

September 9, 2016

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 3.2% per annum with impressive double-digit trailing 1, 3 and 5-year dividend growth rates (13.1%, 17.2% and 20.3%, respectively).** The 3.2% average dividend yield compares to a portfolio weighted average forward earnings per share yield of 8.2% (**253% dividend coverage**) and forward cashflow yield of 10.9% (**338% dividend coverage**). Regarding valuation, the portfolio weighted **average 12-month forward price-to-earnings ratio is 14.5x** and the average 12-month forward price-to-cash-flow ratio is 10.6x.

As always, the ADGoDIC portfolio is well diversified across sectors and industry groups with **the largest sector allocation (consumer discretionary) currently at 23.7%**. In order of size, we have the following exposures to the Bloomberg defined Sectors (plus REITs): 23.7% Consumer Discretionary, 21.8% Financials, 10.7% Technology, 8.0% Health Care, 7.2% Industrials, 5.3% REITs, 4.9% Energy, 5.3% Materials, 3.6% Consumer Staples, 3.4% Communications, and 0.8% Utilities.

On an individual stock holding basis, we currently hold a **diversified portfolio of 79 equity positions**. During the month of August, we **initiated new positions** in Brookfield Infrastructure (**BIP-U**), Celanese Corp (**CE**), Colony Capital Inc (**CLNY**), Coresite Realty Corp (**COR**), CVS Health Corp (**CVS**), Emera Inc (**EMA**), Extra Space Storage Inc (**EXR**), Kar Auction Services Inc (**KAR**), and Lowe’s Corp (**LOW**). In addition, we **increased (by more than 0.5%)** our existing positions in Amtrust Financial Services (AFSI) and J2 Global Inc (JCOM). During August, we **eliminated no positions**; although we **decreased (by more than 0.5%)** our positions in Amgen Inc (AMGN), DuPont Fabros Technology (DFT), Telus Corp (T), and United Parcel Service (UPS).

We continue to find a preponderance of good value (i.e., “DGARP”, or “dividend growth-at-a-reasonable-price”) within mid and large capitalization stocks, especially within the Financial Services and Consumer Discretionary sectors. On the other hand, we find that many mega-capitalization, dividend-paying stocks, especially those with relatively low earnings and stock price volatility, have become quite expensive on a relative valuation basis (relative to both each stock’s own history, as well as in the cross-section of all stocks) and quite expensive on a relative DGARP basis. This effect is especially evident within the

Consumer Staples sector, but also across many mega-cap stocks (i.e., greater than \$100 billion in size) which pay dividend yields in excess of 2.5% p.a. (e.g., PG, KO, PEP, MCD, MSFT, GE and MMM all now trade at over 20x forward earnings per share). In addition, many stocks within the Utilities and REIT sectors also appear excessively expensive. While the valuations of these types of stocks may continue to expand for some time to come (bubbles by their nature do not predictably unwind), we do believe that some form of relative rotation into mid and large capitalization stocks with strong DGARP characteristics is overdue, and in fact there are a number of signs that this rotation has already begun.

Since our objective within the ADGoDIC is income/distribution growth, our monthly commentaries 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 one of our fundamental beliefs 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 August 2016 we received five \(5\) declared dividend increases averaging an announced increase of 6.0% quarter-over-quarter \(“QoQ”\) and 11.1% year-over-year \(“YoY”\),](#) relative to those already known at the end of the prior calendar month.

No.	Company Name	Ticker Symbol	Current Ind Div Yld (% p.a.)	QoQ Div Increase (%)	YoY Div Increase (%)	Relative to Expected
1	Amtrust Financial Services	AFSI	2.5	13.3	13.3	😊
2	Brinker International Inc	EAT	2.6	6.2	6.2	😞
3	Brookfield Infrastructure	BIP-U	4.8	3.5	11.3	😊
4	J2 Global Inc	JCOM	2.0	3.0	12.2	😐
5	Macquarie Infrastructure	MIC	6.0	4.2	12.6	😊😊
<b>Average</b>			<b>3.6</b>	<b>6.0</b>	<b>11.1</b>	

During August we had expected Monsanto Co (MON) to increase its dividend – it failed to do so, declaring a dividend in-line with the prior four (4) quarters. While Monsanto’s earnings are expected to fall this year relative to last year (resuming growth next year), they do have the financial wherewithal to increase their dividend. In fact, Monsanto has been buying back a large number of their own shares – 6.6% of their entire float over the past year. Nevertheless, Monsanto is the subject of a take-over attempt by Bayer AG, and thus we suspect that Monsanto’s management is preserving its financial flexibility to either defend against the take-over attempt and/or to maximize the price of a take-over.

