



## **AlphaDelta Growth of Dividend Income Class**

**Financial Statements  
(Unaudited)  
June 30, 2018**

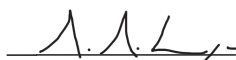
# AlphaDelta Growth of Dividend Income Class


## Statements of Financial Position

As at

	June 30, 2018	December 31, 2017
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 49,011	\$ 1,038,072
Receivable for investment sold	152,664	–
Dividends receivable	39,055	24,896
Subscriptions receivable	2,174	425,787
Unrealized appreciation of forward contracts – at fair value (Note 11)	150,673	62,715
Due from related parties (Note 9)	61,832	55,569
Investments – at fair value (Note 11)	17,479,564	16,488,916
Prepaid expenses	44,316	18,857
	<u>17,979,289</u>	<u>18,114,812</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	86,519	73,512
Unsettled trades payable	89,655	641,326
Redemptions payable	16,566	32,888
Distribution payable	21,988	–
Management fees payable (Notes 8 and 9)	19,304	8,651
	<u>234,032</u>	<u>756,377</u>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<u>\$ 17,745,257</u>	<u>\$ 17,358,435</u>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	\$ 2,714,301	\$ 2,561,451
Series F	1,933,114	1,806,281
Series G	12,907,056	12,889,662
Series I	190,786	101,041
	<u>\$ 17,745,257</u>	<u>\$ 17,358,435</u>
<b>Number of Redeemable Shares Outstanding (Note 3)</b>		
Series A	261,636	233,646
Series F	182,797	162,036
Series G	1,130,789	1,073,881
Series I	16,259	8,210
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (Note 2)</b>		
Series A	\$ 10.37	\$ 10.96
Series F	10.58	11.15
Series G	11.41	12.00
Series I	11.73	12.31

Approved on behalf of the Board of Directors of Qwest Funds Corp.

  
Maurice Levesque  
Director

  
Victor Therrien  
Director

# AlphaDelta Growth of Dividend Income Class

## Statements of Comprehensive Income

For the six-months ended June 30 (Unaudited)

	2018	2017
<b>Income</b>		
Dividend income	\$ 328,446	\$ 97,869
Foreign exchange gain (loss) on cash	6,337	(3,994)
Class action proceeds	3,268	—
Interest income	391	49
Change in unrealized appreciation of investments	107,816	11,692
Change in unrealized (depreciation) appreciation of forward contracts	(80,567)	2,840
Net realized (loss) gain on sale of investments	(54,063)	32,731
Net realized (loss) gain on forward contracts	(772,874)	192,981
	<u>(461,246)</u>	<u>334,168</u>
<b>Expenses</b>		
Management fee (Notes 8 and 9)	57,359	22,994
Shareholder recordkeeping and fund accounting fees (Note 10)	53,819	34,885
Foreign withholding taxes	32,877	11,135
Audit	29,331	17,764
Custodian fees	23,373	19,600
Legal	18,137	5,175
Independent review committee fees	6,808	2,000
Translation fee	6,321	2,622
Filing fees	5,931	16,717
Transaction costs	5,329	2,293
Tax review	4,256	2,352
Securityholder reports	1,873	1,963
Interest	727	77
Bank charges	568	542
Expenses reimbursements (Note 9)	(21,263)	(46,725)
	<u>225,446</u>	<u>93,394</u>
<b>(Decrease) Increase in Net Assets Attributable to Holders of Redeemable Shares</b>	<u>\$ (686,692)</u>	<u>\$ 240,774</u>
<b>(Decrease) Increase in Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	\$ (112,598)	\$ 60,949
Series F	(79,104)	43,652
Series G	(490,050)	128,763
Series I	(4,940)	7,410
	<u>\$ (686,692)</u>	<u>\$ 240,774</u>
<b>Weighted Average of Redeemable Shares Outstanding During the Year</b>		
Series A	254,413	145,679
Series F	181,648	155,884
Series G	1,125,535	221,851
Series I	11,434	11,902
<b>(Decrease) Increase in Net Assets Attributable to Holders of Redeemable Shares per Share (Note 14)</b>		
Series A	\$ (0.44)	\$ 0.42
Series F	(0.44)	0.28
Series G	(0.44)	0.58
Series I	(0.43)	0.62

# AlphaDelta Growth of Dividend Income Class

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six-months ended June 30 (Unaudited)

