AT&T Inc.	3/17/2017	\$43.00	(5,633)	(5,150)
(20)	Caterpillar Inc.	3/17/2017	\$85.00	(27,357)	(24,206)
(5)	Chevron Corp.	3/17/2017	\$120.00	(2,011)	(1,723)
(20)	El DuPont De Nemour	4/21/2017	\$75.00	(9,387)	(8,019)
(10)	McDonald's Corp.	3/17/2017	\$125.00	(4,090)	(3,037)
(10)	Stryker Corp.	3/17/2017	\$120.00	(6,705)	(6,236)
(25)	Verizon Communications Inc.	3/17/2017	\$55.00	(2,951)	(2,716)
TOTAL CALL OPTIONS			(58,134)	(51,087)	
Total cost and fair value of investments and option contracts (81.17%)			23,035,647	24,635,814	
Fair value, future contracts (2.27%)			-	688,473	
Transaction costs (note 6)			(14,116)	-	
Total investments			23,021,531	25,324,287	
Other assets (net) (16.56%)			5,026,231	5,026,231	
Net assets attributable to holders of redeemable units			\$ 28,047,762	\$ 30,350,518	

*Average cost includes transaction costs.
See accompanying notes.

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Units	
	December 31, 2016	December 31, 2015
Healthcare	14.08%	14.76%
Consumer Staples	11.52%	9.83%
Financials	10.03%	12.46%
Information Technology	9.51%	11.75%
Industrials	8.35%	13.73%
Energy	7.13%	13.02%
Telecommunication Services	6.49%	7.13%
Consumer Discretionary	6.01%	2.43%
Utilities	4.17%	6.19%
Materials	4.05%	1.14%
Call Options	-0.17%	0.00%
Other Assets Less Liabilities	18.83%	7.56%
Total	100.00%	100.00%

See accompanying notes.

MARQUEST AMERICAN DIVIDEND GROWTH FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value	5,636,978	4,639,091
Cash	320,613	141,867
Future contracts	189,417	-
Accrued dividend receivable	9,941	6,442
Receivable for investments sold	63,461	229,656
	6,220,410	5,017,056
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	636	265
Other payables and accrued expenses	188	73
Payable to other corporate class (Note 4)	345	345
Distribution payable	338,969	-
Written covered call options at fair value	13,510	-
	353,648	683
Net assets attributable to holders of redeemable shares (Note 3)	5,866,762	5,016,373
Net assets attributable to holders of redeemable shares (Note 3)		
Series A	4,193,338	3,950,627
Series F	1,673,424	1,065,746
Net assets attributable to holders of redeemable shares per share		
Series A	19.49	18.75
Series F	20.21	19.39

Approved on behalf of the Board of Directors of Marquest Corporate Class Funds Ltd.

"Gerry L. Brockelsby"

Gerry L. Brockelsby

Director

Marquest Asset Management Inc.

"Andrew A. McKay"

Andrew A. McKay

Director

Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST AMERICAN DIVIDEND GROWTH FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Dividends	146,571	121,966
Interest for distribution purposes	-	146
Securities lending income	106	160
Other income	4	223
Net realized gain (loss) on sale of investments	170,700	378,063
Net realized gain (loss) on future contracts	145,968	-
Net realized gain (loss) on option contracts	40,890	-
Foreign exchange gain (loss)	(5,550)	(10,909)
Change in net unrealized appreciation (depreciation) on investments	198,903	124,453
Change in unrealized appreciation (depreciation) in value of future contracts	2,077	-
Change in unrealized appreciation (depreciation) in option contracts	1,890	-
Total Income (loss)	701,559	614,102
Expenses (Note 4)		
Management fees	101,059	80,456
Foreign taxes withheld (Note 8)	18,714	17,322
Transaction costs (Note 6)	1,727	1,598
Interest charges	299	42
Operating fees	32,438	30,237
Audit fees	1,922	2,566
Custodian fees	47,804	35,593
Legal fees	689	239
Independent review committee fees	1,914	1,945
Shareholder reporting costs	421	276
Total Expenses	206,987	170,274
Expenses waived (Note 4)	(56,293)	(48,990)
Net Expenses	150,694	121,284
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	550,865	492,818
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per class		
Series A	393,292	407,146
Series F	157,573	85,672
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per share		
Series A	1.86	2.13
Series F	2.32	2.43

The accompanying notes form an integral part of the financial statements

MARQUEST AMERICAN DIVIDEND GROWTH FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (CDN \$)

For the years ended December 31,

	2016 (\$) Series A	2015 (\$)	2016 (\$) Series F	2015 (\$)
Net assets attributable to holders of redeemable shares, beginning of year	3,950,627	3,188,508	1,065,746	583,733
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	393,292	407,146	157,573	85,672
Distributions to holders of redeemable shares				
From net investment income		(1,346)		(3,534)
From net realized gain on sale of investments	(240,173)	-	(107,906)	-
Total distributions to holders of redeemable shares	(240,173)	(1,346)	(107,906)	(3,534)
Redeemable share transactions (Note 3)				
Proceeds from sale of redeemable shares	947,817	1,363,695	939,602	504,330
Reinvestment of distributions to holders of redeemable shares	4,508	1,053	3,341	2,202
Amounts paid on redemption of redeemable shares	(862,733)	(1,008,429)	(384,932)	(106,657)
Net redeemable share transactions	89,592	356,319	558,011	399,875
Net Increase (decrease) in net assets attributable to holders of redeemable shares	242,711	762,119	607,678	482,013
Net assets attributable to holders of redeemable shares, end of year	4,193,338	3,950,627	1,673,424	1,065,746
			2016 (\$) Total	2015 (\$)
Net assets attributable to holders of redeemable shares, beginning of year			5,016,373	3,772,241
Increase (decrease) in net assets attributable to holders of redeemable shares from operations			550,865	492,818
Distributions to holders of redeemable shares				
From net investment income			-	(4,880)
From net realized gain on sale of investments			(348,079)	-
Total distributions to holders of redeemable shares			(348,079)	(4,880)
Redeemable share transactions (Note 3)				
Proceeds from sale of redeemable shares			1,887,419	1,868,025
Reinvestment of distributions to holders of redeemable shares			7,849	3,255
Amounts paid on redemption of redeemable shares			(1,247,665)	(1,115,086)
Net redeemable unit transactions			647,603	756,194
Net Increase (decrease) in net assets attributable to holders of redeemable shares			850,389	1,244,132
Net assets attributable to holders of redeemable shares, end of year			5,866,762	5,016,373

The accompanying notes form an integral part of the financial statements

MARQUEST AMERICAN DIVIDEND GROWTH FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	550,865	492,818
Adjustments for:		
Foreign exchange loss (gain)	5,550	10,909
Net realized loss (gain) on sale of investments	(170,700)	(378,063)
Change in net unrealized depreciation (appreciation) on investments	(198,903)	(124,453)
Change in value of future contracts	(189,417)	-
Change in fair value of option contracts	13,510	-
Purchases of investments	(1,761,879)	(1,855,141)
Proceeds from sale and maturity of investments	1,299,790	1,104,968
Accrued dividend receivable	(3,499)	(214)
Management fees payable	371	(1,199)
Other payables and accrued expenses	115	(322)
Net cash from (used in) operating activities	(454,197)	(750,697)
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(1,261)	(1,625)
Proceeds from sale of redeemable shares	1,887,419	1,868,025
Amounts paid on redemption of redeemable shares	(1,247,665)	(1,115,086)
Net cash from (used in) financing activities	638,493	751,314
Foreign exchange gain (loss)	(5,550)	(10,909)
Net decrease in cash	184,296	617
Cash (bank indebtedness) at beginning of year	141,867	152,159
Cash (bank indebtedness) at end of year	320,613	141,867
Supplementary disclosures on cash flow from operating activities:		
Dividends received	143,072	121,752
Foreign taxes paid	(18,714)	(17,322)
Interest received	-	146
Interest paid	(299)	(42)

The accompanying notes form an integral part of the financial statements

MARQUEST AMERICAN DIVIDEND GROWTH FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares	Expiry Date	Exercise Price	Average Cost* (Premiums)	Fair Value
UNITED STATES EQUITIES (96.08%)				
Health Care (16.60%)				
2,000	Bristol-Myers Squibb Co.		\$ 104,454	\$ 156,743
850	Johnson & Johnson		79,685	131,328
1,800	Merck & Co., Inc.		87,441	142,107
1,400	Novartis AG		153,864	136,756
3,200	Pfizer Inc.		103,441	139,383
1,000	Stryker Corp.		123,255	160,672
2,200	Teva Pharmaceutical Industries Ltd.		164,557	106,949
			816,697	973,938
Financials (15.10%)				
5,200	Bank of America Corp.		105,291	154,114
1,700	JPMorgan Chase & Co.		96,139	196,724
1,600	Northern Trust Corp.		101,189	191,074
1,600	State Street Corp.		106,586	166,763
2,400	Wells Fargo & Co.		113,298	177,374
			522,503	886,049
Consumer Staples (12.08%)				
900	Diageo PLC		127,716	125,451
4,500	Flowers Foods Inc.		97,837	120,514
1,300	Nestle SA		131,750	125,070
800	Procter & Gamble Co.		64,310	90,205
2,500	Unilever PLC		132,563	136,453
1,000	Walgreens Boots Alliance Inc.		105,830	110,986
			660,006	708,679
Information Technology (11.22%)				
650	Apple Inc.		43,802	100,959
3,000	Cisco Systems Inc.		62,685	121,580
500	International Business Machines Corp.		98,351	111,301
1,500	KLA-Tencor Corp.		101,317	158,272
1,900	QUALCOMM Inc.		119,977	166,130
			426,132	658,242
Industrials (10.10%)				
4,000	ABB Ltd.		97,527	113,024
600	Caterpillar Inc.		54,584	74,622
3,200	General Electric Co.		71,670	135,608
1,000	Honeywell International Inc.		145,716	155,362
1,200	Waste Management Inc.		47,322	114,113
			416,819	592,729
Telecommunication Services (7.54%)				
2,700	AT&T Inc.		107,271	153,995
2,200	Verizon Communications Inc.		124,919	157,488
4,000	Vodafone Group PLC		155,922	131,048
			388,112	442,531
Energy (7.40%)				
750	Chevron Corp.		91,723	118,382
1,400	ConocoPhillips		114,050	94,137
1,400	Royal Dutch Shell PLC		92,580	108,838
1,000	Schlumberger Ltd.		85,864	112,582
			384,217	433,939
Consumer Discretionary (6.97%)				
900	McDonalds Corp.		112,697	146,910
1,200	The Walt Disney Co.		149,281	167,718
2,000	Viacom Inc.		136,588	94,142
			398,566	408,770

*Average cost includes transaction costs.
See accompanying notes.

MARQUEST AMERICAN DIVIDEND GROWTH FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares	Expiry Date	Exercise Price	Average Cost* (Premiums)	Fair Value
UNITED STATES EQUITIES (CONT.) (96.08%)				
Utilities (4.94%)				
1,400	Duke Energy Corp.		\$ 112,866	\$ 145,730
900	NextEra Energy Inc.		125,809	144,182
			238,675	289,912
Materials (4.13%)				
1,300	El Du Pont de Nemours & Co.		117,783	127,964
2,500	Newmont Mining Corp.		118,253	114,225
			236,036	242,189
			4,487,763	5,636,978
TOTAL UNITED STATES EQUITIES				
CALL OPTIONS (-0.23%)				
(9)	AT&T Inc.	3/17/2017	\$43.00	(1,268)
(6)	Caterpillar Inc.	3/17/2017	\$85.00	(8,207)
(1)	Chevron Corp.	3/17/2017	\$120.00	(403)
(3)	El Du Pont de Nemours & Co.	4/21/2017	\$75.00	(1,408)
(3)	McDonalds Corp.	3/17/2017	\$125.00	(1,227)
(3)	Stryker Corp.	3/17/2017	\$120.00	(2,012)
(7)	Verizon Communications Inc.	3/17/2017	\$55.00	(826)
	TOTAL CALL OPTIONS			(15,351)
				(13,510)
	Total cost and fair value of investments and option contracts (95.85%)		4,472,412	5,623,468
	Fair value, future contracts (3.23%)		-	189,417
	Transaction costs (note 6)		(2,232)	-
	Total investments		4,470,180	5,812,885
	Other assets (net) (0.92%)		53,877	53,877
	Net assets attributable to holders of redeemable shares		\$ 4,524,057	\$ 5,866,762

*Average cost includes transaction costs.

See accompanying notes.

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Shares	
	December 31, 2016	December 31, 2015
Healthcare	16.60%	14.63%
Financials	15.10%	12.64%
Consumer Staples	12.08%	9.88%
Information Technology	11.22%	11.59%
Industrials	10.10%	14.43%
Telecommunication Services	7.54%	7.65%
Energy	7.40%	12.52%
Consumer Discretionary	6.97%	2.62%
Utilities	4.94%	5.45%
Materials	4.13%	1.07%
Call Options	-0.23%	-
Other Assets Less Liabilities	4.15%	7.52%
Total	100.00%	100.00%

See accompanying notes.

MARQUEST SMALL COMPANIES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value	1,526,626	1,744,024
Cash	349,703	297,829
Accrued dividend receivable	1,404	2,159
Receivable on sale of redeemable units	100	-
Receivable for investments sold	-	137,531
	1,877,833	2,181,543
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	270	145
Other payables and accrued expenses	82	44
Payable on redemption of redeemable units	39,952	1,971
Payable for investments purchased	-	224,977
	40,304	227,137
Net assets attributable to holders of redeemable units (Note 3)	1,837,529	1,954,406
Net assets attributable to holders of redeemable units (Note 3)		
Class A	1,808,204	1,932,208
Class F	29,325	22,198
Net assets attributable to holders of redeemable units per unit		
Class A	10.84	9.49
Class F	12.58	10.86

Approved on behalf of the Board of Directors of Marquest Asset Management Inc., the Manager of the Fund.

"Gerry L. Brockelsby"

Gerry L. Brockelsby
Director
Marquest Asset Management Inc.