Our biggest disappointment last month was Brinker International’s (owner of Chili’s Grill and Bar restaurants) moderate dividend increase of 6.2% year-over-year. While a respectable dividend increase, we were expecting something higher in the neighbourhood of 10%. Nevertheless, Brinker’s recent quarterly earnings report was stronger than expected leading to a good jump in its stock price, and its valuation does remain attractive.

During August we received a strong dividend increase, as expected, of 13.3% from Amtrust Financial Services, a mid-cap specialty insurance company. Similarly, our two (2) infrastructure holdings, Brookfield Infrastructure and Macquarie Infrastructure, announced good quarter-over-quarter dividend increases,

with Macquarie being particularly strong at 4.2% quarter-over-quarter, and 12.6% year-over-year, on a 6.0% yielding stock.

**During September 2016, we are expecting at least three (3) dividend increase announcements** from our current holdings:

No.	Name	Ticker Symbol	Current Ind Div Yld (% p.a.)	Est. Announce Date	Est. Div Increase (%)
1	International Paper Co	IP	3.6	September 13	6-10
2	Microsoft Corp	MSFT	2.5	September 13	5-9
3	Royal Caribbean Cruises	RCL	2.3	September 14	10-15

While we are only expecting three (3) dividend increase announcements during September, each one will be very interesting. First, International Paper, the large-cap paperboard manufacturer, has performed well over the past six (6) months, yet still yields 3.6% and trades at a modest valuation of 13.5x forward EPS. International Paper is a good reflection of the US consumer, and to a lesser extent the global consumer. Despite modest earnings growth this year, we are looking for a dividend increase of 6% to 10%.

Second, Microsoft has been firing on all cylinders the past couple of years and as a result now trades at a modestly expensive 19.5x forward EPS. We are expecting a moderate dividend increase of 5% to 9% – which would be good for a company of Microsoft’s quality, size and growth rate.

Finally, Royal Caribbean Cruises is expected to provide a significant dividend increase. Royal Caribbean is currently one of our favourite consumer discretionary stocks trading extremely cheaply at 10.7x forward EPS and 6.4x forward cash-flow, with years of expected strong double-digit earnings growth ahead of it. While we are expecting a meaningful dividend increase of 10% to 15%, we believe that, given the price weakness of the stock this year, company management may signal their optimism regarding the future earnings prospects with an even larger dividend increase.

Always remember our primary message: **“Growing income”, as opposed to “fixed income”, is the only means of maintaining the purchasing power of your (or 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](http://www.AlphaDelta.com) ).

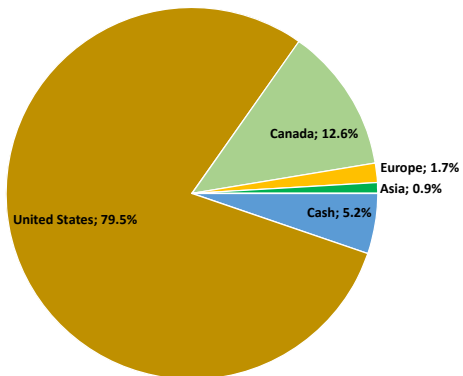
Thank you for your continued interest in the Fund,