	Net assets attributable to holders of redeemable shares, beginning of period	Proceeds from redeemable shares issued	Redemption of redeemable shares	Distributions to investors from net investment income	Shares issued on reinvestment of distributions	Decrease in net assets attributable to holders of redeemable shares	Net assets attributable to holders of redeemable shares, end of period
<b>June 30, 2018</b>							
Series A	\$ 2,561,451	\$ 473,099	\$ (200,584)	\$ (42,672)	\$ 35,605	\$ (112,598)	\$ 2,714,301
Series F	1,806,281	535,161	(316,300)	(31,736)	18,812	(79,104)	1,933,114
Series G	12,889,662	1,721,732	(1,095,084)	(207,195)	87,991	(490,050)	12,907,056
Series I	101,041	96,600	(1,915)	(2,278)	2,278	(4,940)	190,786
	<u>\$ 17,358,435</u>	<u>\$ 2,826,592</u>	<u>\$ (1,613,883)</u>	<u>\$ (283,881)</u>	<u>\$ 144,686</u>	<u>\$ (686,692)</u>	<u>\$ 17,745,257</u>

	Net assets attributable to holders of redeemable shares, beginning of period	Proceeds from redeemable shares issued	Redemption of redeemable shares	Distributions to investors from net investment income	Shares issued on reinvestment of distributions	Increase in net assets attributable to holders of redeemable shares	Net assets attributable to holders of redeemable shares, end of period
<b>June 30, 2017</b>							
Series A	\$ 747,235	\$ 1,389,622	\$ (146,427)	\$ (22,652)	\$ 21,022	\$ 60,949	\$ 2,049,749
Series F	676,189	3,174,305	(2,197,631)	(23,469)	18,580	43,652	1,691,626
Series G	1,170,870	3,222,289	(148,350)	(38,656)	33,128	128,763	4,368,044
Series I	119,965	19,920	(26,000)	(1,864)	1,864	7,410	121,295
	<u>\$ 2,714,259</u>	<u>\$ 7,806,136</u>	<u>\$ (2,518,408)</u>	<u>\$ (86,641)</u>	<u>\$ 74,594</u>	<u>\$ 240,774</u>	<u>\$ 8,230,714</u>

# AlphaDelta Growth of Dividend Income Class

## Statements of Cash Flows

For the six-months ended June 30 (Unaudited)

	2018	2017
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
(Decrease) Increase in Net Assets Attributable to Holders of Redeemable Shares	\$ (686,692)	\$ 240,774
Adjustments for non-cash items		
Net realized loss (gain) on sale of investments	54,063	(32,731)
Foreign exchange (gain) loss on cash	(6,337)	3,994
Change in unrealized appreciation of investments	(107,816)	(11,692)
Change in non-cash balances		
Receivable for investment sold	(152,664)	(32,029)
Dividends receivable	(14,159)	(13,211)
Unrealized appreciation of forward contracts	(87,958)	(2,840)
Due from related parties	(6,263)	47,570
Prepaid expenses	(25,459)	(3,511)
Accounts payable and accrued liabilities	13,007	(60,084)
Unsettled trades payable	(551,671)	194,662
Management fee payable	10,653	(1,805)
Proceeds from sale of investments	6,321,665	(5,702,666)
Purchase of investments	(7,258,560)	351,670
Cash used in operating activities	(2,498,191)	(5,021,899)
<b>Financing Activities</b>		
Proceeds from redeemable shares issued	3,140,321	7,783,416
Redemption of redeemable shares	(1,520,320)	(2,518,408)
Distribution paid in cash	(261,894)	(83,823)
Shares issued on reinvestment of distributions	144,686	74,594
Cash provided by financing activities	1,502,793	5,255,779
(Decrease) increase in cash during the period	(995,398)	233,880
Foreign exchange gain (loss) on cash	6,337	(3,994)
Cash (Bank overdraft), beginning of period	1,038,072	(1,497)
<b>Cash, end of period</b>	<b>\$ 49,011</b>	<b>\$ 228,389</b>
<b>Supplemental information*</b>		
Interest paid	\$ 905	\$ 140
Interest received	446	49
Dividends received, net of withholding taxes	279,382	73,523

\*Included as a part of cash flows from operating activities

**AlphaDelta Growth of Dividend Income Class**  
**Schedule of Investment Portfolio as at June 30, 2018 (Unaudited)**  
Expressed in Canadian Dollars