"Andrew A. McKay"

Andrew A. McKay
Director
Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST SMALL COMPANIES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Dividends	7,325	8,991
Interest for distribution purposes	-	2
Securities lending income	1,373	570
Distribution from investment trusts	-	130
Other income	3	1,138
Net realized gain (loss) on sale of investments	(7,863,405)	(154,154)
Foreign exchange gain (loss)	(1)	(4)
Change in net unrealized appreciation (depreciation) on investments	8,211,046	(113,474)
Total Income (loss)	356,341	(256,801)
Expenses (Note 4)		
Management fees	52,167	69,512
Transaction costs (Note 6)	31,506	33,414
Operating fees	29,152	32,822
Audit fees	2,768	3,945
Custodian fees	31,635	31,310
Legal fees	450	317
Independent review committee fees	1,914	1,945
Unitholder reporting costs	275	367
Total Expenses	149,867	173,632
Expenses waived (Note 4)	(50,435)	(49,784)
Net Expenses	99,432	123,848
Increase (decrease) in net assets attributable to holders of redeemable units from operations	256,909	(380,649)
Increase (decrease) in net assets attributable to holders of redeemable units from operations per class		
Class A	253,192	(378,300)
Class F	3,717	(2,349)
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit		
Class A	1.35	(1.64)
Class F	1.63	(1.73)

The accompanying notes form an integral part of the financial statements

MARQUEST SMALL COMPANIES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (CDN \$)

For the years ended December 31,

	<u>2016 (\$)</u> Class A	<u>2015 (\$)</u>	<u>2016 (\$)</u> Class F	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable units, beginning of year	1,932,208	3,003,963	22,198	14,325
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations	253,192	(378,300)	3,717	(2,349)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units	137,571	122,206	7,436	10,581
Amounts paid on redemption of redeemable units	(514,767)	(815,661)	(4,026)	(359)
Net redeemable unit transactions	(377,196)	(693,455)	3,410	10,222
Net Increase (decrease) in net assets attributable to holders of redeemable units	(124,004)	(1,071,755)	7,127	7,873
Net assets attributable to holders of redeemable units, end of year	1,808,204	1,932,208	29,325	22,198
			<u>2016 (\$)</u> Total	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable units, beginning of year			1,954,406	3,018,288
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations			256,909	(380,649)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units			145,007	132,787
Amounts paid on redemption of redeemable units			(518,793)	(816,020)
Net redeemable unit transactions			(373,786)	(683,233)
Net Increase (decrease) in net assets attributable to holders of redeemable units			(116,877)	(1,063,882)
Net assets attributable to holders of redeemable units, end of year			1,837,529	1,954,406

The accompanying notes form an integral part of the financial statements

MARQUEST SMALL COMPANIES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations	256,909	(380,649)
Adjustments for:		
Foreign exchange loss (gain)	1	4
Net realized loss (gain) on sale of investments	7,863,405	154,154
Change in net unrealized depreciation (appreciation) on investments	(8,211,046)	113,474
Purchases of investments	(3,337,368)	(4,230,045)
Proceeds from sale and maturity of investments	3,814,961	4,071,517
Accrued dividend receivable	755	(1,850)
Management fees payable	125	(1,464)
Other payables and accrued expenses	38	(442)
Net cash from (used in) operating activities	387,780	(275,301)
Cash flows from (used in) financing activities		
Proceeds from sale of redeemable units	144,907	132,787
Amounts paid on redemption of redeemable units	(480,812)	(816,330)
Net cash from (used in) financing activities	(335,905)	(683,543)
Foreign exchange gain (loss)	(1)	(4)
Net decrease in cash	51,875	(958,844)
Cash (bank indebtedness) at beginning of year	297,829	1,256,677
Cash (bank indebtedness) at end of year	349,703	297,829
Supplementary disclosures on cash flow from operating activities:		
Dividends received	8,080	7,141
Interest received	-	2

The accompanying notes form an integral part of the financial statements

MARQUEST SMALL COMPANIES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares, Units or Warrants	Expiry Date	Strike Price	Average Cost*	Fair Value
CANADIAN EQUITIES (83.08%)				
Information Technology (23.35%)				
43,686			\$ 30,580	\$ 102,663
12,400			22,940	24,800
92,000			48,300	53,360
160,000			150,960	28,800
134,700	27/08/2017	\$0.60	-	-
700,000			64,840	45,500
226,027			51,709	57,637
32,200			20,694	52,164
22,541			42,442	64,016
3,335,980			16,830	3
			449,295	428,943
Materials (16.73%)				
84,230			18,952	17,688
37,700			60,697	65,975
1,500,000			149,998	75,000
750,000	01/01/2049	\$0.25	-	1
242,858	03/12/2018	\$0.16	-	-
420,000	30/09/2020	\$0.12	-	-
49,646			15,882	12,412
151,428	17/03/2019	\$0.50	16	-
187,500	23/09/2019	\$0.50	18	-
332,500			66,500	59,850
332,500	09/05/2018	\$0.25	-	-
117,778			53,295	47,111
534,163			42,306	29,379
725,000	04/10/2019	\$0.12	580	1
			408,244	307,417
Energy (14.25%)				
33,273			57,080	68,210
3,183			59,811	63,119
30,114			60,245	70,166
328,000	2/5/2019	\$0.05	-	-
28,214			55,503	59,249
92,250	29/06/2019	\$0.40	-	1,153
			232,639	261,897
Health Care (15.35%)				
200,000			60,000	48,000
323,084			25,481	40,386
40,100			58,378	38,897
24,066			62,625	149,210
7,150	06/08/2017	\$3.00	2,860	4,111
17,331	19/02/2017	\$2.00	-	87
30,450	16/11/2020	\$1.60	8,524	1,370
			217,868	282,061
Industrials (6.94%)				
15,612			62,760	68,693
200,000			-	3,800
2,387			57,243	55,044
			120,003	127,537
Consumer Staples (3.09%)				
3,628			57,434	56,851
			57,434	56,851

*Average cost includes transaction costs.
See accompanying notes.

MARQUEST SMALL COMPANIES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares, Units or Warrants	Expiry Date	Strike Price	Average Cost*	Fair Value
CANADIAN EQUITIES (CONT.) (83.08%)				
Financials (3.37%)				
43,000	Distinct Infrastructure Group Inc.		\$ 58,050	\$ 61,920
			58,050	61,920
TOTAL CANADIAN EQUITIES			1,543,533	1,526,626
Total cost and fair value of investments (83.08%)			1,543,533	1,526,626
Transaction costs (note 6)			(4,842)	-
Total investments			1,538,691	1,526,626
Other assets (net) (16.92%)			310,903	310,903
Net assets attributable to holders of redeemable units			\$ 1,849,594	\$ 1,837,529

*Average cost includes transaction costs.

See accompanying notes.

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Units	
	December 31, 2016	December 31, 2015
Information Technology	23.35%	26.46%
Materials	16.73%	11.88%
Healthcare	15.35%	16.21%
Energy	14.25%	0.59%
Industrials	6.94%	17.13%
Financials	3.37%	4.13%
Consumer Staples	3.09%	7.14%
Consumer Discretionary	-	5.70%
Other Assets Less Liabilities	16.92%	10.76%
Total	100.00%	100.00%

See accompanying notes.

MARQUEST CANADIAN RESOURCE FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value	2,358,512	1,422,861
Cash	605,475	1,400,112
Accrued dividend receivable	1,318	1,539
	2,965,305	2,824,512
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	207	91
Other payables and accrued expenses	65	29
Payable on redemption of redeemable units	18,563	26,226
Payable for investments purchased	-	67,523
	18,835	93,869
Net assets attributable to holders of redeemable units (Note 3)	2,946,470	2,730,643
Net assets attributable to holders of redeemable units (Note 3)		
Class A	432,183	306,474
Class F	2,514,287	2,424,169
Net assets attributable to holders of redeemable units per unit		
Class A	4.84	3.54
Class F	5.37	3.89

Approved on behalf of the Board of Directors of Marquest Asset Management Inc., the Manager of the Fund.

"Gerry L. Brockelsby"

Gerry L. Brockelsby
Director
Marquest Asset Management Inc.

"Andrew A. McKay"

Andrew A. McKay
Director
Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN RESOURCE FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Dividends	7,648	9,674
Interest for distribution purposes	-	2
Securities lending income	1,331	260
Other income	77	4
Net realized gain (loss) on sale of investments	(1,033,632)	(2,014,720)
Foreign exchange gain (loss)	(1)	(1)
Change in net unrealized appreciation (depreciation) on investments	2,145,241	1,316,059
Total Income (loss)	1,120,664	(688,722)
Expenses (Note 4)		
Management fees	41,813	42,608
Transaction costs (Note 6)	70,858	68,926
Operating fees	26,579	28,470
Audit fees	2,399	3,557
Custodian fees	29,809	30,598
Legal fees	262	185
Independent review committee fees	1,914	1,945
Unitholder reporting costs	160	214
Total Expenses	173,794	176,503
Expenses waived (Note 4)	(48,287)	(51,437)
Net Expenses	125,507	125,066
Increase (decrease) in net assets attributable to holders of redeemable units from operations	995,157	(813,788)
Increase (decrease) in net assets attributable to holders of redeemable units from operations per class		
Class A	120,394	(96,963)
Class F	874,763	(716,825)
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit		
Class A	1.22	(1.12)
Class F	1.67	(1.08)

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN RESOURCE FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (CDN \$)

For the years ended December 31,

	<u>2016 (\$)</u> Class A	<u>2015 (\$)</u>	<u>2016 (\$)</u> Class F	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable units, beginning of year	306,474	383,594	2,424,169	3,025,206
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations	120,394	(96,963)	874,763	(716,825)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units	237,529	94,755	578,070	1,995,374
Amounts paid on redemption of redeemable units	(232,214)	(74,912)	(1,362,715)	(1,879,586)
Net redeemable unit transactions	5,315	19,843	(784,645)	115,788
Net Increase (decrease) in net assets attributable to holders of redeemable units	125,709	(77,120)	90,118	(601,037)
Net assets attributable to holders of redeemable units, end of year	432,183	306,474	2,514,287	2,424,169
			<u>2016 (\$)</u> Total	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable units, beginning of year			2,730,643	3,408,800
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations			995,157	(813,788)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units			815,599	2,090,129
Amounts paid on redemption of redeemable units			(1,594,929)	(1,954,498)
Net redeemable unit transactions			(779,330)	135,631
Net Increase (decrease) in net assets attributable to holders of redeemable units			215,827	(678,157)
Net assets attributable to holders of redeemable units, end of year			2,946,470	2,730,643

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN RESOURCE FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations	995,157	(813,788)
Adjustments for:		
Foreign exchange loss (gain)	1	1
Net realized loss (gain) on sale of investments	1,033,632	2,014,720
Change in net unrealized depreciation (appreciation) on investments	(2,145,241)	(1,316,059)
Purchases of investments	(6,509,391)	(5,638,440)
Proceeds from sale and maturity of investments	6,617,826	6,108,544
Accrued dividend receivable	221	(946)
Management fees payable	116	(858)
Other payables and accrued expenses	36	(151)
Net cash from (used in) operating activities	(7,643)	353,023
Cash flows from (used in) financing activities		
Proceeds from sale of redeemable units	815,599	2,090,521
Amounts paid on redemption of redeemable units	(1,602,592)	(1,970,845)
Net cash from (used in) financing activities	(786,993)	119,676
Foreign exchange gain (loss)	(1)	(1)
Net decrease in cash	(794,636)	472,699
Cash (bank indebtedness) at beginning of year	1,400,112	927,414
Cash (bank indebtedness) at end of year	605,475	1,400,112
Supplementary disclosures on cash flow from operating activities:		
Dividends received	7,869	8,728
Interest received	-	2

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN RESOURCE FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares, Units or Warrants	Expiry Date	Strike Price	Average Cost*	Fair Value
CANADIAN EQUITIES (80.05%)				
Oil & Gas (31.59%)				
74,224	Andora Energy Corp. (Restricted)		\$ 325,000	\$ 31,916
52,499	Athabasca Oil Corp.		90,062	107,623
21,181	Calfrac Well Services Ltd.		67,951	100,821
13,689	Canadian Energy Services & Technology Corp.		56,715	104,858
13,151	Canyon Services Group Inc.		68,305	92,452
10,697	Ensign Energy Services Inc.		89,506	100,338
227,191	Fission 3.0 Corp.		15,146	14,767
39,428	Leucrotta Exploration Inc.		88,319	86,347
84,175	NexGen Energy Ltd.		42,873	196,128
44,363	Savanna Energy Services Corp.		87,271	93,162
184,000	Toro Oil & Gas Ltd., Warrants	29/06/2019	\$0.40	2,300
			931,148	930,712
Base Metals (31.22%)				
120,937	Balmoral Resources Ltd.		53,388	87,075
1,276,630	Commerce Resources Corp.		95,747	63,832
1,266,666	Commerce Resources Corp., Warrants	30/06/2018	\$0.10	1
282,400	Commerce Resources Corp., Warrants	12/08/2018	\$0.10	-
458,334	Copper Fox Metals Inc., Warrants (Restricted)	09/06/2018	\$0.15	-
435,714	Encanto Potash Corp., Warrants	03/12/2018	\$0.16	-
5,870	First Quantum Minerals Ltd.		91,034	78,365
680,000	Focus Graphite Inc., Warrants (Restricted)	30/09/2020	\$0.12	1
357,143	HPQ-Silicon Resources Inc.		50,025	50,000
135,800	Laramide Resources Ltd., Warrants (Restricted)	12/24/2017	\$0.50	-
60,000	Lithium Americas Corp., Warrants	09/06/2017	\$0.90	10,800
71,871	Nemaska Lithium Inc.		17,847	89,120
95,000	Niocorp Developments Ltd.		93,228	71,250
295,473	Noront Resources Ltd.		94,523	73,868
328,125	Noront Resources Ltd., Warrants	23/09/2019	\$0.50	-
242,858	Noront Resources Ltd., Warrants	17/03/2019	\$0.50	-
41,976	Northern Dynasty Minerals Ltd.		71,359	116,274
1,885,600	Pele Mountain Resources Inc., Warrants	13/04/2018	\$0.07	2
2,626	Teck Resources Ltd.		88,731	70,561
177,400	Toachi Mining Inc.		80,274	62,977
140,000	Trigon Metals Inc.		63,350	56,000
1,630,470	Wallbridge Mining Company Ltd.		129,706	89,676
716,250	Wallbridge Mining Company Ltd., Warrants (Restricted)	19/08/2019	\$0.10	1
1,137,500	Wallbridge Mining Company Ltd., Warrants	04/10/2019	\$0.12	1
			930,192	919,804
Precious Metals (17.24%)				
4,500,000	Campbell Resources Inc.		-	-
68,602	Capstone Mining Corp.		74,776	86,439
3,000,000	Cordillera Gold Ltd.		300,000	149,999
1,500,000	Cordillera Gold Ltd., Warrants (Restricted)	31/12/2049	\$0.25	2
111,150	Globex Mining Enterprises Inc., Warrants	14/12/2017	\$0.55	-
140,617	Integra Gold Corp.		54,138	78,746
237,841	Prosper Gold Corp.		95,726	47,568
3,780,200	Red Pine Exploration Inc., Warrants	01/05/2017	\$0.50	4
285,000	Shore Gold Inc., Warrants (Restricted)	09/05/2018	\$0.25	-
285,000	Shore Gold Inc. (Restricted)		57,000	51,300
78,888	Treasury Metals Inc., Warrants (Restricted)	24/09/2018	\$0.55	3,156
756,519	Wolfden Resources Corp.		80,702	90,782
			662,342	507,996
TOTAL CANADIAN EQUITIES			2,523,682	2,358,512

*Average cost includes transaction costs.

