

October 25, 2018

Hello everyone,

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

The Current Portfolio:

Attached is the GoDI Portfolio Disclosure. The first page of the Portfolio Disclosure shows all of the current stock holdings of the GoDI, as well as some descriptive, dividend and valuation characteristics for each portfolio holding – plus overall portfolio averages. The second page of the Portfolio Disclosure shows a number of relevant pie charts depicting overall GoDI portfolio exposures and characteristics such as sector, market capitalization, dividend yield and dividend growth “bucket” exposures.

As shown in the Portfolio Disclosure, **across the Fund’s current holdings, the weighted average gross dividend yield is 3.4% per annum with impressive double-digit trailing 1, 3 and 5-year dividend growth rates of 21.0%, 18.7% and 19.7%, respectively.** The 3.4% average dividend yield compares to a portfolio weighted average forward earnings per share yield of 9.3% (**275% dividend coverage**) and forward cashflow yield of 12.8 (**379% dividend coverage**). With regard to valuation, the portfolio weighted **average 12-month forward price-to-earnings ratio is 12.8x** (versus 16.9x for the Russell 1000 Index and 15.3x for the MSCI World Index) and the **average 12-month forward price-to-cash-flow ratio is 9.2x** (versus 12.0x for the Russell 1000 Index and 10.5x for the MSCI World Index). (As of today, after a fairly substantial market downturn, all the quoted valuations ratios are somewhat lower.)

As always, the GoDI portfolio is well diversified across sectors and industry groups with **the largest sector allocation (Financials) currently at 30.7%**. In order of size, we have the following exposures to the Bloomberg defined sectors (plus REITs): 30.7% Financials, 15.6% Consumer Discretionary, 12.7% Technology, 9.4% Health Care, 7.4% Communications, 4.9% Energy, 4.7% REITs, 4.4% Consumer Staples, 2.9% Materials, 2.9% Industrials, and 0.4% Utilities.

On an individual stock holding basis, we currently hold a **diversified portfolio of 86 equity positions**. The top 10 individual equity holdings represent 28.4% of the Fund’s assets and are in descending order of size: Invesco Ltd (IVZ, 4.3%), CVS Health Corp (CVS, 3.8%), Broadcom Ltd (AVGO, 3.8%), Prudential Financial Inc (PRU, 3.2%), Lam Research Corp (LRCX, 2.5%), Manulife Financial Corp (MFC, 2.4%), Comcast Corp (CMCSA, 2.3%), Abbvie Inc (ABBV, 2.1%), The Blackstone Group (BX, 2.0%) and Royal Caribbean Cruises (RCL, 2.0%). (See entire GoDI portfolio attached hereto.)

Portfolio Changes and Movers:

During September, we **initiated no new positions**; however, we **increased (by at least 0.4%) our existing position** in Caterpillar Inc (CAT) and Invesco Ltd (IVZ). During September, we **eliminated our position** in Bank of Nova Scotia (BNS). We **also decreased (by at least 0.4%) our existing position** in Enbridge Inc (ENB) and Enbridge Income Fund (ENF).

Amongst the month-end GoDI holdings, the five (5) **highest returns during September** (in descending order) were: Broadcom Inc (AVGO), Caterpillar Inc (CAT), The Boeing Co (BA), Grupo Financiero Banorte SAB (GBOOY) and Pfizer Inc (PFE). Amongst the month-end holdings, the five (5) **lowest returns during September** were: Lam Research Corp (LRCX), WPP PLC (WPP), Penske Automotive Group Inc (PAG), SunTrust Banks Inc (STI) and LyondellBasell (LYB).

Market Commentary:

In the current market environment, we are finding very **good dividend-growth-at-a-reasonable-price (“DGARP”) within Financials**, which represents the largest sector exposure within the GoDI portfolio. It remains perplexing to us that Financials have not been a leadership group this year because of their *positive* correlation to interest rates and economic growth. Nevertheless, we do continue to expect that the next leg of the U.S. bull market to be led by financial stocks.