Description	Number of shares	Average cost \$	Fair value \$	Fair value %
<b>Investments owned (98.56%)</b>				
<b>Equities (98.56%)</b>				
<b>Basic Materials (2.07%)</b>				
Celanese Corp.	510	54,678	74,437	0.42
LyondellBasell Industries NV	750	83,052	108,274	0.61
Smurfit Kappa Group PLC	1,700	65,491	89,926	0.51
Steel Dynamics Inc.	1,550	68,965	93,601	0.53
<b>Total Basic Materials</b>		<b>272,186</b>	<b>366,238</b>	<b>2.07</b>
<b>Communications (11.44%)</b>				
America Movil SAB de CV	3,800	71,717	83,199	0.47
China Mobile Ltd.	2,700	169,032	157,511	0.89
Cisco Systems Inc.	5,800	245,675	327,990	1.85
Comcast Corp.	11,600	503,325	500,179	2.82
j2 Global Inc.	2,400	232,000	273,175	1.54
Nexstar Media Group Inc.	1,800	163,213	173,632	0.98
Nippon Telegraph & Telephone Corp.	3,535	208,997	210,636	1.19
The Interpublic Group of Cos Inc.	3,400	83,354	104,736	0.59
WPP PLC	1,900	228,452	196,213	1.11
<b>Total Communications</b>		<b>1,905,765</b>	<b>2,027,271</b>	<b>11.44</b>
<b>Consumer, Cyclical (22.23%)</b>				
Best Buy Co. Inc.	500	25,771	49,007	0.28
Big Lots Inc.	4,100	248,817	225,120	1.27
Brinker International Inc.	3,300	149,984	206,435	1.16
CVS Health Corp.	7,300	651,687	617,352	3.48
Delta Air Lines Inc.	4,100	262,803	266,932	1.50
Foot Locker Inc.	4,000	208,643	276,771	1.56
General Motors Co.	5,700	276,995	295,143	1.66
Lowe's Cos Inc.	2,200	215,013	276,316	1.56
Macy's Inc.	5,100	155,409	250,872	1.41
Magna International Inc.	3,700	206,203	282,902	1.59
Newell Brands Inc.	7,800	275,591	264,367	1.49
Nissan Motor Co., Ltd.	5,400	135,744	137,888	0.78
Penske Automotive Group Inc.	2,500	148,152	153,926	0.87
Royal Caribbean Cruises Ltd.	2,600	349,041	353,993	1.99
Whirlpool Corp.	1,200	260,186	230,611	1.30
Wyndham Destinations Inc.	1,000	46,790	58,180	0.33
<b>Total Consumer, Cyclical</b>		<b>3,616,829</b>	<b>3,945,815</b>	<b>22.23</b>