MARQUEST CANADIAN RESOURCE FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares, Units or Warrants	Expiry Date	Strike Price	Average Cost*	Fair Value
<i>See accompanying notes.</i>				
Total cost and fair value of investments (80.05%)			\$ 2,523,682	\$ 2,358,512
Transaction costs (note 6)			(7,173)	-
Total investments			2,516,509	2,358,512
Other assets (net) (19.95%)			587,958	587,958
Net assets attributable to holders of redeemable units			<u>\$ 3,104,467</u>	<u>\$ 2,946,470</u>

**Average cost includes transaction costs.*

See accompanying notes.

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Units	
	December 31, 2016	December 31, 2015
Oil & Gas	31.59%	17.38%
Base Metals	31.22%	10.29%
Precious Metals	17.24%	24.44%
Other Assets Less Liabilities	19.95%	47.89%
Total	100.00%	100.00%

See accompanying notes.

MARQUEST CANADIAN RESOURCE FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value (Note 13)	2,485,621	2,439,729
Cash	199,342	183,313
Receivable for investments sold	14,977	8,080
Refundable taxes receivable (note 4)	1,101,177	1,517,053
Receivable from other corporate classes (note 4)	186,440	186,440
	3,987,557	4,334,615
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	229	125
Other payables and accrued expenses	118	63
Payable on redemption of redeemable shares	14,002	8,330
	14,349	8,518
Net assets attributable to holders of redeemable shares (Note 3)	3,973,208	4,326,097
Net assets attributable to holders of redeemable shares (Note 3)		
Series A	3,888,892	4,297,571
Series F	84,316	28,526
Net assets attributable to holders of redeemable shares per share		
Series A	4.16	3.51
Series F	4.44	3.70

Approved on behalf of the Board of Directors of Marquest Corporate Class Funds Ltd.

"Gerry L. Brockelsby"

Gerry L. Brockelsby
Director
Marquest Asset Management Inc.

"Andrew A. McKay"

Andrew A. McKay
Director
Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN RESOURCE FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Interest for distribution purposes	603	3
Other income	4	-
Net realized gain (loss) on sale of investments	(567,827)	(1,530,963)
Change in net unrealized appreciation (depreciation) on investments	1,446,267	814,855
Total Income (loss)	879,047	(716,105)
Expenses (Note 4)		
Management fees	48,690	59,500
Operating fees	32,212	13,250
Audit fees	1,890	2,084
Custodian fees	24,926	25,219
Legal fees	673	75
Independent review committee fees	1,914	1,945
Shareholder reporting costs	411	86
Total Expenses	110,716	102,159
Expenses waived (Note 4)	(37,455)	(12,705)
Net Expenses	73,261	89,454
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	805,786	(805,559)
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per class		
Series A	804,413	(799,923)
Series F	1,373	(5,636)
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per share		
Series A	0.74	(0.57)
Series F	0.15	(0.61)

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN RESOURCE FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (CDN \$)

For the years ended December 31,

	<u>2016 (\$)</u> Series A	<u>2015 (\$)</u>	<u>2016 (\$)</u> Series F	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable shares, beginning of year	4,297,571	6,846,785	28,526	39,318
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	804,413	(799,923)	1,373	(5,636)
Redeemable share transactions (Note 3)				
Proceeds from sale of redeemable shares	86,000	66,007	70,971	6,995
Amounts paid on redemption of redeemable shares	(1,299,092)	(1,815,298)	(16,554)	(12,151)
Net redeemable share transactions	(1,213,092)	(1,749,291)	54,417	(5,156)
Net Increase (decrease) in net assets attributable to holders of redeemable shares	(408,679)	(2,549,214)	55,790	(10,792)
Net assets attributable to holders of redeemable shares, end of year	3,888,892	4,297,571	84,316	28,526
			<u>2016 (\$)</u> Total	<u>2015 (\$)</u>
Net assets attributable to holders of redeemable shares, beginning of year			4,326,097	6,886,103
Increase (decrease) in net assets attributable to holders of redeemable shares from operations			805,786	(805,559)
Redeemable share transactions (Note 3)				
Proceeds from sale of redeemable shares			156,971	73,002
Amounts paid on redemption of redeemable shares			(1,315,646)	(1,827,449)
Net redeemable unit transactions			(1,158,675)	(1,754,447)
Net Increase (decrease) in net assets attributable to holders of redeemable shares			(352,889)	(2,560,006)
Net assets attributable to holders of redeemable shares, end of year			3,973,208	4,326,097

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN RESOURCE FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	805,786	(805,559)
Adjustments for:		
Net realized loss (gain) on sale of investments	567,827	1,530,963
Change in net unrealized depreciation (appreciation) on investments	(1,446,267)	(814,855)
Purchases of investments	(536,068)	(1,995,374)
Proceeds from sale and maturity of investments	1,361,719	1,873,661
Refundable taxes receivable	415,876	1,043,137
Management fees payable	104	(1,452)
Other payables and accrued expenses	55	(541)
Net cash from (used in) operating activities	1,169,032	829,980
Cash flows from (used in) financing activities		
Proceeds from sale of redeemable shares	156,971	73,002
Amounts paid on redemption of redeemable shares	(1,309,974)	(1,844,660)
Net cash from (used in) financing activities	(1,153,003)	(1,771,658)
Net decrease in cash	16,029	(941,678)
Cash (bank indebtedness) at beginning of year	183,313	1,124,991
Cash (bank indebtedness) at end of year	199,342	183,313
Supplementary disclosures on cash flow from operating activities:		
Interest received	603	3

The accompanying notes form an integral part of the financial statements

MARQUEST CANADIAN RESOURCE FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Units		Average Cost	Fair Value
MUTUAL FUND TRUSTS (62.56%)			
462,872	Marquest Canadian Resources Fund, Class F	\$ 3,357,951	\$ 2,485,621
TOTAL MUTUAL FUND TRUSTS		3,357,951	2,485,621
Total cost and fair value of investments (62.56%)		3,357,951	2,485,621
Other assets (net) (37.44%)		1,487,587	1,487,587
Net assets attributable to holders of redeemable shares		\$ 4,845,538	\$ 3,973,208

See accompanying notes.

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Underlying Fund's Net Assets Attributable to Holders of Redeemable Shares	
	December 31, 2016	December 31, 2015
Oil & Gas	31.59%	17.38%
Base Metals	31.22%	10.29%
Precious Metals	17.24%	24.44%
Other Assets Less Liabilities	19.95%	47.89%
Total	100.00%	100.00%

See accompanying notes.

MARQUEST COVERED CALL CANADIAN BANKS PLUS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value	7,824,293	2,148,824
Cash	318,442	153,253
Accrued dividend receivable	31,706	9,309
Receivable on sale of redeemable units	60,000	85,000
	8,234,441	2,396,386
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	765	99
Other payables and accrued expenses	96	13
Payable on redemption of redeemable units	3,000	-
Payable for investments purchased	-	167,769
Distribution payable	45,254	7,007
Written covered call options at fair value	6,325	1,109
	55,440	175,997
Net assets attributable to holders of redeemable units (Note 3)	8,179,001	2,220,389
Net assets attributable to holders of redeemable units (Note 3)		
Class A	7,686,486	1,975,846
Class F	492,515	244,543
Net assets attributable to holders of redeemable units per unit		
Class A	9.42	8.76
Class F	9.60	8.94

Approved on behalf of the Board of Directors of Marquest Asset Management Inc., the Manager of the Fund.

"Gerry L. Brockelsby"

Gerry L. Brockelsby

Director

Marquest Asset Management Inc.

"Andrew A. McKay"

Andrew A. McKay

Director

Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST COVERED CALL CANADIAN BANKS PLUS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Dividends	191,231	54,296
Other income	28	204
Net realized gain (loss) on sale of investments	367,717	17,511
Net realized gain (loss) on option contracts	148,163	34,701
Foreign exchange gain (loss)	(4)	(2)
Change in net unrealized appreciation (depreciation) on investments	520,637	(130,765)
Change in unrealized appreciation (depreciation) in option contracts	246	2,343
Total Income (loss)	1,228,018	(21,712)
Expenses (Note 4)		
Management fees	89,654	23,483
Transaction costs (Note 6)	4,764	1,200
Interest charges	-	21
Operating fees	63,905	53,067
Audit fees	7,760	5,752
Custodian fees	52,715	46,186
Legal fees	2,986	932
Independent review committee fees	1,914	1,945
Unitholder reporting costs	1,825	1,078
Total Expenses	225,523	133,664
Expenses waived (Note 4)	(119,656)	(105,738)
Net Expenses	105,867	27,926
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,122,151	(49,638)
Increase (decrease) in net assets attributable to holders of redeemable units from operations per class		
Class A	1,032,066	(43,733)
Class F	90,085	(5,905)
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit		
Class A	1.90	(0.32)
Class F	1.93	(0.25)

The accompanying notes form an integral part of the financial statements

MARQUEST COVERED CALL CANADIAN BANKS PLUS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (CDN \$)

For the years ended December 31,

	2016 (\$) Class A	2015 (\$)	2016 (\$) Class F	2015 (\$)
Net assets attributable to holders of redeemable units, beginning of year	1,975,846	276,125	244,543	144,944
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations	1,032,066	(43,733)	90,085	(5,905)
Distributions to holders of redeemable units				
From net investment income	(54,132)	(16,645)	(6,366)	(3,135)
From net realized gain on sale of investments	(561,704)	(62,212)	(42,607)	(7,712)
Return of capital	-	(4,161)	-	(3,833)
Total distributions to holders of redeemable units	(615,836)	(83,018)	(48,973)	(14,680)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units	5,536,553	1,857,567	215,244	183,510
Reinvestment of distributions to holders of redeemable units	562,755	68,178	40,565	12,399
Amounts paid on redemption of redeemable units	(804,898)	(99,273)	(48,949)	(75,725)
Net redeemable unit transactions	5,294,410	1,826,472	206,860	120,184
Net Increase (decrease) in net assets attributable to holders of redeemable units	5,710,640	1,699,721	247,972	99,599
Net assets attributable to holders of redeemable units, end of year	7,686,486	1,975,846	492,515	244,543
			2016 (\$) Total	2015 (\$)
Net assets attributable to holders of redeemable units, beginning of year			2,220,389	421,069
Increase (decrease) increase in net assets attributable to holders of redeemable units from operations			1,122,151	(49,638)
Distributions to holders of redeemable units				
From net investment income			(60,498)	(19,780)
From net realized gain on sale of investments			(604,311)	(69,924)
Return of capital			-	(7,994)
Total distributions to holders of redeemable units			(664,809)	(97,698)
Redeemable unit transactions (Note 3)				
Proceeds from sale of redeemable units			5,751,797	2,041,077
Reinvestment of distributions to holders of redeemable units			603,320	80,577
Amounts paid on redemption of redeemable units			(853,847)	(174,998)
Net redeemable unit transactions			5,501,270	1,946,656
Net Increase (decrease) in net assets attributable to holders of redeemable units			5,958,612	1,799,320
Net assets attributable to holders of redeemable units, end of year			8,179,001	2,220,389

The accompanying notes form an integral part of the financial statements

MARQUEST COVERED CALL CANADIAN BANKS PLUS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,122,151	(49,638)
Adjustments for:		
Foreign exchange loss (gain)	4	2
Net realized loss (gain) on sale of investments	(367,717)	(17,511)
Change in net unrealized depreciation (appreciation) on investments	(520,637)	130,765
Change in fair value of option contracts	5,216	657
Purchases of investments	(16,383,986)	(3,177,640)
Proceeds from sale and maturity of investments	11,429,102	1,555,631
Accrued dividend receivable	(22,397)	(7,993)
Management fees payable	666	(32)
Other payables and accrued expenses	83	(7)
Net cash from (used in) operating activities	(4,737,515)	(1,565,766)
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(23,242)	(13,196)
Proceeds from sale of redeemable units	5,776,797	1,956,077
Amounts paid on redemption of redeemable units	(850,847)	(234,104)
Net cash from (used in) financing activities	4,902,708	1,708,777
Foreign exchange gain (loss)	(4)	(2)
Net decrease in cash	165,193	143,011
Cash (bank indebtedness) at beginning of year	153,253	10,244
Cash (bank indebtedness) at end of year	318,442	153,253
Supplementary disclosures on cash flow from operating activities:		
Dividends received	168,834	46,303
Interest paid	-	(21)

The accompanying notes form an integral part of the financial statements

MARQUEST COVERED CALL CANADIAN BANKS PLUS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares	Expiry Date	Exercise Price	Average Cost* (Premiums)	Fair Value
CANADIAN EQUITIES (95.66%)				
Financials (95.66%)				
8,047	Bank of Montreal		\$ 757,862	\$ 777,098
10,206	Bank of Nova Scotia		740,208	763,001
7,004	Canadian Imperial Bank of Commerce		754,850	767,358
12,858	Canadian Western Bank		371,320	390,112
666	Fairfax Financial Holdings Ltd.		451,067	431,901
11,195	Great-West Lifeco Inc.		389,396	393,727
7,381	Industrial Alliance Insurance & Financial Services Inc.		342,995	394,072
4,248	Intact Financial Corp.		385,785	408,233
16,400	Manulife Financial Corp.		321,291	392,124
14,060	National Bank of Canada		676,066	766,692
11,662	Power Financial Corp.		379,530	391,377
8,501	Royal Bank of Canada		766,572	772,486
7,770	Sun Life Financial Inc.		347,279	400,544
11,712	The Toronto-Dominion Bank		756,641	775,568
TOTAL CANADIAN EQUITIES			7,440,862	7,824,293
CALL OPTIONS (-0.08%)				
(50)	Bank of Montreal	1/20/2017 \$100.00	(1,250)	(575)
(50)	Bank of Nova Scotia	1/20/2017 \$77.00	(1,100)	(650)
(50)	Canadian Imperial Bank of Commerce	1/20/2017 \$114.00	(1,450)	(600)
(80)	Canadian Western Bank	1/20/2017 \$31.00	(4,800)	(4,200)
(40)	Sun Life Financial Inc.	1/20/2017 \$55.00	(560)	(300)
TOTAL CALL OPTIONS			(9,160)	(6,325)
Total cost and fair value of investments and option contracts (95.58%)			7,431,702	7,817,968
Transaction costs (note 6)			(1,522)	-
Total investments and option contracts			7,430,180	7,817,968
Other assets (net) (4.42%)			361,033	361,033
Net assets attributable to holders of redeemable units			\$ 7,791,213	\$ 8,179,001

*Average cost includes transaction costs.
See accompanying notes.