Another aspect of the market this year that is perplexing to us is the continuing and now extreme outperformance of “growth” stocks relative to “value” stocks. **While not entirely analogous or extreme as 1999 and early 2000, the 30.4% return spread between large-capitalization growth and value stocks and the 35.4% return spread between small-capitalization growth and value stocks since January 1, 2017 (through October 23) is certainly unusual.** Recently, however, there have been signs that value stocks may be ready to take-over market leadership from growth stocks as the volatility of the daily return spread between value and growth has increased substantially over the past several months. Nevertheless, as in the late 1990’s, it is virtually impossible to say precisely when the substantial negative spread between value and growth will begin the process of unwinding **despite the current historically wide valuation spreads between the two styles (according to Morgan Stanley research, the spread is the widest in over four (4) decades, with the exception of the peak of the 1999/2000 U.S. technology stock bubble).**

Last Month’s Dividend Announcements:

Since our objective within the GoDI is income/distribution growth, our monthly commentaries generally 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 changes during the prior calendar month, as well as those holdings we expect to declare dividend changes in the next calendar 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 GoDI holdings, **during the month of September 2018 we received three (3) declared dividend increases averaging an announced increase of 9.8% quarter-over-quarter (“QoQ”) and 15.5% 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	American Tower Corp	AMT	2.2	2.6	19.7	😊😊
2	Honeywell International	HON	2.0	10.1	10.1	😊
3	Royal Caribbean Cruises	RCL	2.3	16.7	16.7	😊😊
Average			2.2	9.8	15.5	

American Tower Corp (AMT) is a large (US\$66B market capitalization) real estate investment trust that owns and leases wireless communications towers in the U.S. (40,000 towers), India (58,000 towers) and the rest of the world (50,000 towers). While not inexpensive, we do like American Tower's global diversification into faster growing wireless markets. Since it began paying a dividend in 2012, American Tower has increased its dividend every single quarter at a rate of approximately 20% per annum.

Dow Jones Industrial Average component Honeywell International announced a dividend increase of 10.1% which was at the bottom end of our expected range of 10% to 14%. This increase was also moderately lower than their typical 12% to 13% dividend increase over the past five (5) years. Honeywell also trades at a moderately expensive 19.3x analyst expected twelve-month forward earnings. We hold a small position in Honeywell International due to its high quality, consistent and moderately growing industrial sector income stream.

Finally, top-10 holding Royal Caribbean Cruises announced a 16.7% dividend per share increase – in the middle of our expected range of 14% to 20%. Royal Caribbean is the world's second largest cruise line operator (behind Carnival Corp, another Fund holding) with more than 40 ships and nearly 10,000 berths carrying approximately 4 million passengers a year. Royal Caribbean has one of the best long-term dividend yield-growth combinations in the GoDI portfolio. It has almost tripled its dividend per share over the past five (5) years, representing 22.9% per annum dividend growth – and earnings per share growth has actually been slightly faster than this amount. Royal Caribbean also trades inexpensively at 12x analyst expected earnings, with analysts expecting long-term forward earnings growth of over 15% per annum. Royal Caribbean remains a top DGARP position in the GoDI portfolio.

Next Month's Expected Dividend Announcements:

During October 2018, we are expecting at least three (3) annual dividend increase announcement from our current holdings:

No.	Name	Ticker Symbol	Current Ind Div Yld (% p.a.)	Est. Announce Date	Est. Div Increase (%)
1	Crown Castle Int'l	CCI	3.9	October 18	6-9
2	Kar Auction Services	KAR	2.4	October 30	9-14
3	Lincoln National Corp	LNC	1.9	October 31	8-13

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).