*John J. Schmitz*

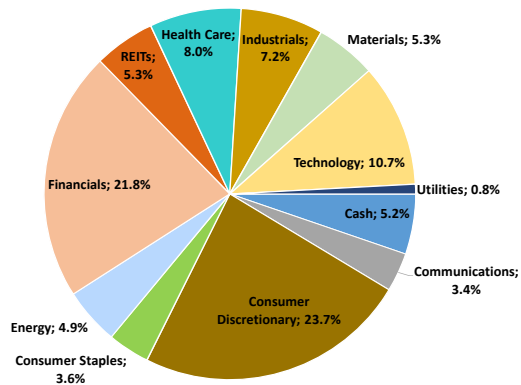
John J. Schmitz, Ph.D., CFA

No.	Ticker	List Type	Company Name	Portfolio Weight	Country of Domicile	BICS Sector	BICS Industry	Market Cap (\$B CAD)	Div Yld Indicated (% p.a.)	Ind Div PS 1 Year Growth (% p.a.)	Ind Div PS 1 Year Time Series	Ind Div PS 3 Year Growth (% p.a.)	Ind Div PS 3 Year Time Series	Ind Div PS 5 Year Growth (% p.a.)	Ind Div PS 5 Year Time Series	SciVest GDI Score	12-Mth Forward EPS Yld (% p.a.)	12-Mth Forward Cashflow Yld (% p.a.)	12-Mth Forward P/E	12-Mth Forward P/CF
				<b>94.8%</b>																
1	WHR	US	WHIRLPOOL CORP	2.2%	US	Consumer Discretionary	Home Improvement	18	2.2	11.1		17.0		14.9		32.2	9.3	12.5	10.8	8.0
2	CSCO	US	CISCO SYSTEMS INC	2.2%	US	Technology	Communications Equipment	207	3.3	23.8		15.2		34.1		31.0	7.8	9.0	12.9	11.2
3	CIX	CA	CI FINANCIAL CORP	2.2%	CA	Financials	Investment Management	7	5.4	4.5		8.5		8.9		22.7	7.9	8.2	12.6	12.2
4	QCOM	US	QUALCOMM INC	2.2%	US	Technology	Semiconductor Devices	122	3.4	10.4		14.8		19.8		36.9	7.4	8.2	13.5	12.2
5	BA	US	BOEING CO/THE	2.1%	US	Industrials	Aircraft & Parts	106	3.4	19.8		31.0		21.0		34.1	6.6	10.2	15.1	9.8
6	MS	US	MORGAN STANLEY	2.1%	US	Financials	Institutional Brokerage	80	2.5	33.3		58.7		32.0		29.6	8.7	9.4	11.5	10.7
7	MFC	CA	MANULIFE FINANCIAL CORP	2.0%	CA	Financials	Life Insurance	35	4.1	8.8		12.5		7.3		31.5	10.9	n/a	9.2	n/a
8	RCL	US	ROYAL CARIBBEAN CRUISES LTD	2.0%	US	Consumer Discretionary	Cruise Lines	20	2.1	25.0		46.2		30.3		36.3	9.4	15.7	10.7	6.4
9	MET	US	METLIFE INC	1.9%	US	Financials	Life Insurance	63	3.7	6.7		13.3		16.7		33.8	12.6	n/a	8.0	n/a
10	ABBV	US	ABBVIE INC	1.9%	US	Health Care	Large Pharma	137	3.6	11.8		12.5		n/a		26.7	8.4	8.4	11.9	12.0
11	WYN	US	WYNDHAM WORLDWIDE CORP	1.9%	US	Consumer Discretionary	Lodging	10	2.8	19.0		19.9		27.2		30.4	8.6	14.5	11.6	6.9
12	MG	CA	MAGNA INTERNATIONAL INC	1.9%	CA	Consumer Discretionary	Auto Parts	21	2.4	13.6		16.0		14.9		33.4	14.1	22.8	7.1	4.4
13	GM	US	GENERAL MOTORS CO	1.9%	US	Consumer Discretionary	Automobiles	65	4.8	5.6		n/a		n/a		8.3	18.1	28.4	5.5	3.5
14	LM	US	LEGG MASON INC	1.8%	US	Financials	Investment Management	5	2.5	10.0		19.2		22.4		31.1	8.9	n/a	11.2	n/a
15	JCOM	US	J2 GLOBAL INC	1.7%	US	Technology	Infrastructure Software	4	2.0	12.2		12.9		n/a		20.3	7.7	n/a	12.9	n/a