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Units	
	December 31, 2016	December 31, 2015
Financials	95.66%	96.78%
Call Options	-0.08%	-0.05%
Other Assets Less Liabilities	4.42%	3.27%
Total	100.00%	100.00%

See accompanying notes.

MARQUEST COVERED CALL CANADIAN BANKS PLUS FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at,

	December 31, 2016 (\$)	December 31, 2015 (\$)
Assets (Note 2)		
Current Assets		
Investments at fair value	13,663,817	11,582,662
Cash	577,511	575,134
Accrued dividend receivable	55,548	55,557
Receivable on sale of redeemable units	670,199	345,310
	14,967,075	12,558,663
Liabilities (Note 2)		
Current Liabilities		
Management fees payable	1,390	615
Other payables and accrued expenses	179	76
Payable on redemption of redeemable shares	2,900	-
Distribution payable	27,454	4,181
Written covered call options at fair value	10,310	6,408
	42,233	11,280
Net assets attributable to holders of redeemable shares (Note 3)	14,924,842	12,547,383
Net assets attributable to holders of redeemable shares (Note 3)		
Series A	13,403,480	11,947,348
Series F	1,521,362	600,035
Net assets attributable to holders of redeemable shares per share		
Series A	10.66	9.65
Series F	10.74	9.72

Approved on behalf of the Board of Directors of Marquest Corporate Class Funds Ltd.

"Gerry L. Brockelsby"
Gerry L. Brockelsby
Director
Marquest Asset Management Inc.

"Andrew A. McKay"
Andrew A. McKay
Director
Marquest Asset Management Inc.

The accompanying notes form an integral part of the financial statements

MARQUEST COVERED CALL CANADIAN BANKS PLUS FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Income		
Dividends	452,517	371,517
Interest for distribution purposes	9	197
Securities lending income	1,234	718
Other income	204	213
Net realized gain (loss) on sale of investments	171,968	156,089
Net realized gain (loss) on option contracts	370,670	254,861
Foreign exchange gain (loss)	(18)	(47)
Change in net unrealized appreciation (depreciation) on investments	1,529,340	(972,892)
Change in unrealized appreciation (depreciation) in option contracts	(8,402)	15,094
Total Income (loss)	2,517,522	(174,250)
Expenses (Note 4)		
Management fees	218,252	178,858
Transaction costs (Note 6)	15,340	6,318
Interest charges	178	30
Operating fees	135,012	149,245
Audit fees	16,655	13,185
Custodian fees	47,843	56,505
Legal fees	8,175	3,853
Independent review committee fees	1,914	1,945
Shareholder reporting costs	4,998	4,458
Total Expenses	448,367	414,397
Expenses waived (Note 4)	(187,097)	(206,905)
Net Expenses	261,270	207,492
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	2,256,252	(381,742)
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per class		
Series A	2,096,157	(365,192)
Series F	160,095	(16,550)
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per share		
Series A	1.75	(0.38)
Series F	2.04	(0.37)

The accompanying notes form an integral part of the financial statements

MARQUEST COVERED CALL CANADIAN BANKS PLUS FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (CDN \$)

For the years ended December 31,

	2016 (\$) Series A	2015 (\$)	2016 (\$) Series F	2015 (\$)
Net assets attributable to holders of redeemable shares, beginning of year	11,947,348	6,968,685	600,035	381,258
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	2,096,157	(365,192)	160,095	(16,550)
Distributions to holders of redeemable shares				
From net investment income	(414,760)	(377,059)	(37,757)	(22,941)
From net realized gain on sale of investments	(484,018)	(23,138)	(39,615)	(1,408)
Total distributions to holders of redeemable shares	(898,778)	(400,197)	(77,372)	(24,349)
Redeemable share transactions (Note 3)				
Proceeds from sale of redeemable shares	3,385,842	6,841,936	913,849	286,282
Reinvestment of distributions to holders of redeemable shares	833,089	370,410	53,559	15,237
Amounts paid on redemption of redeemable shares	(3,960,178)	(1,468,294)	(128,804)	(41,843)
Net redeemable share transactions	258,753	5,744,052	838,604	259,676
Net Increase (decrease) in net assets attributable to holders of redeemable shares	1,456,132	4,978,663	921,327	218,777
Net assets attributable to holders of redeemable shares, end of year	13,403,480	11,947,348	1,521,362	600,035
			2016 (\$) Total	2015 (\$)
Net assets attributable to holders of redeemable shares, beginning of year			12,547,383	7,349,943
Increase (decrease) in net assets attributable to holders of redeemable shares from operations			2,256,252	(381,742)
Distributions to holders of redeemable shares				
From net investment income			(452,517)	(400,000)
From net realized gain on sale of investments			(523,633)	(24,546)
Total distributions to holders of redeemable shares			(976,150)	(424,546)
Redeemable share transactions (Note 3)				
Proceeds from sale of redeemable shares			4,299,691	7,128,218
Reinvestment of distributions to holders of redeemable shares			886,648	385,647
Amounts paid on redemption of redeemable shares			(4,088,982)	(1,510,137)
Net redeemable unit transactions			1,097,357	6,003,728
Net Increase (decrease) in net assets attributable to holders of redeemable shares			2,377,459	5,197,440
Net assets attributable to holders of redeemable shares, end of year			14,924,842	12,547,383

The accompanying notes form an integral part of the financial statements

MARQUEST COVERED CALL CANADIAN BANKS PLUS FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the years ended December 31,

	2016 (\$)	2015 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	2,256,252	(381,742)
Adjustments for:		
Foreign exchange loss (gain)	18	47
Net realized loss (gain) on sale of investments	(171,968)	(156,089)
Change in net unrealized depreciation (appreciation) on investments	(1,529,340)	972,892
Change in fair value of option contracts	3,902	(13,554)
Purchases of investments	(30,144,175)	(15,306,451)
Proceeds from sale and maturity of investments	29,764,328	10,055,789
Accrued dividend receivable	9	(35,969)
Management fees payable	775	(1,932)
Other payables and accrued expenses	103	(243)
Net cash from (used in) operating activities	179,904	(4,867,252)
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(66,229)	(112,637)
Proceeds from sale of redeemable shares	3,974,802	6,782,908
Amounts paid on redemption of redeemable shares	(4,086,082)	(1,510,137)
Net cash from (used in) financing activities	(177,509)	5,160,134
Foreign exchange gain (loss)	(18)	(47)
Net decrease in cash	2,395	292,882
Cash (bank indebtedness) at beginning of year	575,134	282,299
Cash (bank indebtedness) at end of year	577,511	575,134
Supplementary disclosures on cash flow from operating activities:		
Dividends received	452,526	335,548
Interest received	9	197
Interest paid	(178)	(30)

The accompanying notes form an integral part of the financial statements

MARQUEST COVERED CALL CANADIAN BANKS PLUS FUND (CORPORATE CLASS)

ANNUAL AUDITED FINANCIAL STATEMENTS | December 31, 2016

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at December 31, 2016

Number of Shares	Expiry Date	Exercise Price	Average Cost* (Premiums)	Fair Value
CANADIAN EQUITIES (91.55%)				
Financials (91.55%)				
14,061			\$ 1,314,478	\$ 1,357,871
17,892			1,287,065	1,337,606
12,236			1,324,000	1,340,576
22,350			678,887	678,099
1,161			767,159	752,909
19,531			682,412	686,905
12,839			608,588	685,474
7,437			667,352	714,696
28,536			614,873	682,296
24,597			1,178,704	1,341,274
20,348			671,318	682,879
14,839			1,328,396	1,348,420
13,537			608,588	697,832
20,492			1,341,018	1,356,980
TOTAL CANADIAN EQUITIES			13,072,838	13,663,817
CALL OPTIONS (-0.07%)				
(100)	1/20/2017	\$100.00	(2,500)	(1,150)
(100)	1/20/2017	\$77.00	(2,200)	(1,300)
(80)	1/20/2017	\$114.00	(2,320)	(960)
(120)	1/20/2017	\$31.00	(7,200)	(6,300)
(80)	1/20/2017	\$55.00	(1,120)	(600)
TOTAL CALL OPTIONS			(15,340)	(10,310)
Total cost and fair value of investments and option contracts (91.48%)			13,057,498	13,653,507
Transaction costs (note 6)			(4,731)	-
Total investments and option contracts			13,052,767	13,653,507
Other assets (net) (8.52%)			1,271,335	1,271,335
Net assets attributable to holders of redeemable shares			\$ 14,324,102	\$ 14,924,842

*Average cost includes transaction costs.
See accompanying notes.

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Shares	
	December 31, 2016	December 31, 2015
Financials	91.55%	92.31%
Call Options	-0.07%	-0.05%
Other Assets Less Liabilities	8.52%	7.74%
Total	100.00%	100.00%

See accompanying notes.

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

1. THE FUNDS

The Funds are comprised of 9 mutual funds trusts ("Trust Funds") established under the laws of Ontario by declarations of trusts as amended and restated from time to time. Marquest Corporate Class Funds Ltd. (the "Corporation"), was incorporated by articles of incorporation, under the laws of Ontario on March 11, 2004 as amended on May 26, 2004, and amended again on July 14, 2010. The Corporation has 5 classes of mutual fund shares. The Funds are referred to individually as a "Fund" and collectively as the "Funds". The Funds' registered office is 161 Bay Street, Suite 4420, P.O. Box 204, Toronto, Ontario M5J 2S1. The Funds invest in Canadian, U.S. and International equities, fixed income securities, Canadian short-term debt securities and derivatives. Most of the Funds' investments are listed and traded on stock exchange markets in Canada and the U.S. although the Funds may also invest in private equity securities. The Fund manager ("Fund Manager") is Marquest Asset Management Inc. The Funds' investment activities and administration is managed by the Fund Manager. The Funds' custodian is RBC Investor Trust Services.

The Funds' active classes launch dates were as follows:

Name of Fund	Class A	Class F	Classes AA and F-AA
Marquest Money Market Fund	10-Aug-87	17-Jul-14	-
Marquest Canadian Bond Fund	4-Jun-98	7-Feb-06	-
Marquest Canadian Fixed Income Fund	1-Dec-14	1-Dec-14	-
Marquest Monthly Pay Fund	24-Jun-03	7-Feb-06	28-May-13
Marquest Small Companies Fund	27-Sep-04	7-Feb-06	-
Marquest Canadian Resource Fund	24-Jun-02	7-Feb-06	-
Marquest Global Balanced Fund	31-Oct-06	7-Sep-06	-
Marquest American Dividend Growth Fund	17-Jul-14	17-Jul-14	-
Marquest Covered Call Banks Plus Fund	17-Jul-14	17-Jul-14	-

The Corporation's class active series launch dates were as follows:

Name of Class	Series A	Series F
Marquest Short Term Income Fund (Corporate Class)	25-Jun-04	-
Marquest Canadian Resource Fund (Corporate Class)	25-Jun-04	22-Jul-10
Marquest American Dividend Growth Fund (Corporate Class)	22-Jul-10	22-Jul-11
Marquest Monthly Pay Fund (Corporate Class)	30-Jun-11	30-Jun-11
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)	10-Nov-11	10-Nov-11

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of annual financial statements as published by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee and as required by Canadian securities legislation.

These financial statements were authorized for issue by the Fund Manager on March 31, 2017.

(b) Significant accounting judgments, estimates and assumptions

The preparation of these financial statements requires the Fund Manager to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. Significant estimates include the valuation of investments and derivatives and significant judgments include the determination of functional currency, classification of redeemable units, designation of investments as FVTPL and classification of the Fund as an investment entity. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

The Funds holds financial instruments that are not quoted in active markets, including derivatives. Fair values may be determined using reputable pricing vendors or indicate prices from market makers/brokers. Broker quotes as obtained from pricing sources may be indicative and not executable or binding. Securities not listed upon a recognized public stock exchange, or securities for which a last sale or closing price are unavailable or securities for which market quotations are, in the Fund Manager's opinion, inaccurate, unreliable or not reflective of all available material information, are valued at their estimated fair value, determined by using appropriate and accepted industry valuation techniques including valuation models. The estimated fair value of a security determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's) and volatility. Changes in assumption about these factors could affect the reported fair value of financial instruments and the level where the instruments are disclosed in the fair value hierarchy. To assess the significance, the Funds performs sensitivity analysis of these estimates to the fair value of the fund holdings (see note 12(a)).

