December 2, 2015

Hello everyone,

This is the monthly advisor update of the **AlphaDelta Growth of Dividend Income Class** ("ADGoDIC" or the "Fund") from SciVest Capital Management Inc. (the sub-advisor to the Fund).

Attached is the ADGoDIC Portfolio Disclosure Page. The front-side of the Portfolio Disclosure Page shows all of the current stock holdings of the ADGoDIC, as well as some descriptive, dividend and valuation characteristics for each portfolio holding – plus overall portfolio averages. The back-side of the Page shows a number of relevant pie charts depicting overall ADGoDIC portfolio exposures and characteristics such as sector, market capitalization, dividend yield and dividend growth "bucket" exposures.

As shown on the front of the Portfolio Disclosure Page, **across the Fund's current holdings the weighted average gross dividend yield is 3.8% p.a. with impressive double-digit trailing 1, 3 and 5 year dividend growth rates (12.6%, 15.2% and 16.6%, respectively)**. The 3.8% average dividend yield compares to a portfolio weighted average forward EPS yield of 7.1% and forward cashflow yield of 10.5%.

As always, the ADGoDIC portfolio is well diversified across sectors and industry groups with no sector allocation currently exceeding 14.9% (note that we break REITs out of the overall Financial Sector in the sector exposures pie chart, given their unique risk characteristics). In order of size, we have the following exposures to the Bloomberg defined Sectors (plus REITs): 14.9% Financials, 13.7% Industrials, 12.9% Technology, 11.7% Consumer Discretionary, 9.4% Energy, 8.0% Communications, 7.7% Materials, 7.1% Health Care, 6.7% REITs, 6.6% Consumer Staples, and 0% Utilities.

On an individual stock holding basis, we currently hold a diversified portfolio of 69 equity positions. During the month of November, we initiated positions in Macy's Inc (M) and Time Warner Inc (TWX) – we eliminated no positions. In addition, during November we increased (by at least 0.5%) our positions in Analog Devices Inc (ADI), Brinker International Inc (EAT), Macy's Inc (M), Pfizer Inc (PFE) and Time Warner Inc (TWX). On the other hand, we reduced (by more than 0.5%) our positions in Emerson Electric (EMR) and KLA-Tencor Corp (KLAC).

Since our objective within the ADGoDIC is income/distribution growth, our monthly notes focus on growth of dividends amongst Fund holdings as opposed to short-term capital returns. In particular, each month we report those Fund holdings which declared dividend increases during the prior month, as well as those holdings we expect to declare dividend increases in the next month. Recall that our fundamental belief is that, if we can select stocks which consistently increase their dividends into the future, then price appreciation must eventually follow – that is, long-term price appreciation is a *consequence* of consistent earnings and dividend growth.

Amongst our current ADGoDIC holdings, **during the month of November we had four (4) declared dividend increases averaging an announced increase of 8.2% quarter-over-quarter** (“QoQ”) **and 9.5% year-over-year** (“YoY”), relative to those already known at the end of the prior calendar month.

No.	Name	Ticker Symbol	Current Div Yld (% p.a.)	QoQ Div Increase (%)	YoY Div Increase (%)
1	Emerson Electric Co	EMR	3.8	1.1	1.1
2	Inter Pipeline Ltd	IPL	6.8	6.1	6.1
3	Prudential Financial Inc	PRU	3.2	20.7	20.7
4	Telus Corp	T	4.1	4.8	10.0
	Average		**4.5**	**8.2**	**9.5**

Last month we had mentioned that we expected Emerson Electric (yield 3.8%) to increase its dividend as it has for the past 58 years; however, we expected a very modest increase of no more than 2% because we believe that its business has been struggling. This is precisely what occurred with its disappointing 1.1% dividend increase. We did decrease our position in Emerson Electric last month, and Emerson does continue to remain on our negative watch list.

Inter Pipeline (yield 6.8%) increased its dividend by 6.1%, which was in-line with our expectations. Given its stock price weakness this year and resulting high dividend yield, it was reassuring that management provided a reasonable dividend increase. Also within the midstream energy pipeline and storage industry, we had hoped for a dividend increase from Williams Co (yield 7.2%), as it often does so every quarter – however, as noted last month, it is not surprising that Williams passed on a dividend increase this quarter because it is the subject of a take-over by Energy Transfer (ETE).

We had expected a 10% dividend increase from Prudential Financial (yield 3.2%) and had stated that Prudential might provide an upside surprise to this expectation. This indeed is what they produced with a significant 20.7% dividend increase – a very positive signal from this US-based life insurer.

Finally, we were expecting an “uneventful” bi-annual dividend increase of 4% to 5% quarter-over-quarter (10% year-over-year) increase from Telus Corp (yield 4.1%) – this is exactly what we received.

During December, we are expecting at least six (6) dividend increase announcements from our current holdings:

1) Amgen Inc (AMGN)
2) Boeing Co. (BA)
3) Enbridge Inc (ENB)
4) General Electric (GE)
5) 3M Co (MMM)
6) Pfizer Inc (PFE)

December’s expected announcements will be extremely interesting – every company is very large and significant to several important market sectors.

The four super-mega-cap blue chips and members of the Dow Jones Industrial Average – Boeing (yield 2.5%), General Electric (yield 3.1%), 3M (yield 2.6%) and Pfizer (yield 3.3%) – are each expected to produce conservative 4% to 8% dividend increases. Most of these multinational businesses might well be at the lower end of this 4% to 8% range because of slower earnings growth due to US dollar strength. Of the four companies, we anticipate that Boeing has the highest probably of surprising to the upside given the overall strength of its business and its lower currency exposure (most airplanes are sold in US dollar terms). Pfizer could produce a dividend increase at the higher end of the expected range; however, it is attempting a huge merger with Allergan PLC, which introduces dividend increase risk.

We expect Amgen (yield 2.0%), the mega-cap biotech, to produce the largest dividend increase of the group with an expected dividend increase of 15% to 20% based upon its strong and growing cash-flows and its relatively low dividend payout ratio (for a maturing mega-cap health care company).

Finally, we are keenly awaiting the expected dividend announcement of Enbridge (yield 3.9%), the largest Canadian midstream energy pipeline and storage company. Given Enbridge's size and breadth, and given the stock price weakness of it and all other midstream companies the past six months, Enbridge's announcement may shed some light on the health of the entire industry. We are expecting a 10% to 12% dividend increase from Enbridge.

Recall our primary message: **"Growing income" (as opposed to "fixed income") is the only means of maintaining the purchasing power of your client's income stream over the years to come**.

If you would like more information regarding the **AlphaDelta Growth of Dividend Income Class** and its current portfolio (including the up-to-date presentation piece), please feel free to contact me directly or alternatively contact AlphaDelta Management Corp. (www.AlphaDelta.com).

Thank you for your continued interest in the Fund,

John J. Schmitz, Ph.D., CFA