16	JNI	US	JOHNSON & JOHNSON	1.7%	US	Health Care	Large Pharma	428	2.7	6.7		6.6		7.0		20.3	5.8	6.4	17.1	15.6
17	EAT	US	BRINCKER INTERNATIONAL INC	1.7%	US	Consumer Discretionary	Restaurants	4	2.5	6.2		19.3		19.4		29.3	6.6	10.8	15.2	9.3
18	HAR	US	HARMAN INTERNATIONAL	1.7%	US	Consumer Discretionary	Auto Parts	8	1.7	0.0		5.3		36.1		25.0	8.2	11.3	12.2	8.8
19	M	US	MACYS INC	1.7%	US	Consumer Discretionary	Department Stores	15	4.2	4.9		14.7		30.4		27.9	9.5	19.2	10.6	5.2
20	JCI	US	JOHNSON CONTROLS INC	1.7%	US	Consumer Discretionary	Auto Parts	37	2.6	11.5		15.1		12.6		31.5	9.4	13.0	10.7	7.7
21	HON	US	HONEYWELL INTERNATIONAL INC	1.7%	US	Industrials	Comm'l & Res Bldg Equip & Sys	116	2.0	15.0		13.2		12.3		22.6	6.1	6.8	16.5	14.6
22	IVZ	US	INVESTCO LTD	1.7%	US	Financials	Investment Management	17	3.6	3.7		7.6		18.0		32.8	8.1	8.1	12.4	12.3
23	PFE	US	PFIZER INC	1.7%	US	Health Care	Large Pharma	277	3.4	7.1		7.7		8.4		25.0	7.4	8.3	13.5	12.1
24	AFSI	US	AMTRUST FINANCIAL SERVICES	1.6%	US	Financials	P&C Insurance	6	2.6	13.3		38.8		35.5		29.3	12.2	n/a	8.2	n/a
25	PRU	US	PRUDENTIAL FINANCIAL INC	1.6%	US	Financials	Life Insurance	45	3.5	20.7		20.5		19.5		36.7	12.4	n/a	8.0	n/a
26	BBY	US	BEST BUY CO INC	1.6%	US	Consumer Discretionary	Consumer Elec & Applc Stores	16	2.9	21.7		18.1		11.8		33.5	8.2	15.0	12.2	6.7
27	IP	US	INTERNATIONAL PAPER CO	1.6%	US	Materials	Containers & Packaging	26	3.6	10.0		13.6		10.9		28.4	7.4	12.8	13.5	7.8
28	AMP	US	AMERIPRISE FINANCIAL INC	1.5%	US	Financials	Wealth Management	21	3.0	11.9		13.0		26.7		34.6	10.0	n/a	10.0	n/a
29	FL	US	FOOT LOCKER INC	1.5%	US	Consumer Discretionary	Specialty Apparel Stores	12	1.7	10.0		11.2		10.8		18.0	7.7	9.5	13.0	10.5
30	DOW	US	DOW CHEMICAL CO/THE	1.5%	US	Materials	Basic & Diversified Chemicals	79	3.4	9.5		12.9		13.0		27.9	7.1	11.3	14.0	8.8
31	LNC	US	LINCOLN NATIONAL CORP	1.4%	US	Financials	Life Insurance	15	2.1	25.0		27.7		38.0		25.8	13.7	n/a	7.3	n/a
32	ENF	CA	ENBRIDGE INCOME FUND HOLDING	1.4%	CA	Energy	Midstream - Oil & Gas	4	5.9	21.0		11.8		10.1		40.0	6.4	6.3	15.5	15.9
33	MIC	US	MACQUARIE INFRASTRUCTURE COR	1.3%	US	Industrials	Transport Support Services	9	6.3	12.6		12.6		44.3		38.5	2.0	7.2	50.3	14.0