# AlphaDelta Growth of Dividend Income Class

## Schedule of Investment Portfolio as at June 30, 2018 (Unaudited) (Continued)

Expressed in Canadian Dollars

Description	Number of shares	Average cost \$	Fair value \$	Fair value %
<b>Consumer, Non-cyclical (9.11%)</b>				
Abb Vie Inc.	2,550	232,734	310,490	1.75
Amgen Inc.	550	115,410	133,423	0.75
Atlantia SpA	6,500	120,734	125,444	0.71
Bayer AG	600	19,268	21,747	0.12
Bunge Ltd.	2,600	229,543	238,193	1.34
Diageo PLC	250	36,805	47,314	0.27
General Mills Inc.	1,200	65,512	69,800	0.39
Johnson & Johnson	600	89,118	95,679	0.54
KAR Auction Services Inc.	1,100	62,108	79,220	0.45
Pfizer Inc.	6,200	276,204	295,612	1.67
The Kraft Heinz Co.	900	65,952	74,302	0.42
Unilever PLC	1,700	119,056	123,503	0.70
<b>Total Consumer, Non-cyclical</b>		<b>1,432,444</b>	<b>1,614,727</b>	<b>9.11</b>
<b>Energy (8.42%)</b>				
Canadian Natural Resources Ltd.	4,300	178,084	204,035	1.15
Enbridge Inc.	10,200	460,803	479,400	2.70
Enbridge Income Fund Holdings Inc.	10,800	322,723	348,192	1.96
Royal Dutch Shell PLC	1,600	119,799	152,763	0.86
Suncor Energy Inc.	2,250	92,107	120,375	0.68
Valero Energy Corp.	1,300	111,074	189,349	1.07
<b>Total Energy</b>		<b>1,284,590</b>	<b>1,494,114</b>	<b>8.42</b>
<b>Financial (33.12%)</b>				
American Tower Corp.	550	92,875	104,208	0.59
Ameriprise Financial Inc.	1,300	210,487	238,979	1.35
BGC Partners Inc.	15,000	246,579	223,151	1.26
Citigroup Inc.	500	43,050	43,973	0.25
CoreSite Realty Corp.	730	94,634	106,317	0.60
Crown Castle International Corp.	750	95,086	106,273	0.60
CyrusOne Inc.	1,400	95,363	107,375	0.61
Discover Financial Services	3,500	292,040	323,865	1.83
Extra Space Storage Inc.	550	56,017	72,144	0.41
Grupo Financiero Banorte SAB de CV	3,600	133,160	139,805	0.79
Invesco Ltd.	9,000	369,310	314,146	1.77
JPMorgan Chase & Co.	1,650	182,735	225,950	1.27
Lazard Ltd.	4,300	245,013	276,393	1.56
Legg Mason Inc.	5,500	259,833	251,032	1.41
Lincoln National Corp.	1,850	146,328	151,347	0.85
Manulife Financial Corp.	28,600	703,207	675,532	3.81
MetLife Inc.	4,700	289,461	269,306	1.52
Morgan Stanley	5,900	344,939	367,529	2.07
Omega Healthcare Investors Inc.	2,800	110,017	114,073	0.64
ORIX Corp.	1,300	140,901	134,985	0.76
Prudential Financial Inc.	4,600	603,322	565,298	3.19
Prudential PLC	3,600	212,844	216,212	1.22
QTS Realty Trust Inc.	2,700	163,094	140,159	0.79
Simon Property Group Inc.	380	78,452	84,992	0.48
Societe Generale SA	8,100	107,001	88,939	0.50
SunTrust Banks Inc.	1,000	85,846	86,763	0.49
The Bank of Nova Scotia	1,400	106,817	104,216	0.59
The Blackstone Group LP	8,000	318,021	338,223	1.91
<b>Total Financial</b>		<b>5,826,432</b>	<b>5,871,185</b>	<b>33.12</b>

The accompanying notes are an integral part of these financial statements.

# AlphaDelta Growth of Dividend Income Class

## Schedule of Investment Portfolio as at June 30, 2018 (Unaudited) (Continued)

Expressed in Canadian Dollars

Description	Number of shares	Average cost \$	Fair value \$	Fair value %
<b>Industrial (2.66%)</b>				
HeidelbergCement AG	4,800	120,701	105,630	0.60
Honeywell International Inc.	720	116,891	136,304	0.77
Johnson Controls International plc	3,100	162,458	136,276	0.77
The Boeing Co.	210	38,780	92,595	0.52
<b>Total Industrial</b>		438,830	470,805	2.66
<b>Technology (9.14%)</b>				
Broadcom Inc.	1,800	547,164	573,979	3.23
Intel Corp.	1,400	65,395	91,460	0.52
Lam Research Corp.	2,050	439,185	465,677	2.62
QUALCOMM Inc.	3,350	242,890	247,072	1.39
Skyworks Solutions Inc.	410	41,706	52,077	0.29
Western Digital Corp.	1,900	202,006	193,291	1.09
<b>Total Technology</b>		1,538,346	1,623,556	9.14
<b>Utilities (0.37%)</b>				
NextEra Energy Inc.	300	52,478	65,853	0.37
<b>Total Utilities</b>		52,478	65,853	0.37
<b>Total Equities</b>		16,367,900	17,479,564	98.56
<b>Total investments owned</b>		16,367,900	17,479,564	98.56
Net investments owned (98.56%)		16,367,900	17,479,564	98.56
Unrealized loss, foreign exchange forward contracts (0.85%)			150,673	0.85
Cash (0.28%)			49,011	0.28
Other assets, net (0.31%)			66,009	0.31
<b>Net Assets Attributable to Holders of Redeemable Shares (100%)</b>			<b>17,745,257</b>	<b>100.00</b>



# AlphaDelta Growth of Dividend Income Class

## Notes to Financial Statements

(Unaudited)