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars (CAD). The Funds' subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency.

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. The effects of exchange rate fluctuations on investments and foreign currency transactions are included in the "Foreign exchange gain (loss)" in the Statements of Comprehensive Income.

(d) Basis of measurement

These financial statements have been prepared on a historical cost basis except for investments, forwards and options which are measured at fair value in the Statements of Financial Position.

(e) Financial instruments

The Fund recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

The Fund classifies its financial assets and financial liabilities at initial recognition into the following categories, in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Financial assets and liabilities at fair value through profit or loss ("FVTPL")

The category of financial assets and liabilities at fair value through the profit or loss is sub-divided into:

Financial assets and liabilities held for trading: financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price. All derivatives are classified as held for trading. The Fund's policy is not to apply hedge accounting.

Financial instruments designated as at fair value through profit or loss upon initial recognition: these include the portfolio's investments. Financial assets and liabilities are designated upon initial recognition on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Fund, as set out in the Fund's simplified prospectus.

Financial assets and financial liabilities at fair value through profit or loss are recorded in the Statement of Financial Position at fair value. 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 fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. In circumstances where the close price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value. All transaction costs for such instruments are recognized directly in profit or loss.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include discounted cash flow analysis and option pricing models, which considers factors such as the market value of the underlying security, strike price, volatility and terms of the warrants or options.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets or financial liabilities at fair value through profit or loss" category are presented in the Statements of Comprehensive Income within change in unrealized appreciation (depreciation) on investments in the period in which they arise. Interest and dividend earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets classified as loans and receivables are measured at amortized cost. Transaction costs are included in the initial carrying amount of the asset.

Other financial liabilities

This category includes all financial liabilities, other than those classified at fair value through profit or loss. Financial liabilities classified as other financial liabilities are subsequently measured at amortized cost. Transaction costs are included in the initial carrying amount of the liability.

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial instruments (continued)

Classification of its financial instruments is as follows:

Investments at fair value	FVTPL
Futures contract	FVTPL
Written covered call options at fair value	FVTPL
Cash	FVTPL
Accrued interest receivable	Loans and receivables
Accrued dividends receivable	Loans and receivables
Receivable for investments sold	Loans and receivables
Receivable on sale of redeemable shares/units	Loans and receivables
Receivable from other corporate classes	Loans and receivables
Other payables and accrued expenses	Other financial liabilities
Payable on redemption of redeemable shares/units	Other financial liabilities
Payable for investments purchased	Other financial liabilities
Distribution payable	Other financial liabilities
Payable to other corporate classes	Other financial liabilities

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The breakdown of the Fund into the three-level hierarchy is provided in note 12 (a).

Financial assets are de-recognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. The Fund derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. On de-recognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in Statement of Comprehensive Income.

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is 'impaired' if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s) and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of the amount due on terms that the Fund would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or adverse changes in the payment status of the borrowers.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. If an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date of impairment reversed does not exceed the carrying amount that would have been determined if no impairment had been recognized.

(f) Cash

Cash in the Statements of Financial Position comprises cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less. Cash held as collateral comprises cash held at brokers transferred as collateral against open futures.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as 'cash'.

For the purpose of the Statements of Cash Flows, cash consist of cash as defined above, net of outstanding bank overdrafts when applicable.

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Redeemable participating shares/units

Redeemable shares/units are redeemable at the share/unitholder's option and are classified as other financial liabilities. They are measured at the redeemable amount.

Net asset value per unit of each series/class is calculated daily (unless such day is not a business day, in which case the last business day prior to such day is used) (each a "valuation day") by dividing the net asset value of each series/class by the outstanding units of that series/class. The net asset value of each series/class is computed by calculating the fair value of the assets less liabilities of the series/class.

(h) Valuation of Fund units/shares

The value at which units/shares are issued or redeemed is the Net Asset Value per unit. Net asset value per unit/share for each class/series is calculated at the end of each day on which the Funds' Manager is open for business ("valuation day") by dividing the net asset value ("Transactional NAV") of each class/series by its outstanding units/shares. The net asset value of each class/series is computed by calculating the value of the class/series' proportionate share of a fund's assets less the class/series' proportionate share of the fund's common liabilities and less class-specific liabilities. Expenses directly attributable to a class/series are charged to that class while common fund expenses are allocated to each class/series in a reasonable manner as determined by the Manager. Other income and realized and unrealized gains and losses are allocated to each class/series of a fund based on that class/series' prorata share of total net asset value of that fund. Amounts received on the issuance of units/shares and amounts paid on the redemption of units/shares are included on the Statements of Changes in Financial Position.

(i) Increase (decrease) in net assets attributable to holders of redeemable units/shares per unit

Increase (decrease) in net assets attributable to holders of redeemable units/shares per unit is based on the increase (decrease) in net assets attributable to each series of the Fund divided by the weighted average number of units of that series outstanding during the year.

(j) Provisions

A provision is recognized if, as a result of a past event, the Funds have a present legal or constructive obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation.

(k) Investment income recognition

Dividend

Dividend income is recognized in profit or loss on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date on which the shareholders approve the payment of a dividend.

Interest for distribution purposes

Interest for distribution purposes as disclosed in the Statements of Comprehensive Income on debt securities at fair value through profit or loss is recognized on accrual basis and represents the coupon interest received accounted for on an accrual basis. The Funds does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis.

Distributions from investment trust

Distributions from income trusts, mutual funds and REIT's are recognized on the ex-distribution date and are recorded as income, capital gains or a return of capital, based on best information available to the Fund Manager. Distributions from investment trusts that are treated as a return of capital for income tax purposes reduce the average cost of the underlying investment.

Realized and unrealized gains and losses

Realized gains and losses on investments, and unrealized appreciation and depreciation on investments, are calculated on an average cost basis.

(l) Valuation of investments

- I. Securities listed upon a recognized public stock exchange are valued at their close prices on the valuation date. In circumstances where the close price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.
- II. Securities not listed upon a recognized public stock exchange, or securities for which a close price, last sale or closing price are unavailable or securities for which market quotations are, in the Fund Manager's opinion, inaccurate, unreliable or not reflective of all available material information, are valued at their estimated fair value, determined by using appropriate and accepted industry valuation techniques including valuation models. The estimated fair value of a security determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the estimated fair value of a security may be determined using valuation techniques that are not supported by observable market data.
- III. Short-term notes, treasury bills and bonds are valued at the average close quotations from recognized investment dealers.
- IV. Warrants which do not have a quoted close price are carried at the difference between the exercise price and the quoted close price of the underlying security if the exercise price is lower than the quoted close price.

(m) Investment transactions

Investment transactions are accounted for on the date the order to buy or sell is executed. Realized gains or losses from investment transactions and unrealized appreciation or depreciation are calculated on an average cost basis.

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Derivative contracts

The fair value of futures contracts fluctuates daily, and cash settlements made daily by the Funds are equal to the unrealized gains or losses on a "mark to market" basis. The unrealized gains or losses are recorded and reported as such until the Funds close out the contract or the contract expires. Margin paid or deposited in respect of futures contracts is reflected in the line "Future Contract" in the Statements of Financial Position. The value of the futures contracts represents the unrealized gain/loss on the futures contracts plus any margin paid.. See note 5 for further information. Any change in the variation margin requirement is settled daily.

Realized gains and losses on the settlement of derivative contracts, (i.e. used to gain exposure to a particular market, security or currency) are included in income under "Net realized gain (loss) on future contracts", in the Statements of Comprehensive Income. Unrealized gains and losses are included in "Change in unrealized appreciation (depreciation) on future contracts", in the Statements of Comprehensive Income.

(o) Options

Certain Funds may write or purchase call and put options and futures and swaps. The premium received from writing a call or put option is recorded as a liability in the Statements of Financial Position. The premium paid from purchasing a call or put option is recorded as an asset in the Statements of Financial Position. The premium is valued at an amount equal to the fair value of the option that would have the effect of closing the position. The difference between the premium and the fair value is shown as "Change in unrealized appreciation (depreciation) on option contracts", in the Statements of Comprehensive Income.

When a written option expires, the Fund will realize a gain equal to the premium received. When a written option is closed, the Fund will realize a gain or loss equal to the difference between the proceeds and the premium received. When a written call option is exercised, the premium received is added to the proceeds from the sale of the underlying investment to determine the realized gain or loss.

When a written put option is exercised, the premium received will reduce the cost of the investment the Fund purchased upon exercise of the option. When a purchased option expires, the Fund will realize a loss equal to the premium paid. When a purchased option is closed, the gain or loss the Fund will realize will be the difference between the proceeds and the premium paid.

When a purchased put option is exercised, the premium paid is deducted from the proceeds from the sale of the underlying investments to determine the realized gain or loss. When a purchased call option is exercised, the premium received will increase the cost of the investment the Fund purchased upon exercise of the option. Payments received or paid upon early termination are recorded as "Net realized gain (loss) on option contracts" in the Statements of Comprehensive Income.

The gain or loss that the Fund realizes when a written or purchased option is expired, closed or exercised is recorded as "Net realized gain (loss) on option contracts" in the Statements of Comprehensive Income.

(p) Distributions to unitholders/shareholders

Distributions are made/calculated by the Funds on the business day immediately following record date.

(q) Transaction costs

Transaction costs are expensed and are included in "transaction costs" in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers, and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

3. REDEEMABLE PARTICIPATING UNITS / SHARES

The Funds are authorized to issue an unlimited number of units/shares as follows:

Name of Fund	Unit Types Available
Marquest Money Market Fund	A, F
Marquest Canadian Bond Fund	A, F
Marquest Canadian Fixed Income Fund	A, F
Marquest Monthly Pay Fund	A, F, AA, F-AA
Marquest Small Companies Fund	A, F
Marquest Canadian Resource Fund	A, F
Marquest Global Balanced Fund	A, F
Marquest American Dividend Growth Fund	A, F
Marquest Covered Call Canadian Banks Plus Fund	A, F

Name of Series	Series Available
Marquest Short Term Income Fund (Corporate Class)	A, F
Marquest Canadian Resource Fund (Corporate Class)	A, F
Marquest American Dividend Growth Fund (Corporate Class)	A, F
Marquest Monthly Pay Fund (Corporate Class)	A, F
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)	A, F

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

3. REDEEMABLE PARTICIPATING UNITS / SHARES (continued)

During the years ended, December 31, 2016 and 2015 the following units/shares were issued (including shares issued on fund mergers and transfers from other classes) and redeemed (including transfers to other classes):

December 31, 2016	Outstanding, Beginning of Year	Units/Shares Issued	Units/Shares Reinvested	Units/Shares Redeemed	Outstanding, End of Year
Marquest Money Market Fund					
Class A	234,598	134,139	671	(121,618)	247,790
Class F	510	1,386	3	-	1,899
Marquest Short Term Income Fund (Corporate Class)					
Series A	111,726	3,853	-	(80,753)	34,826
Series F	-	5,956	-	-	5,956
Marquest Canadian Bond Fund					
Class A	495,982	116,577	20,322	(214,255)	418,626
Class F	9,691	4,099	349	-	14,139
Marquest Canadian Fixed Income Fund					
Class A	13,372	24,681	292	(7,516)	30,829
Class F	416,756	201,384	5,225	(152,915)	470,450
Marquest Monthly Pay Fund					
Class A	37,311,038	2,058,976	4,046,214	(24,761,699)	18,654,529
Class AA	286,922	84,548	10,211	(158,644)	223,037
Class F	397,829	38,126	57,032	(202,603)	290,384
Class F-AA	9,011	789	659	(5,931)	4,528
Marquest Monthly Pay Fund (Corporate Class)					
Series A	77,819	10,243	9,874	(26,286)	71,650
Series F	3,456	1,960	702	(5,381)	737
Marquest Global Balanced Fund					
Class A	1,111,480	216,494	33,473	(426,781)	934,666
Class F	109,886	54,099	3,564	(17,124)	150,425
Marquest American Dividend Growth Fund					
Series A	395,139	2,572,204	30,274	(255,458)	2,742,159
Series F	32,514	24,220	4,039	(5,097)	55,676
Marquest American Dividend Growth Fund (Corporate Class)					
Series A	210,656	49,930	254	(45,695)	215,145
Series F	54,965	47,546	180	(19,873)	82,818
Marquest Covered Call Canadian Banks Plus Fund					
Class A	225,597	619,253	60,507	(89,286)	816,071
Class F	27,362	24,510	4,299	(4,866)	51,305
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)					
Series A	1,238,231	341,028	83,503	(405,397)	1,257,365
Series F	61,719	87,875	5,252	(13,160)	141,686
Marquest Small Companies Fund					
Class A	203,636	13,033	-	(49,852)	166,817
Class F	2,044	606	-	(319)	2,331
Marquest Canadian Resource Fund					
Class A	86,472	45,643	-	(42,864)	89,251
Class F	623,554	100,647	-	(255,686)	468,515
Matrix Canadian Resource Fund (Corporate Class)					
Series A	1,224,638	19,400	-	(309,872)	934,166
Series F	7,705	15,264	-	(3,989)	18,980