34	JPM	US	JPMORGAN CHASE & CO	1.3%	US	Financials	Diversified Banks	319	2.8	9.1		8.1		13.9		24.7	8.9	9.0	11.3	11.1
35	DFS	US	DISCOVER FINANCIAL SERVICES	1.3%	US	Financials	Consumer Finance	32	2.0	7.1		14.5		38.0		20.1	9.9	n/a	10.1	n/a
36	CVS	US	CVS HEALTH CORP	1.2%	US	Consumer Staples	Food & Drug Stores	131	1.8	21.4		23.6		27.7		36.5	6.8	9.0	14.7	11.1
37	DEO	ADR	DIAGEO PLC-SPONSORED ADR	1.2%	GB	Consumer Staples	Beverages	93	2.8	5.0		7.7		8.7		23.6	5.0	5.7	20.0	17.7
38	ENB	CA	ENBRIDGE INC	1.2%	CA	Energy	Midstream - Oil & Gas	48	4.1	14.0		18.9		16.7		31.7	4.7	10.4	21.3	9.7
39	BG	US	BUNGE LTD	1.2%	US	Consumer Staples	Agricultural Products Whslrs	12	2.6	10.5		11.9		10.9		28.5	9.1	13.7	11.0	7.3
40	CAH	US	CARDINAL HEALTH INC	1.2%	US	Health Care	Health Care Supply Chain	33	2.3	16.0		14.1		15.9		34.6	7.2	10.4	13.9	9.6
41	LOW	US	LOWE'S COS INC	1.2%	US	Consumer Discretionary	Home Products Stores	89	1.8	25.0		24.8		20.1		36.7	5.8	8.3	17.3	12.1
42	IRX	US	IRIX RESEARCH CORP	1.1%	US	Technology	Semiconductor Mfg	20	1.3	0.0		n/a		n/a		5.4	7.5	9.2	13.3	10.8
43	OHI	US	OMEGA HEALTHCARE INVESTORS	1.1%	US	Financials	REIT	9	6.6	9.1		8.5		8.4		33.3	5.6	9.0	17.9	11.1
44	IPL	CA	INTER PIPELINE LTD	1.0%	CA	Energy	Midstream - Oil & Gas	10	5.5	6.1		11.0		10.2		32.7	4.8	8.2	21.0	12.2
45	CCI	US	CROWN CASTLE INTL CORP	1.0%	US	Financials	REIT	42	3.7	7.9		n/a		n/a		17.8	1.4	5.2	72.5	19.2
46	LYB	US	LYONDELLBASELL INDU-CLA	1.0%	US	Materials	Basic & Diversified Chemicals	43	4.3	9.0		19.3		53.4		23.5	12.2	14.6	8.2	6.9
47	SWKS	US	SKYWORKS SOLUTIONS INC	1.0%	US	Technology	Semiconductor Devices	18	1.5	7.7		n/a		n/a		11.1	8.1	8.8	12.3	11.4
48	GME	US	GAMESTOP CORP-CLASS A	1.0%	US	Consumer Discretionary	Other Spec Retail - Discr	4	5.2	2.8		10.4		n/a		22.4	14.6	20.9	6.8	4.8
49	VIAB	US	VIACOM INC-CLASS B	1.0%	US	Communications	Entertainment Content	21	4.0	0.0		10.1		9.9		15.9	10.7	12.1	9.4	8.3
50	AVGO	US	BROADCOM LTD	0.9%	SG	Technology	Semiconductor Devices	91	1.1	25.0		33.5		40.9		27.2	7.2	8.5	13.9	11.7
51	UPS	US	UNITED PARCEL SERVICE-CL B	0.9%	US	Industrials	Courier Services	126	2.9	6.8		8.0		8.4		23.0	5.6	8.6	18.0	11.6
52	TWX	US	TIME WARNER INC	0.9%	US	Communications	Entertainment Content	80	2.1	15.0		11.9		11.4		25.7	7.4	8.8	13.4	11.3
53	AMGN	US	AMGEN INC	0.9%	US	Health Care	Biotech	167	2.4	26.6										