Thank you for your continued interest in the Fund,

John J. Schmitz

John J. Schmitz, Ph.D., CFA

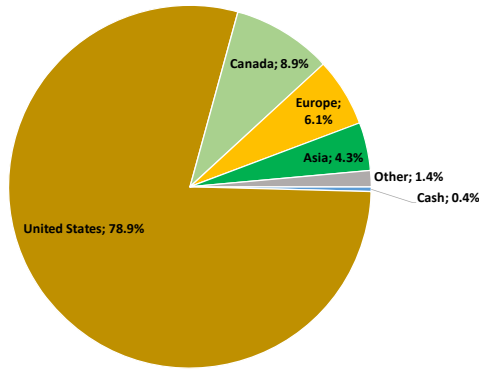
No. Ticker	List Type	Company Name	Portfolio Weight	Country of Domicile	BICS Sector	BICS Industry	Market Cap (\$B CAD)	Div Yld Indicated (% p.a.)	Ind Div PS 1 Year Growth (% p.a.)	Ind Div PS 1 Year Time Series	Ind Div PS 3 Year Growth (% p.a.)	Ind Div PS 3 Year Time Series	Ind Div PS 5 Year Growth (% p.a.)	Ind Div PS 5 Year Time Series	SciVest GDI Score	12-Mth Forward EPS Yld (% p.a.)	12-Mth Forward CF Yld (% p.a.)	12-Mth Forward P/E	12-Mth Forward P/CF
			99.6%																
61	AMT	US AMERICAN TOWER CORP	0.6%	US	Financials	REIT	83	2.2	19.7		21.5		24.0		32.5	2.5	5.4	40.7	18.4
62	BA	US BOEING CO/THE	0.6%	US	Industrials	Aircraft & Parts	276	1.8	20.4		23.4		28.7		35.8	4.5	7.0	22.0	14.3
63	IPG	US INTERPUBLIC GROUP OF COS INC	0.6%	US	Communications	Advertising & Marketing	11	3.7	16.7		20.5		22.9		30.6	7.8	10.2	12.7	9.8
64	CAT	US CATERPILLAR INC	0.6%	US	Industrials	Construction & Mining Machine	117	2.3	10.3		3.8		7.5		24.2	8.3	10.5	12.1	9.5
65	CONE	US CYRUSONE INC	0.6%	US	Financials	REIT	9	2.9	9.5		13.5		23.5		31.1	1.3	6.0	76.9	16.8
66	ENF	CA ENBRIDGE INCOME FUND HOLDING	0.5%	CA	Energy	Midstream - Oil & Gas	6	7.2	10.1		13.6		11.1		39.3	8.1	8.8	12.4	11.3
67	STLD	US STEEL DYNAMICS INC	0.5%	US	Materials	Steel Producers	14	1.7	21.0		10.9		11.3		21.5	11.2	13.6	8.9	7.4
68	SCGLY	ADR SOCIETE GENERALE-SPONS ADR	0.5%	FR	Financials	Diversified Banks	45	6.0	0.0		22.4		37.4		24.0	13.0	18.1	7.7	5.5
69	SPG	US SIMON PROPERTY GROUP INC	0.5%	US	Financials	REIT	71	4.5	11.1		8.9		11.7		35.1	4.2	6.0	23.8	16.7
70	SMFKY	ADR SMURFIT KAPPA GROUP PLC-ADR	0.5%	IE	Materials	Containers & Packaging	12	2.6	11.4		14.4		23.9		34.2	8.2	14.3	12.3	7.0
71	STI	US SUNTRUST BANKS INC	0.5%	US	Financials	Banks	40	3.0	25.0		27.7		38.0		31.2	8.7	8.8	11.5	11.3
72	KAR	US KAR AUCTION SERVICES INC	0.5%	US	Consumer Discretionary	Automotive Wholesalers	10	2.3	9.4		9.0		13.0		22.9	5.4	5.5	18.6	18.3
73	EAT	US BRINKER INTERNATIONAL INC	0.5%	US	Consumer Discretionary	Restaurants	2	3.3	0.0		5.9		9.6		25.5	8.2	17.0	12.2	5.9
74	SWKS	US SKYWOKS SOLUTIONS INC	0.5%	US	Technology	Semiconductor Devices	21	1.7	18.8		13.5		n/a		19.0	8.7	10.0	11.5	10.0
75	AMX	ADR AMERICA MOVIL-SPN ADR CL L	0.5%	MX	Communications	Telecom Carriers	68	2.1	6.9		7.4		8.1		24.2	7.2	22.7	13.8	4.4
76	PNGAY	ADR PING AN INSURANCE-ADR	0.4%	CN	Financials	Life Insurance	237	2.7	77.4		66.9		50.6		39.4	9.2	12.1	10.9	8.3
77	CE	US CELANESE CORP	0.4%	US	Materials	Basic & Diversified Chemicals	20	1.9	17.4		21.6		24.6		35.1	9.6	10.2	10.4	9.8
78	SU	CA SUNCOR ENERGY INC	0.4%	CA	Energy	Integrated Oils	81	2.9	12.5		7.5		12.5		30.9	7.7	15.7	13.1	6.4
79	GIS	US GENERAL MILLS INC	0.4%	US	Consumer Staples	Packaged Food	33	4.6	0.0		3.7		5.2		20.2	7.3	9.6	13.8	10.5
80	NEE	US NEXTERA ENERGY INC	0.4%	US	Utilities	Integrated Utilities	102	2.6	13.0		13.0		11.0		30.7	4.9	9.5	20.4	10.5
81	KHC	US KRAFT HEINZ CO/THE	0.4%	US	Consumer Staples	Packaged Food	87	4.5	0.0		4.4		n/a		11.9	6.9	8.0	14.4	12.6
82	EXR	US EXTRA SPACE STORAGE INC	0.4%	US	Financials	REIT	14	4.0	10.3		13.4		16.5		35.9	3.5	n/a	28.6	n/a
83	BAYRY	ADR BAYER AG-SPONSORED ADR	0.3%	DE	Health Care	Large Pharma	107	3.6	3.7		7.6		8.1		27.3	9.2	12.3	10.8	8.1
84	BBY	US BEST BUY CO INC	0.3%	US	Consumer Discretionary	Consumer Elec & Applc Stores	28	2.3	32.4		25.1		21.5		34.2	6.7	10.7	14.9	9.3
85	DEO	ADR DIAGEO PLC-SPONSORED ADR	0.3%	GB	Consumer Staples	Beverages	112	2.4	5.0		5.0		6.6		15.6	4.7	5.1	21.1	19.7
86	QWE443	CA ALPHADELTA CDN GRWTH OF DIV	3.7%	CA	Other	Other	45	4.1	20.0		16.3		15.9		30.1	7.3	9.7	13.7	10.3
Invested Portfolio Equal Weighted Average			1.16%																
Invested Portfolio Weighted Average			1.76%				84.6	3.33	14.6		16.7		19.0		27.4	8.6	12.6	14.8	9.7
							87.6	3.37	21.0		18.7		19.7		28.5	9.3	12.8	12.8	9.2