June 30, 2018

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### 1 GENERAL

Qwest Funds Corp. (the “Corporation”) is a mutual fund corporation incorporated under the laws of Canada on March 8, 2006. The address of the Corporation’s registered office is Suite 802, 750 West Pender Street, Vancouver, British Columbia V6C 2T8. The authorized capital of the Corporation consists of an unlimited number of Class A shares, Class B shares and special shares. Currently, there are four classes of special shares that are in issue - the AlphaDelta Canadian Focused Equity Class (formerly AlphaDelta Canadian Prosperity Class) (the “ADCFE” Class), AlphaDelta Growth of Dividend Income Class (the “Fund”), AlphaDelta Tactical Growth Class (formerly, AlphaDelta Global Value Class) (the “ADTG” Class) and Qwest Energy Canadian Resource Class (the “QECRC” Class); however, the Corporation may offer additional classes of special shares in the future. These financial statements present the financial information of the Fund as a separate reporting entity. If another Class of the Corporation cannot satisfy its obligations, the other classes, including the Fund, may be required to satisfy them using assets attributable to those classes. The Manager believes the risk of such cross-liability is remote. The Fund currently only offers Series A, Series F, Series G, and Series I shares. The Corporation’s ultimate controlling party is Qwest Investment Management Corp. (“QIM”) which owns 51% of Class A voting shares and 100% of Class B voting shares of the Corporation. The Fund commenced operations on February 19, 2015.

The Corporation appointed Qwest Investment Fund Management Ltd. (the “Manager”), whose ultimate parent is QIM, as the manager of the Fund. The Manager is responsible for providing portfolio management services to the Fund, and the Manager is authorized to delegate its investment advisory duties to sub-advisors. The Manager has entered into an agreement with AlphaDelta Management Corp. (“ADM”), pursuant to which ADM will assist the Manager in identifying, screening and selecting sub-advisors. ADM shares common directors with the Manager. The sub-advisor for this fund is SciVest Capital Management Inc.

The fundamental investment objective of the Fund is to provide long-term capital appreciation by investing primarily in dividend paying securities of companies around the world.

The financial statements were authorized for issue by the Board of Directors of the Corporation, on August 17, 2018.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

These interim financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”), as applicable to the preparation of interim financial statements including International Accounting Standards (“IAS”) 34, Interim Financial Statements.

The following is a summary of significant accounting policies used by the Fund.

# AlphaDelta Growth of Dividend Income Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### Financial instruments

Accounting policies applied from January 1, 2018:

From January 1, 2018, the Fund classifies its investments in equity securities as financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

The Fund classifies its investments at FVTPL based on the Fund's business model for managing those financial assets in accordance with the Fund's documented investment strategy. The portfolio of investments is managed and performance is evaluated on a fair value basis and the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. The Fund's obligation for net assets attributable to holders of redeemable shares is presented as a liability at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount expected to be received or required to be paid, discounted, when appropriate, at the contract's original effective interest rate. The calculation includes all fees and amounts paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Dividend income is recognized at the ex-dividend date. Realized gains and losses on disposal of investments and derivatives and unrealized gains and losses in the value of investments and derivatives are reflected in the statement of comprehensive income and calculated on an average cost basis, where applicable. Upon disposal of an investment or derivative, previously recognized unrealized gains and losses are reversed so as to recognize the full realized gain or loss in the period of disposition. Interest is recorded on an accrual basis. All costs directly attributable to operating activities are expensed as incurred.

Regular way purchases and sales of financial assets are accounted for on a trade date basis.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Accounting policies applied prior to January 1, 2018:

The Fund has applied IFRS 9 retrospectively but the application of IFRS 9 has not resulted in a restatement of comparative information. Refer to Note 5 for changes in accounting policies including classification and measurement policies of financial assets and financial liabilities as a result of the application of IFRS 9.

# AlphaDelta Growth of Dividend Income Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### **Allocation of income and expenses, and realized and unrealized capital gains and losses**

Income and expenses incurred in connection with the Fund's operations and realized and unrealized gains or losses that are not directly attributable to a particular series of shares are allocated between Series A, Series F, Series G and Series I using the net asset value ("NAV") of Series A, F, G and I shares.

### **Fair value measurement**

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 Fund's policy is to recognize transfers within, into and out of the fair value hierarchy at the beginning of the period of the transfer.