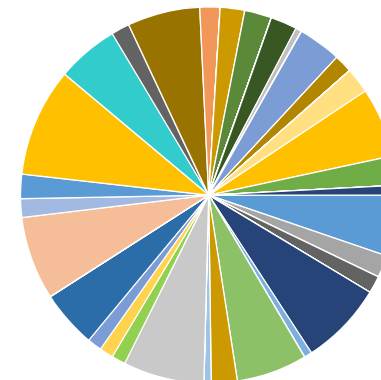
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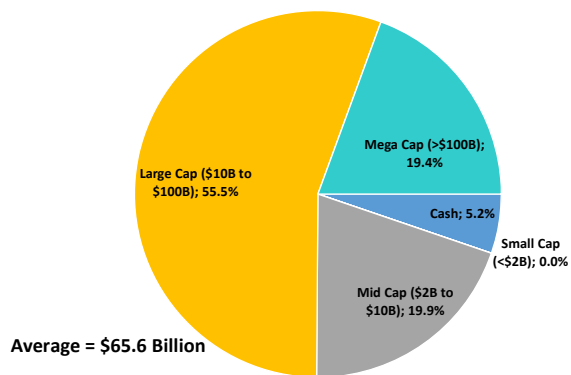
**BICS SECTOR**



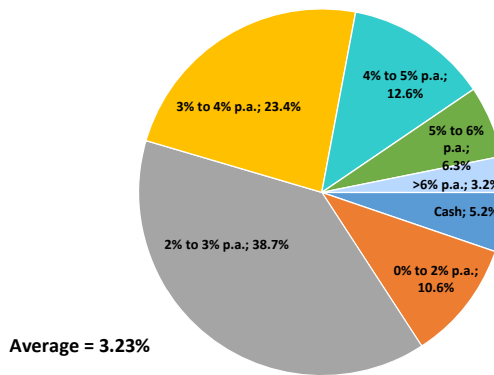
**BICS INDUSTRY GROUP**



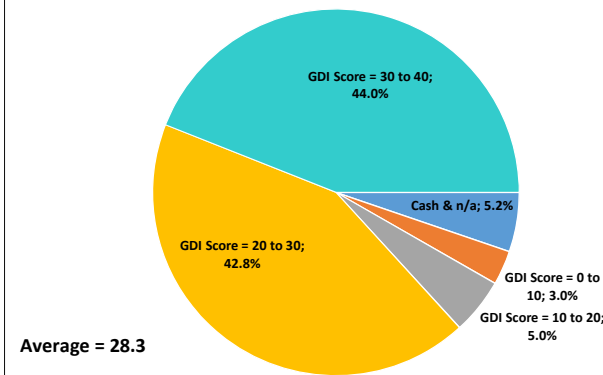
**MARKET CAP BUCKETS (CA\$)**



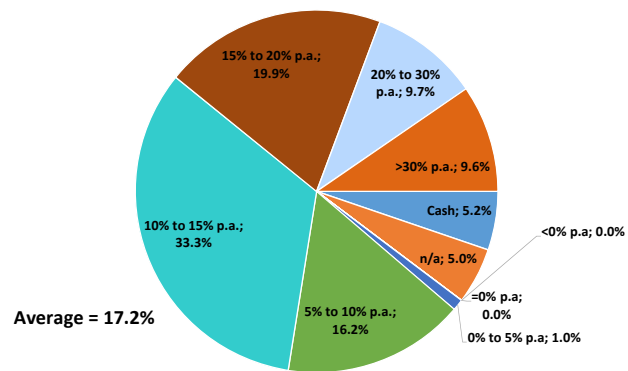
**DIVIDEND YIELD BUCKETS**



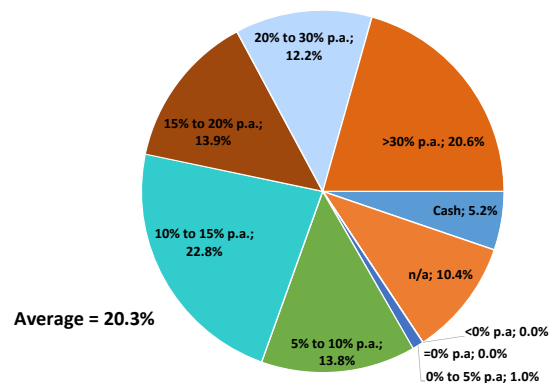
**SCI VEST GDI SCORE BUCKETS**



**3 YEAR DIVIDEND GROWTH BUCKETS**



**5 YEAR DIVIDEND GROWTH BUCKETS**



**10 YEAR DIVIDEND GROWTH BUCKETS**