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

3. REDEEMABLE PARTICIPATING UNITS / SHARES (continued)

December 31, 2015	Outstanding, Beginning of Year	Units/Shares Issued	Units/Shares Reinvested	Units/Shares Redeemed	Outstanding, End of Year
Marquest Money Market Fund					
Class A	312,482	67,597	1,032	(146,513)	234,598
Class F	-	4,121	10	(3,621)	510
Marquest Short Term Income Fund (Corporate Class)					
Series A	128,338	67,949	-	(84,561)	111,726
Marquest Canadian Bond Fund					
Class A	717,139	53,972	20,820	(295,949)	495,982
Class F	146,965	9,460	5,344	(152,078)	9,691
Marquest Canadian Fixed Income Fund					
Class A	1	14,428	22	(1,079)	13,372
Class F	53,595	405,669	2,944	(45,452)	416,756
Marquest Monthly Pay Fund					
Class A	41,087,920	8,324,775	3,417,011	(15,518,668)	37,311,038
Class AA	457,769	142,938	9,247	(323,032)	286,922
Class F	853,220	61,169	71,054	(587,614)	397,829
Class F-AA	11,538	2,314	876	(5,717)	9,011
Marquest Monthly Pay Fund (Corporate Class)					
Series A	158,699	3,798	10,166	(94,844)	77,819
Series F	2,503	3,727	159	(2,933)	3,456
Marquest Global Balanced Fund					
Class A	797,341	492,434	29,030	(207,325)	1,111,480
Class F	92,436	20,053	2,605	(5,208)	109,886
Marquest American Dividend Growth Fund					
Series A	71,592	377,413	11,315	(65,181)	395,139
Series F	1,264	30,394	919	(63)	32,514
Marquest American Dividend Growth Fund (Corporate Class)					
Series A	191,044	76,374	59	(56,821)	210,656
Series F	34,035	26,570	117	(5,757)	54,965
Marquest Covered Call Canadian Banks Plus Fund					
Series A	28,634	200,281	7,619	(10,937)	225,597
Series F	14,744	19,592	1,345	(8,319)	27,362
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)					
Series A	665,223	682,067	37,350	(146,409)	1,238,231
Series F	36,140	28,136	1,524	(4,081)	61,719
Marquest Small Companies Fund					
Class A	265,894	10,721	-	(72,979)	203,636
Class F	1,125	951	-	(32)	2,044
Matrix Canadian Resource Fund					
Class A	82,663	21,352	-	(17,543)	86,472
Class F	600,598	423,066	-	(400,110)	623,554
Matrix Canadian Resource Fund (Corporate Class)					
Series A	1,667,680	17,284	-	(460,326)	1,224,638
Series F	9,175	1,796	-	(3,266)	7,705

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

4. EXPENSES AND RELATED PARTY TRANSACTIONS

The following summarizes the annual management fee for the Funds:

Marquest Money Market Fund	Class A	0.50%	per annum on average net asset value
	Class F	0.20%	per annum on average net asset value
Marquest Short Term Income Fund (Corporate Class)	Series A	0.60%	per annum on average net asset value
	Series F	0.30%	per annum on average net asset value
Marquest Canadian Bond Fund	Class A	1.00%	per annum on average net asset value
	Class F	0.40%	per annum on average net asset value
Marquest Canadian Fixed Income Fund	Class A	1.40%	per annum on average net asset value
	Class F	0.65%	per annum on average net asset value
Marquest Monthly Pay Fund	Class A	2.00%	per annum on average net asset value
	Class AA	2.00%	per annum on average net asset value
	Class F	0.75%	per annum on average net asset value
	Class F-AA	0.75%	per annum on average net asset value
Marquest Monthly Pay Fund (Corporate Class)	Series A	2.00%	per annum on average net asset value
	Series F	0.75%	per annum on average net asset value
Marquest Global Balanced Fund	Class A	2.10%	per annum on average net asset value
	Class F	1.10%	per annum on average net asset value
Marquest American Dividend Growth Fund	Class A	2.00%	per annum on average net asset value
	Class F	1.00%	per annum on average net asset value
Marquest American Dividend Growth Fund (Corporate Class)	Series A	2.00%	per annum on average net asset value
	Series F	1.00%	per annum on average net asset value
Marquest Covered Call Canadian Banks Plus Fund	Class A	1.65%	per annum on average net asset value
	Class F	0.65%	per annum on average net asset value
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)	Series A	1.65%	per annum on average net asset value
	Series F	0.65%	per annum on average net asset value
Marquest Small Companies Fund	Class A	2.50%	per annum on average net asset value
	Class F	1.25%	per annum on average net asset value
Marquest Canadian Resource Fund	Class A	2.00%	per annum on average net asset value
	Class F	1.00%	per annum on average net asset value
Marquest Canadian Resource Fund (Corporate Class)	Series A	2.00%	per annum on average net asset value
	Series F	1.00%	per annum on average net asset value

As the Fund Manager of the Funds and Trustee of the Trust Funds, the Funds are dependent on Marquest Asset Management Inc. for administration and management of all matters relating to their operations.

Marquest Canadian Resource Fund (Corporate Class) and Marquest Monthly Pay Fund (Corporate Class) invest solely in securities of their respective Marquest Mutual Funds and do not pay duplicate management fees. The rates listed above indicate the management fees directly borne by the Corporation. During the year ended December 31, 2016, the Fund Manager chose to charge Marquest Money Market Fund and Marquest Short Term Income Fund (Corporate Class) a 0.30% management fee (2015 – 0.30%).

The Fund Manager has, at its discretion, agreed to waive certain expenses associated with some of the Funds. The waived amounts are shown in the Statements of Comprehensive Income as expenses waived.

The Fund Manager, its officers and directors and other Funds invest in units/shares of the Funds from time to time in the normal course of business. All transactions with the Manager are measured at the exchange amounts, and occur within the normal course of business.

Amounts payable to and receivable from other corporate classes, are non-interest bearing and due on demand. These balances arose as a result of the Marquest Canadian Resource Fund (Corporate Class), remitting the corporation's aggregate taxes owing on behalf of the other corporate classes and itself. These transactions are measured at the exchange amounts, and occur within the normal course of business.

Included in the each of the Funds' expenses in the Statements of Comprehensive Income, is the corresponding component of sales tax. The Harmonized Sales Tax (HST) combines the GST rate of 5% with the provincial sales tax of certain provinces. Each Fund's HST rate is calculated using the proportionate investment holding by unitholder's provincial residency as at September 30 of the prior year. HST rate are determined for expenses attributable to a Fund's individual class/series, were applicable.

From time to time, the Manager may earn fees and commissions on securities transactions in which the Fund participates. The fees and commissions are based on standard agreements at market prices. For the year ended December 31, 2016, approximately \$16,989 (2015 - \$83,500) was received by the Manager in related fees and commissions under the standing instructions given by the Independent Review Committee (IRC).

In accordance with National Instrument 81-107, Independent Review Committee for Investment Funds, the Fund Manager has established an IRC for all of the Funds. The mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Funds. The IRC reports annually to unitholders of the Funds on its activities, and the annual report is available on or after December 31 in each year. The Manager charges compensation paid to the IRC members and the costs of the ongoing administration of the IRC to the Funds. These amounts are recorded in the Statements of Comprehensive Income.

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

5. DERIVATIVE TRANSACTIONS

The Manager may choose to use options, forward contracts, forward currency contracts and swaps to hedge against losses from changes in prices of the Funds' investments and from exposure to foreign currencies or gain exposure to individual securities and markets instead of buying and selling securities directly. There can be no assurance that the hedging strategies will be effective. Losses may also arise if the counter party does not perform under the contract.

The Funds will only use derivatives as permitted by securities regulations.

The chart below outlines the futures contracts as at December 31, 2016 and 2015, held by the Funds:

As of December 31, 2016										
Future Security	Local Currency	Number of Contracts Bought (Sold)	Delivery Price	Maturity Date	Notional Cost	Current Value	Unrealized loss	Unrealized loss	Margin Balance	Future contracts value
IMM Canadian Dollar Future			\$		U \$	U \$	U \$	C \$	C \$	C \$
Marquest Global Balanced Fund	USD	45	0.76410	17-Mar	3,438,450	3,348,675	(89,775)	(120,393)	288,955	168,562
Marquest American Dividend Growth Fund	USD	126	0.74365	17-Mar	9,370,042	9,376,290	6,248	8,381	680,095	688,476
Marquest American Dividend Growth Fund (Corporate Class)	USD	29	0.74362	17-Mar	2,156,487	2,158,035	1,548	2,077	187,340	189,417

As of December 31, 2015										
Future Security	Local Currency	Number of Contracts Bought (Sold)	Delivery Price	Maturity Date	Notional Cost	Current Value	Unrealized loss	Unrealized loss	Margin Balance	Future contracts value
IMM Canadian Dollar Future			\$		U \$	U \$	U \$	C \$	C \$	C \$
Marquest Global Balanced Fund	USD	65	0.72795	16-Mar	4,731,675	4,701,450	30,225	41,986	179,645	221,631

6. BROKERAGE COMMISSIONS ON SECURITIES TRANSACTIONS AND SOFT DOLLARS

Certain Funds have incurred brokerage commissions, a portion of which may have been received by the Funds' investment advisers in the form of investment or research services. For the year ended December 31, 2016 the total soft dollars benefits received for the Funds was \$26,479 (2015 - \$29,362).

No soft dollar services were included in the Transaction costs on the Statements of Comprehensive Income.

7. SECURITIES LENDING TRANSACTIONS

The Funds have entered into a securities lending program with its custodian, RBC Investor and Treasury Services. The aggregate fair value of all securities loaned by a Fund cannot exceed 50% of the assets of the Fund. The Funds receive collateral of at least 105% of the value of the securities on loan. Collateral held is generally comprised of cash and securities of, or guaranteed by, the Government of Canada or a province thereof.

The aggregate fair value of securities loaned and collateral held under securities lending transactions at December 31, 2016 and 2015 are as follows:

December 31, 2016	Outstanding loans	Collateral amount	Collateral as percentage of securities loaned
	\$	\$	%
Marquest Money Market Fund	529,787	556,277	105
Marquest Short Term Income Fund (Corporate Class)	104,943	110,191	105
Marquest Canadian Bond Fund	383,201	402,364	105
Marquest Canadian Fixed Income Fund	590,704	620,242	105
Marquest Monthly Pay Fund	9,437,162	9,909,031	105
Marquest Global Balanced Fund	1,287,766	1,352,158	105
Marquest American Dividend Growth Fund (Corporate Class)	167,529	175,907	105
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)	1,380,582	1,449,614	105
Marquest Canadian Resource Fund	226,649	237,984	105

December 31, 2015	Outstanding loans	Collateral amount	Collateral as percentage of securities loaned
	\$	\$	%
Marquest Money Market Fund	99,984	104,983	105
Marquest Short Term Income Fund (Corporate Class)	164,973	173,222	105
Marquest Canadian Bond Fund	371,445	390,019	105
Marquest Canadian Fixed Income Fund	161,561	169,641	105
Marquest Monthly Pay Fund	4,815,325	5,056,101	105
Marquest Global Balanced Fund	2,301,703	2,416,792	105
Marquest American Dividend Growth Fund (Corporate Class)	204,121	214,333	105
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)	599,729	629,716	105
Marquest Small Companies Fund	258,380	271,302	105
Marquest Canadian Resource Fund	76,490	80,316	105

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

7. SECURITIES LENDING TRANSACTIONS (continued)

Securities lending income reported in the Statements of Comprehensive Income is net of a securities lending charge which the Fund's custodian, RBC Investor Services Trust, is entitled to receive.

December 31, 2016	Gross securities lending income	Securities lending charge		Net securities lending income	Withholding taxes	Net income received
	\$	\$	%	\$	\$	\$
Marquest Money Market Fund	193	96	50	97	-	97
Marquest Short Term Income Fund (Corporate Class)	98	34	35	64	-	64
Marquest Canadian Bond Fund	288	144	50	144	-	144
Marquest Canadian Fixed Income Fund	312	109	35	203	-	203
Marquest Monthly Pay Fund	29,724	14,862	50	14,862	936	13,926
Marquest Global Balanced Fund	2,307	1,097	48	1,210	119	1,091
Marquest American Dividend Growth Fund (Corporate Class)	190	65	34	125	19	106
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)	2,615	915	35	1,700	466	1,234
Marquest Small Companies Fund	4,181	2,090	50	2,091	718	1,373
Marquest Canadian Resource Fund	2,866	1,433	50	1,433	102	1,331

December 31, 2015	Gross securities lending income	Securities lending charge		Net securities lending income	Withholding taxes	Net income received
	\$	\$	%	\$	\$	\$
Marquest Money Market Fund	530	265	50	265	-	265
Marquest Short Term Income Fund (Corporate Class)	295	103	35	192	-	192
Marquest Canadian Bond Fund	452	226	50	226	-	226
Marquest Canadian Fixed Income Fund	259	85	33	174	-	174
Marquest Monthly Pay Fund	37,980	18,990	50	18,990	694	18,296
Marquest Global Balanced Fund	1,445	675	47	770	34	736
Marquest American Dividend Growth Fund (Corporate Class)	247	87	35	160	-	160
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)	1,371	480	35	891	173	718
Marquest Small Companies Fund	1,214	607	50	607	37	570
Marquest Canadian Resource Fund	544	272	50	272	12	260

8. TAXATION AND DISTRIBUTION

Taxation of Open - End Mutual Fund Trusts

Each of the Funds, other than the Corporation, Canadian Fixed Income Fund, Canadian Covered Call Fund and American Dividend Growth Fund, qualify as mutual fund trusts under the provisions of the Income Tax Act (Canada) and, accordingly, are not subject to tax on that portion of their income, including net realized capital gains for their taxation year, that is paid or payable to their unitholders. However, such part of each of the Fund's taxable income and net realized capital gains that is not so paid or payable will be taxable in the Fund. Income tax on their net realized capital gains not paid or payable will be generally recoverable by virtue of refunding provisions contained in the Income Tax Act (Canada) and provincial income tax legislation, as redemptions occur. It is the intention of each of the Funds to pay all net taxable income and sufficient net taxable gains so that each of the Funds will not be subject to income taxes. Occasionally, the Funds may distribute more than it earns. This excess distribution is a return of capital and is not taxable to unit holders.

Taxation of Unit Trusts

The Canadian Fixed Income Fund and Canadian Covered Call Fund did not qualify as mutual fund trusts as at their taxation year end of December 31, 2016. A unit trust is not subject to tax on that portion of their income, including net realized capital gains for their taxation year, that is paid or payable to their unitholders. However, such part of each of the unit trusts' taxable income and net realized capital gains that is not so paid or payable will be taxable in the Fund. It is the intention of each of the Funds to pay all net taxable income and sufficient net taxable gains so that each of the unit trusts will not be subject to income taxes. The unit trust may be subject to alternative minimum tax.