Dividend Coverage = 275% 379%

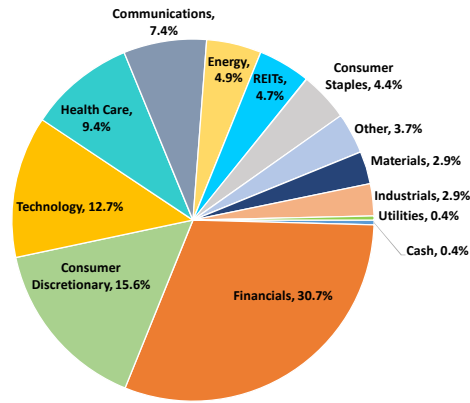
* Data as of date = September 28, 2018

** All data is captured just prior to publication. Data is sourced and derived from Bloomberg and SciVest Capital Management Inc. "BICS Sector" and "BICS Industry" definitions are from the Bloomberg Industry Classification System. "Market Cap" is the current market capitalization of equity. "Div Yld Indicated" is the most recent indicated annualized dividend yield. "Ind Div PS" is the annualized gross amount of the most recent indicated dividend per share. The "Ind Div PS Times Series" charts show the annualize indicated dividend per share on a monthly basis as of each calendar month-end for the stated time period. The "SciVest GDI Score" is SciVest Capital Management Inc.'s proprietary Growth of Dividend Income Score. The SciVest GDI Score ranges from 0 to 40 (higher is better) and captures the magnitude of the combination of current dividend yield and dividend per share growth for each company stock (i.e., the higher the SciVest GDI Score, the higher the companies relative combined dividend yield and dividend growth). "12-Mth Forward P/E" is the ratio of current stock price to Bloomberg's blended 12-month forward aggregate analyst estimate of earnings per share from continuing operations, while "12-Mth Forward EPS Yld" is the inverse of this ratio. "12-Mth Forward P/CF" is the ratio of current stock price to Bloomberg's blended 12-month forward aggregate analyst estimate of cash flow per share, while "12-Mth Forward Cashflow Yld" is the inverse of this ratio. "Portfolio Equal Weighted Average" is the simple arithmetic mean of each data item across all portfolio holdings, and "Portfolio Weighted Average" is the weighted average of each data item where each data point within the average is weighted by the percentage held of each portfolio holding (not including cash). Within the each average calculation, missing values are assigned the average of the remaining data items.