Taxation of Open - End Mutual Fund Corporations

Under the Income Tax Act (Canada), the Corporation qualifies as a mutual fund corporation and computes its net income (loss) and net capital gains (losses) for income tax purposes as a single entity. A mutual fund corporation is subject to a special 33 1/3% tax on taxable dividends received from corporations resident in Canada and to tax at normal corporate rates on other income and net taxable realized capital gains for the year. The special 33 1/3% tax is refundable on payments of taxable dividends to shareholders at the rate of \$1 for each \$3 of such dividend paid. All the tax on net taxable realized capital gains is refundable when the gains are distributed to shareholders as capital gains dividends or through redemption of shares at the request of shareholders.

While the Corporation is taxed as a single legal entity, the individual mutual fund share series recognize, for accounting purposes, the impact of current and future taxes based on the net income (loss) and increase (decrease) in net assets from realized and unrealized gains (losses), respectively, of each series. The mutual fund share series offsets the future tax liability for refundable taxes payable with the refund expected upon payment of capital gains or ordinary dividends or upon redemption of shares. As a result, the future tax liability for refundable taxes payable is eliminated. The mutual fund share series with negative taxable income does not recognize a tax asset for unused tax losses as future utilization is not probable and a full valuation allowance has been recorded. Further, unused tax losses of one mutual fund share series may be used to offset taxable income of another series. Therefore, where a mutual fund share series has positive net taxable income, the current tax liability has been offset with the utilization of unused tax losses from other series to the extent possible. Any residual taxable income would be refundable upon payment of capital gains or ordinary dividends by the Corporation.

Certain Funds have accumulated net realized capital and non-capital losses. Non-capital losses may be carried forward to reduce future taxable income for up to twenty years.

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

8. TAXATION AND DISTRIBUTION (continued)

The non-capital losses for carry forward are as follows:

Year Incurred	Year Expires	Marquest Small Companies Fund	Marquest Canadian Resource Fund	Marquest Global Balanced Fund
2006	2026	\$ -	\$ -	\$ -
2007	2027	-	-	408,868
2008	2028	-	-	238,976
2009	2029	505,842	-	196,659
2010	2030	221,620	-	-
2011	2031	-	3,078	83,192
2012	2032	388,192	261,646	-
2013	2033	185,120	204,708	-
2014	2034	110,710	81,004	-
2015	2035	16,964	42,706	-
2016	2036	54,258	41,369	-
		\$ 1,482,706	\$ 634,511	\$ 927,695

In addition, certain Funds have net capital losses as follows:

Marquest Global Balanced Fund	\$ 1,582,656
Marquest Small Companies Fund	10,680,281
Marquest Canadian Resource Fund	10,055,120
Marquest Monthly Pay Fund	9,440

Withholding Taxes

Certain Funds holding foreign securities may be subject to withholding tax, which are the taxes imposed by certain foreign countries for the investment income received from these securities. Withholding taxes are accrued based on the accrual of the related foreign investment income and are included in "Withholding taxes" on the Statements of Comprehensive Income and "Accrued liabilities" on the Statements of Financial Position.

9. FUND/SERIES MERGERS

The acquisition method of accounting was adopted for the merger of mutual funds whereby the continuing fund is the acquiring fund and the terminated fund is the acquired fund. This identification was based on aspects of the continuing fund such as investment objectives and portfolio composition.

Effective as of the close of business, as set out below, the continuing funds acquired the portfolio assets of the corresponding terminated funds in exchange for shares in the continuing fund. The value of the shares of the continuing fund issued in connection with these mergers was equal to the fair value of the investments transferred from the respective terminated funds:

Terminating Fund	Class	Merger Date	Continuing Fund	Class
Marquest Donation Mining 2015 LP		04/12/2015	Marquest Short Term Income Fund (Corporate Class)	A

Continuing Fund	Class	Net Assets Acquired	Shares Issued	Exchange Ratio
Marquest Short Term Income Fund (Corporate Class)	A	567,156	48,977	3.666000

As a result of the mergers, in accordance with the Income Tax Act (Canada), all unrealized losses and certain elected unrealized gains of the terminating funds' portfolios were realized on the merger date. The financial statements of the continuing funds do not include the operating results of the terminated funds prior to the merger date.

10. RECONCILIATION OF NET ASSET VALUE

In accordance with Canadian securities regulations, a reconciliation between the net asset value and the net assets of an investment fund is required for financial reporting periods.

For investments that are traded in an active market where quoted prices are readily and regularly available, IFRS 13, Fair Value Measurements requires that for an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value regardless of where the input is categorized within the fair value hierarchy, rather than the use of closing sale prices currently used for the purpose of determining net asset value. The Fund uses last traded close price unless the close price falls outside the bid-ask spread. As at December 31, 2016 and 2015 there were no differences between the net asset value per unit/share and the net asset per unit/share of the funds.

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

11. CAPITAL MANAGEMENT DISCLOSURES

Units/Shares issued and outstanding represent the capital of the Funds. The Funds have no restrictions or specific capital requirements and are authorized to issue an unlimited number of redeemable, transferable units/shares of each class/series available, as specified in the Funds' Simplified Prospectus. Restrictions and specific requirements on capital for each fund class are only applicable for minimum subscriptions as outlined in the Simplified Prospectus. The Statements of Changes in Financial Position and note 3 outline the relevant changes in each of the Fund's units/shares for the period. In accordance with the Funds' investment objectives, portfolio management of the Funds' capital will encompass appropriate investing of subscriptions and the maintenance of sufficient liquidity levels for capital redemptions

12. FINANCIAL INSTRUMENTS

(a) Fair Value

Financial instruments of the Funds include cash, income receivable, accrued dividends receivable, accrued interest receivable, miscellaneous receivable, margin deposits on futures contracts, receivable for redeemable units/shares issued, receivable for investment securities sold, receivable from other corporate classes, accrued liabilities, management fees payable, payable for redeemable units/shares redeemed, payable for investment securities purchased, distributions payable, and payable to other corporate classes. There are no significant differences between the carrying values of these financial instruments and their fair values due to their short term nature. Investments and futures contract are carried at their fair values as described in note 2.

The following tables present the Funds' financial instruments (except cash) measured at fair value classified by the fair value hierarchy set out in IFRS 13 Fair Value Measurement as of December 31, 2016 and 2015:

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As of December 31, 2016	Level 1 \$	Level 2 \$	Level 3 \$	Totals \$
Marquest Money Market Fund	-	2,321,443	-	2,321,443
Marquest Short Term Income Fund (Corporate Class)	-	584,070	-	584,070
Marquest Canadian Bond Fund	-	1,823,078	-	1,823,078
Marquest Canadian Fixed Income Fund	-	4,930,816	-	4,930,816
Marquest Monthly Pay Fund	46,922,914	154,222	-	47,077,136
Marquest Monthly Pay Fund (Corporate Class)	383,914	-	-	383,914
Marquest Global Balanced Fund	12,993,069	5,920,312	-	18,913,381
Marquest American Dividend Growth Fund	25,324,287	-	-	25,324,287
Marquest American Dividend Growth Fund (Corporate Class)	5,812,885	-	-	5,812,885
Marquest Covered Call Canadian Banks Plus Fund	7,817,968	-	-	7,817,968
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)	13,653,507	-	-	13,653,507
Marquest Small Companies Fund	1,419,018	3	107,605	1,526,626
Marquest Canadian Resource Fund	2,173,427	3,167	181,918	2,358,512
Marquest Canadian Resource Fund (Corporate Class)	2,485,621	-	-	2,485,621

As of December 31, 2015	Level 1 \$	Level 2 \$	Level 3 \$	Totals \$
Marquest Money Market Fund	-	2,341,570	-	2,341,570
Marquest Short Term Income Fund (Corporate Class)	-	1,462,933	-	1,462,933
Marquest Canadian Bond Fund	-	2,265,105	-	2,265,105
Marquest Canadian Fixed Income Fund	-	4,365,195	-	4,365,195
Marquest Monthly Pay Fund	108,560,419	-	-	108,560,419
Marquest Monthly Pay Fund (Corporate Class)	592,625	-	-	592,625
Marquest Global Balanced Fund	14,762,425	6,392,053	-	21,154,478
Marquest American Dividend Growth Fund	4,260,197	113,714	-	4,373,911
Marquest American Dividend Growth Fund (Corporate Class)	4,504,701	134,390	-	4,639,091
Marquest Covered Call Canadian Banks Plus Fund	2,147,715	-	-	2,147,715
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)	11,576,254	-	-	11,576,254
Marquest Small Companies Fund	1,636,375	33	107,616	1,744,024
Marquest Canadian Resource Fund	1,132,708	108,213	181,940	1,422,861
Marquest Canadian Resource Fund (Corporate Class)	2,439,729	-	-	2,439,729

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

12. FINANCIAL INSTRUMENTS (continued)

(a) Fair Value (continued)

Fair values are classified as Level 1 when the related securities or derivatives are actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair values requires the use of significant unobservable inputs, in which case it is classified as Level 3.

During the years ended December 31, 2016 and 2015, no financial instruments were transferred between Level 1 and Level 2.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Fund, including Level 3 measurements. The Manager obtains pricing from a third party pricing vendor, as applicable, which is monitored by the Chief Investment Officer and the Chief Compliance Officer each day. At each financial reporting date, the Chief Financial Officer (CFO), of the Manager reviews and approves all Level 3 fair value measurements.

Realized and unrealized gains and losses related to Level 3 securities, are included in the Statements of Comprehensive Income "Net realized gain (loss) on the sale of investment" and "Change in unrealized appreciation (depreciation) on investments" respectively. Transfers in and out of Level 3 are due to the changes in the observability of market data, such as a recent new transaction or due to the passage of time, respectively.

The following tables summarize the changes in Level 3 securities for the years ended December 31, 2016 and 2015:

December 31, 2016	Marquest Small Companies Fund \$	Marquest Canadian Resource Fund \$
Total Level 3 fair value, beginning of year	107,616	181,940
Transfers in	17,272	666
Change in unrealized appreciation (depreciation) on investments	8,121,384	1,689,108
Net realized gain (loss) on sale of investments	(8,138,667)	(1,689,796)
Total Level 3 fair value, end of year	107,605	181,918

December 31, 2015	Marquest Small Companies Fund \$	Marquest Canadian Resource Fund \$
Total Level 3 fair value, beginning of year	221,163	397,297
Sold	-	(68,464)
Transfers in	1,262,771	-
Change in unrealized appreciation (depreciation) on investments	(1,376,318)	414,643
Net realized gain (loss) on sale of investments	-	(561,536)
Total Level 3 fair value, end of year	107,616	181,940

Certain Funds hold Level 3 securities in which there is uncertainty in estimating the fair value; stemming from current financial issues and lack of market quotations. Level 3 requires a significant unobservable data in its determination of fair value. The Marquest Canadian Resource Fund and the Marquest Small Companies Fund both hold private equity investments classified as Level 3.

As at December 31, 2016 the Marquest Small Companies Fund and the Marquest Canadian Resource Fund have investments of \$107,605 and \$181,918 (Dec 2015 - \$107,616 and \$181,940) respectively in Level 3 securities. The fair value of the securities during the year was calculated using a key number of valuation techniques and unobservable inputs which may include; financial analysis of the company's financial statements, financial disclosures, non-listed transaction prices, analysis of underlying commodity or sector prices and overall prevailing market and economic conditions.

The Manager estimates fair values for these securities using the best information available as of December 31, 2016 and 2015. The following tables outline the estimates of fair values as well as ranges of these fair values using alternative assumptions that are reasonable in Management's view. Impairment losses are reflected in the Funds' Statements of Comprehensive Income in the "Change in unrealized appreciation (depreciation) on investments".

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

12. FINANCIAL INSTRUMENTS (continued)

(a) Fair Value (continued)

Fair Value of Fund Holdings Based On Alternative Assumptions

as at December 31, 2016

Fund	Fair Value as reported	Potential	
		-25%	+25%
Marquest Small Companies Fund	\$ 107,605	\$ -	\$ -
Marquest Canadian Resource Fund	\$ 181,918	\$ -	\$ -

Fair Value of Fund Holdings Based On Alternative Assumptions

as at December 31, 2015

Fund	Fair Value as reported	Potential	
		-25%	+25%
Marquest Small Companies Fund	\$ 107,616	\$ -	\$ 451,696
Marquest Canadian Resource Fund	\$ 181,940	\$ 78,279	\$ 285,601

(b) Risk Management and Disclosures

The Funds' investment activities expose them to a variety of financial risks. The Investment Portfolios present the securities held by the Funds as at December 31, 2016, and groups the securities by asset type, geographic region and/or market segment. Significant risks that are relevant to the Funds are discussed below. The sensitivity analyses shown in the notes below may differ from actual trading, and the differences could be material.

The Fund Manager seeks to minimize potential adverse effects of these risks on the Funds' performance by employing professional, experienced portfolio advisers, daily monitoring of the Funds' positions and market events; by diversifying the Investment Portfolios within the constraints of the investment objectives and periodically may use derivatives to hedge certain risk exposure. To assist in managing risks, the Fund Manager also uses internal guidelines that identify the target exposure for each type of risk, maintains a governance structure that oversees the Funds' investment activities and monitors compliance with the Funds' stated investment strategies and securities regulations.

(i) Market Risk

Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Funds invest in securities and other investments that are denominated in currencies other than the Canadian Dollar and also holds foreign currency denominated cash and other net assets. Accordingly, the value of the Funds' assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Funds will necessarily be subject to foreign exchange risks. The primary purpose of the Funds' foreign currency economic hedging activities is to protect against the volatility associated with investments and other assets and liabilities denominated in foreign currencies in the normal course of business.

Certain Funds, in normal course of operations will invest in securities in a foreign currency. Consequently, some of the assets and revenues are exposed to foreign exchange fluctuations.

The tables below indicate the foreign currencies to which the Funds have significant exposure as at December 31, 2016 and 2015 in Canadian dollar terms. The tables also illustrate the potential impact to the Funds' net asset value, as a result of a 5% change in these currencies relative to the Canadian dollar, the functional currency, with all other variables held constant.

As of December 31, 2016		% of Net Assets attributable to holders of redeemable shares		Potential Impact on Net Assets attributable to holders of redeemable shares
Currency	Fair Value \$		%	\$
Marquest Monthly Pay Fund	United States Dollars	1,715,862	3.5	85,793
Marquest Global Balanced Fund	United States Dollars	14,619,556	76.0	730,978
Marquest American Dividend Growth Fund	United States Dollars	26,030,772	85.7	1,301,539
Marquest American Dividend Growth Fund (Corporate Class)	United States Dollars	5,996,851	102.2	299,843

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

12. FINANCIAL INSTRUMENTS (continued)

(b) Risk Management and Disclosures (continued)

(i) Market Risk (continued)

Foreign exchange risk (continued)

As of December 31, 2015		Fair Value	% of Net Assets attributable to holders of redeemable shares	Potential Impact on Net Assets attributable to holders of redeemable shares
Currency		\$	%	\$
Marquest Monthly Pay Fund	United States Dollars	40,048,262	31.0	2,002,413
Marquest Global Balanced Fund	United States Dollars	17,818,848	83.1	890,942
Marquest American Dividend Growth Fund	United States Dollars	4,373,191	92.4	218,660
Marquest American Dividend Growth Fund (Corporate Class)	United States Dollars	4,610,209	91.9	230,510

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

Certain Funds invest in fixed income securities which bear interest at fixed rates of interest, and as such, are subject to interest rate price risk resulting from changes in fair value from market fluctuations in interest rates.

The tables below summarize the Funds which have a significant exposure to interest rate price risk by remaining term to maturity as at December 31, 2016 and 2015. The tables also illustrate the potential impact to the Funds' net asset value, as a result of a 100 basis point % change in the interest rate, assuming a parallel shift in the yield curve with all other variables held constant.

As of December 31, 2016					Potential Impact on Net Assets attributable to holders of redeemable shares	
	Less than 1 year	1-5 years	6-10 years	> 10 years	Total	
	\$	\$	\$	\$	\$	\$
Marquest Money Market Fund	2,321,443	-	-	-	2,321,443	1,857
Marquest Short Term Income Fund (Corporate Class)	584,070	-	-	-	584,070	642
Marquest Canadian Bond Fund	-	863,994	666,879	292,205	1,823,078	122,693
Marquest Canadian Fixed Income Fund	-	2,973,001	1,320,331	637,484	4,930,816	268,729
Marquest Monthly Pay Fund	154,222	-	-	-	154,222	601
Marquest Global Balanced Fund	1,608,264	909,114	3,402,934	-	5,920,312	224,380

As of December 31, 2015					Potential Impact on Net Assets attributable to holders of redeemable shares	
	Less than 1 year	1-5 years	6-10 years	> 10 years	Total	
	\$	\$	\$	\$	\$	\$
Marquest Money Market Fund	2,341,570	-	-	-	2,341,570	2,576
Marquest Short Term Income Fund (Corporate Class)	1,462,933	-	-	-	1,462,933	1,463
Marquest Canadian Bond Fund	74,888	819,518	1,209,156	161,543	2,265,105	142,022
Marquest Canadian Fixed Income Fund	47,354	2,451,430	1,766,207	100,204	4,365,195	212,585
Marquest Global Balanced Fund	299,733	537,800	3,302,898	1,310,392	5,450,823	339,041

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

12. FINANCIAL INSTRUMENTS (continued)

(b) Risk Management and Disclosures (continued)

(i) Market Risk (continued)

Equity and other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or foreign exchange risk). The investments of the Funds are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Funds is equivalent to the fair value of the financial instruments. The Fund Manager moderates this risk through a careful selection of securities within specified limits and the Funds' market price risk is managed through diversification of the investment portfolio.

The most significant exposure to other price risk arises from its investments in equity securities and cash held as collateral. As of December 31, 2016 and 2015, had the prices on the respective stock exchanges for these securities raised or lowered by 10%, with all other variables held constant, net assets attributable to holders of redeemable shares would have increased or decreased respectively as follows:

As of December 31, 2016	Fair Value of Investments in Equity Securities \$	% of Net Assets attributable to holders of redeemable shares %	Potential Impact on Net Assets attributable to holders of redeemable shares \$
Marquest Monthly Pay Fund	46,958,614	96.4	4,695,861
Marquest Monthly Pay Fund (Corporate Class)	383,914	81.2	38,391
Marquest Global Balanced Fund	12,824,507	66.7	1,282,451
Marquest American Dividend Growth Fund	24,686,901	81.3	2,468,690
Marquest American Dividend Growth Fund (Corporate Class)	5,636,978	96.1	563,698
Marquest Covered Call Canadian Banks Plus Fund	7,824,293	95.7	782,429
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)	13,663,817	91.6	1,366,382
Marquest Small Companies Fund	1,526,626	83.1	152,663
Marquest Canadian Resource Fund	2,358,512	80.1	235,851
Marquest Canadian Resource Fund (Corporate Class)	2,485,621	62.6	248,562

As of December 31, 2015	Fair Value of Investments in Equity Securities \$	% of Net Assets attributable to holders of redeemable shares %	Potential Impact on Net Assets attributable to holders of redeemable shares \$
Marquest Monthly Pay Fund	109,150,611	84.4	10,915,061
Marquest Monthly Pay Fund (Corporate Class)	592,625	92.9	59,263
Marquest Global Balanced Fund	15,482,024	72.2	1,548,202
Marquest American Dividend Growth Fund	4,373,911	92.4	437,391
Marquest American Dividend Growth Fund (Corporate Class)	4,639,091	92.5	463,909
Marquest Covered Call Canadian Banks Plus Fund	2,148,824	96.8	214,882
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)	11,582,662	92.3	1,158,266
Marquest Small Companies Fund	1,744,024	89.2	174,402
Marquest Canadian Resource Fund	1,422,861	52.1	142,286
Marquest Canadian Resource Fund (Corporate Class)	2,439,729	56.4	243,973

(ii) Liquidity Risk

Liquidity risk is defined as the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Funds may invest in securities, which are not actively traded on a stock exchange. The fair values of these securities may not be indicative of what the Funds could realize on the immediate sale as it may take a significant amount of time to liquidate positions without causing a significant negative impact on the fair value. There can be no assurance that an active trading market for these securities will exist at all times, or that the prices at which these securities trade accurately reflect their values. Additionally for net asset value purposes, in accordance with securities regulation, the Funds must maintain at least 85% of their assets in liquid investments (i.e. investments that are traded in an active market and can readily be disposed of).

In addition, the Funds have financial liabilities outstanding including accrued liabilities, bank indebtedness, payable for units/shares redeemed, payable for investment securities purchased, payable to other corporate classes, distributions payable and redeemable shares/units. These financial liabilities are all current and due within 30 days. Redeemable units/shares are redeemable on demand at the holder's option. However, the Manager does not expect that all units will be redeemed immediately as holders of these instruments typically retain them for a longer period.

Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed of. On a weekly basis, quantitative monitoring measures are used to screen the Funds' portfolio for securities that may be considered for potential reclassification as illiquid. In addition, the Fund aims to retain sufficient cash to maintain liquidity. Accordingly, the Fund's liquidity risk is considered minimal.

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

12. FINANCIAL INSTRUMENTS (continued)

(b) Risk Management and Disclosures (continued)

(iii) Credit Risk

Funds that invest in fixed income securities are subject to credit risk. This means that the value of these securities depends, in part, upon the ability of borrowers to pay all amounts owed to their lenders. Fixed income securities issued by borrowers with a high credit rating are considered to be less risky and therefore are generally worth more than securities issued by borrowers with a low credit rating.

The Funds limit their exposure to credit loss by placing their cash and short-term investments with high credit quality institutions. To maximize the credit quality of its investments, the Funds' Manager performs ongoing credit evaluations based upon factors surrounding the credit risk of customers, historical trends and other information. The carrying amounts of other assets (excluding refundable taxes receivable) also represent the maximum credit risk exposure as they will be settled in the short-term.

The maximum exposure to any one debt issuer as of December 31, 2016 was Province of Alberta representing 14.9% of the net assets of the Marquest Canadian Bond Fund, Province of Alberta representing 7.3% of the net assets of the Marquest Canadian Fixed Income Fund, Government of Canada representing 25.0% of the net assets of the Marquest Money Market Fund and Government of Canada representing 37.6% of the net assets of the Marquest Short Term Income Fund (Corporate Class).

The maximum exposure to any one debt issuer as of December 31, 2015 was Province of Quebec representing 12.5% of the net assets of the Marquest Canadian Bond Fund, Province of Quebec representing 10.7% of the net assets of the Marquest Canadian Fixed Income Fund, Government of Canada representing 14.9% of the net assets of the Marquest Money Market Fund and Government of Canada representing 32.8% of the net assets of the Marquest Short Term Income Fund (Corporate Class).

The Funds invest in debt instruments, which have an investment grade as rated primarily by DBRS and Standard & Poor's.

Ratings for securities that subject the Funds to significant credit risk at December 31, 2016 and 2015 are noted below.

As of December 31, 2016	AAA	AA	A	BBB	BB	B	CCC	Unrated	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Marquest Money Market Fund	1,108,539	1,212,904	-	-	-	-	-	-	2,321,443
Marquest Short Term Income Fund (Corporate Class)	339,544	244,526	-	-	-	-	-	-	584,070
Marquest Canadian Bond Fund	34,455	580,085	795,511	413,027	-	-	-	-	1,823,078
Marquest Canadian Fixed Income Fund	410,409	1,138,519	1,918,328	1,463,560	-	-	-	-	4,930,816
Marquest Monthly Pay Fund	-	-	-	-	-	-	-	154,222	154,222
Marquest Global Balanced Fund	1,608,264	-	-	-	1,868,511	2,293,275	-	150,262	5,920,312
As of December 31, 2015	AAA	AA	A	BBB	BB	B	CCC	Unrated	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Marquest Money Market Fund	888,939	1,452,631	-	-	-	-	-	-	2,341,570
Marquest Short Term Income Fund (Corporate Class)	544,424	918,509	-	-	-	-	-	-	1,462,933
Marquest Canadian Bond Fund	102,561	175,147	936,599	1,050,798	-	-	-	-	2,265,105
Marquest Canadian Fixed Income Fund	-	1,043,745	2,302,903	1,018,547	-	-	-	-	4,365,195
Marquest Global Balanced Fund	-	299,733	-	-	1,854,815	2,197,104	962,821	136,350	5,450,823

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

12. FINANCIAL INSTRUMENTS (continued)

(b) Risk Management and Disclosures (continued)

(iii) Credit Risk (continued)

All transactions in listed securities are settled for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold 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 trade will fail if either party fails to meet its obligation.

The Funds may engage in securities lending transactions with counter parties, whereby the Funds temporarily exchange securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Refer to note 7.

(iv) Concentration Risk

Portfolio concentration risk is the risk of loss in the total value of the portfolio investments of the Fund due to an over-concentration of investments in a particular instrument, sector or country. A summary of the Portfolio's concentration risk by industry sector as at December 31, 2016 and 2015 is shown in Fund's Schedule of Investment Portfolio.

13. INTERESTS IN OTHER ENTITIES

Marquest Monthly Pay Fund – Corporate Class and Marquest Canadian Resource Fund – Corporate Class invest in other investment funds (“underlying funds”). Each underlying fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for its unitholders. Each underlying fund finances its operations primarily through the issuance of redeemable units, which are puttable at the unitholder's option and entitle the unitholder to a proportionate share of the underlying fund's net asset. The Marquest Monthly Pay Fund – Corporate Class and Marquest Canadian Resource Fund – Corporate Class do not have any obligation or intention to provide financial support to the Underlying Fund.

The Marquest Monthly Pay Fund – Corporate Class and Marquest Canadian Resource Fund – Corporate Class have assessed their ability to control or significantly influence any underlying funds in accordance with IFRS 10 and IAS 28. As the investments in underlying Funds are subject to the terms and conditions of the respective Underlying Fund's offering documents they do not have the ability to control nor exercise significant influence on the underlying funds related to their inability to exercise their voting rights and direct or participate in the financial and operating policy decisions of the underlying funds.

The Marquest Monthly Pay Fund – Corporate Class and Marquest Canadian Resource Fund – Corporate Class investment in underlying funds are susceptible to market price risk arising from uncertainties about future values of those underlying funds. The Marquest Monthly Pay Fund – Corporate Class and Marquest Canadian Resource Fund – Corporate Class investment in the underlying funds, held in the form of redeemable units, are reported in its Schedule of Investments at fair value, which represent the Fund's maximum exposure and risk of loss on these investments.

As of December 31, 2016	Total Fair Value of Underlying Fund Held in Investments	Accrued Investment Income due from Underlying fund	% of Funds Net Assets
	\$	\$	%
Marquest Monthly Pay Fund (Corporate Class)	383,914	-	81.2
Marquest Canadian Resource Fund (Corporate Class)	2,485,621	-	62.6

As of December 31, 2015	Total Fair Value of Underlying Fund Held in Investments	Accrued Investment Income due from Underlying fund	% of Funds Net Assets
	\$	\$	%
Marquest Monthly Pay Fund (Corporate Class)	592,625	-	92.9
Marquest Canadian Resource Fund (Corporate Class)	2,439,729	-	56.4

Marquest Group of Funds

Notes to Financial Statements (Expressed in Canadian Dollars)

For the years ended December 31, 2016 and 2015

14. FUTURE ACCOUNTING PRONOUNCEMENTS

IFRS 9 *Financial Instruments* was issued in final form in July 2014 by the IASB and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Fund Manager is currently assessing the impact on the financial statements of adopting IFRS.

15. COLLATERAL PLEDGED

Put options give the holder the right to sell the securities to the Fund at a stated exercise price during the option period. As at December 31, 2016, the related underlying securities were not held by the Fund but rather cash pledged as collateral which were held in a cash collateral account. Cash held as collateral is identified in the Statement of Financial Position as at December 31, 2016. The total fair value of cash collateral pledged as at December 31, 2016 is \$879,400 (December 31, 2015 — \$16,405,777).

16. SUBSEQUENT EVENT

On December 30, 2016, a Marquest Monthly Pay Fund Class AA unit was merged in to Marquest Monthly Pay Fund Class A, and a Marquest Monthly Pay Fund Class F-AA unit was merged in to Marquest Monthly Pay Fund Class F at their respective Class net asset value per unit. These mergers resulted in the termination of the Class AA and Class F-AA units of the Fund post the mergers.

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