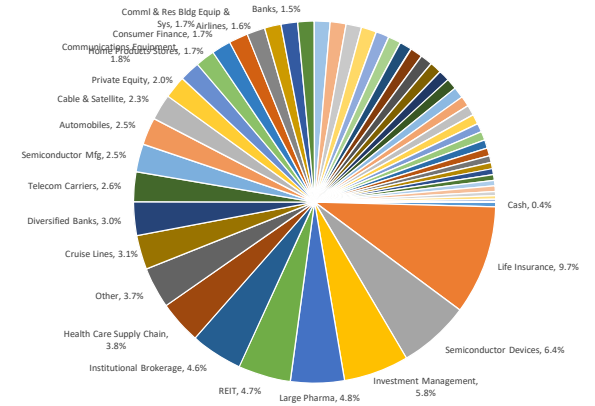
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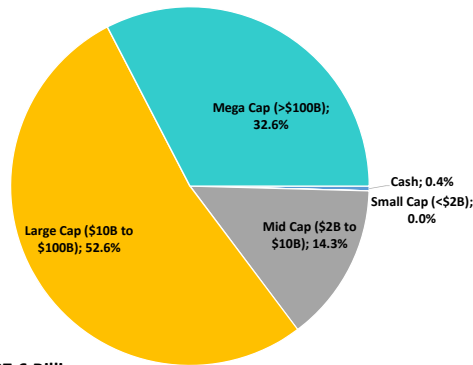
BLOOMBER SECTORS



BLOOMBER INDUSTRY GROUP

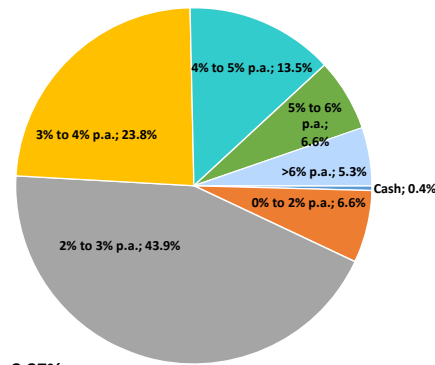


MARKET CAP BUCKETS (CA\$)



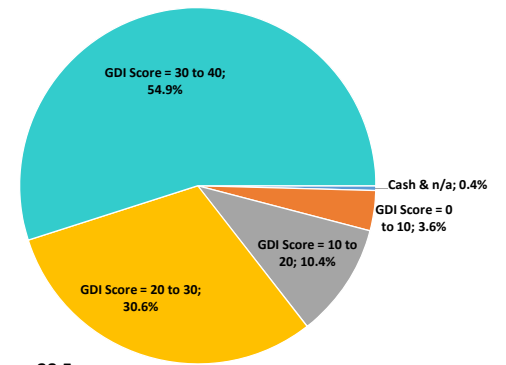
Average = \$87.6 Billion

DIVIDEND YIELD BUCKETS



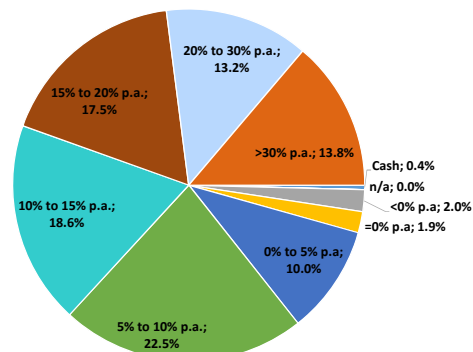
Average = 3.37% p.a.

SCIVEST GDI SCORE BUCKETS



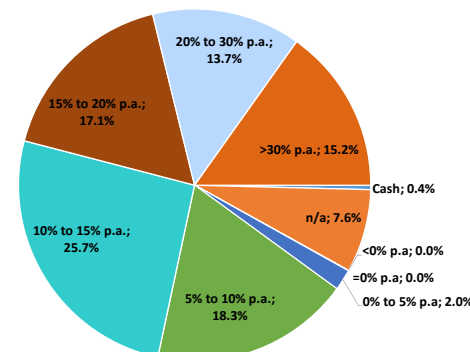
Average = 28.5

3 YEAR DIVIDEND GROWTH BUCKETS



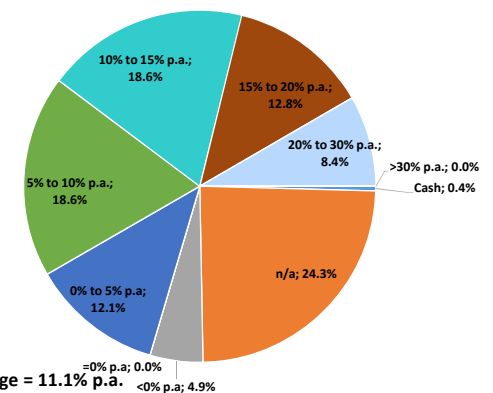
Average = 18.7% p.a.

5 YEAR DIVIDEND GROWTH BUCKETS



Average = 19.7% p.a.

10 YEAR DIVIDEND GROWTH BUCKETS



Average = 11.1% p.a.