#### *Investments in publicly traded equity securities*

The fair value of equity securities that are traded in an active market is measured using the last traded price at the period-end date where such price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread which is most representative of fair value based on specific facts and circumstances. When current prices or quotations are not readily available, valuations are established based upon a valuation technique in order to estimate what that fair value would be in an arm's length transaction motivated by normal business considerations. These valuations may include use of the most recent publicly traded price or a price established by the Manager in accordance with its valuation policy.

The amounts at which publicly traded investments could be disposed of currently may differ from the carrying value based on the last traded price, as the value at which significant ownership positions are sold is often different than the quoted price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity.

#### *Forward contracts*

The Fund may enter into forward contracts to manage its exposure to US dollar exchange fluctuations. Forward contracts are valued based on the difference between the US dollar close price and the forward contract price. The Fund does not utilize forward contracts for trading or speculative purposes.

### **Cash**

Cash consists of cash held with a Canadian chartered bank.

# AlphaDelta Growth of Dividend Income Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### Taxation

The Corporation qualifies as a mutual fund corporation as defined in the Income Tax Act (Canada). A mutual fund corporation is subject to a special 38-1/3% tax on taxable dividends received from corporations resident in Canada and to tax at a normal corporate rate on other income and net taxable realized capital gains for the period. The special 38-1/3% tax is refundable at the rate of \$1 for every \$2.61 of ordinary dividends paid. All the tax on net taxable realized capital gains is refundable on a formula basis when shares are redeemed or capital gains dividends are paid. As a result of these refund mechanisms, the Fund is in effect not taxable with respect to dividends received from corporations resident in Canada and net taxable realized capital gains. The Fund is not taxable as all the Fund's net income for tax purposes and sufficient net capital gains realized in the period, will be distributed to shareholders such that no income tax is payable by the Fund with respect to taxable realized capital gains and dividends received from corporations resident in Canada. Therefore the Fund does not recognize current or deferred income taxes with respect to these types of income.

As of January 1, 2017, conversions of shares between two classes of a mutual fund corporation (including Qwest Funds Corp.) will be treated as a disposition of shares at their fair market value, in order to comply with amendments to the Income Tax Act (Canada).

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statement of comprehensive income.

### Foreign currency translation

The functional and presentation currency of the Fund is the Canadian dollar. The fair value of foreign investments and other assets and liabilities denominated in foreign currencies is translated into Canadian dollars at the exchange rates prevailing at 12:00 pm Eastern Standard Time (the "noon rate") on each valuation day. Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into Canadian dollars at rates of exchange prevailing at the respective dates of such transactions. Foreign exchange gains and losses relating to cash are presented as 'Foreign exchange gain (loss) on cash' and those relating to other financial assets and liabilities are presented within 'Net realized (loss) gain on sale of investments' and 'Change in unrealized appreciation of investments' in the statement of comprehensive income.

### (Decrease) increase in net assets attributable to holders of redeemable shares from operations per share

(Decrease) increase in net assets attributable to holders of redeemable shares from operations per share is determined by dividing the (decrease) increase in net assets attributable to holders of redeemable shares from operations of each series by the weighted average number of shares outstanding of that series during the reporting period (see note 14).

# AlphaDelta Growth of Dividend Income Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### **Critical accounting estimates and judgments**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could differ from those reported and the differences could be material. The following paragraphs discuss the most significant accounting estimates and judgments that the Fund has made in preparing its financial statements:

#### *Fair value measurement of derivatives and securities not quoted in an active market*

The Fund holds financial instruments that are not quoted in active markets, including forward contracts. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry.

## 3 SHAREHOLDER TRANSACTIONS

The Fund is divided into Series A, F, G and I shares and the number of shares of each series that may be issued is unlimited and they are offered in all provinces and territories in Canada. Series A shares are available to all investors and may be purchased, switched or redeemed through authorized dealers. Series F shares and Series G shares are available to investors who have fee-based accounts with their dealers for investment advice and other services. Series F shares and Series G shares may only be purchased, switched or redeemed through authorized dealers, and not directly through the Manager. Series G shares are only available to investors with accounts with investment advisors that have invested at least \$1,000,000 of client assets in shares of the Fund. Series I shares are available to institutional or other high net worth investors who negotiate and pay management fees directly to the Manager. Series I shares may only be purchased, switched or redeemed through authorized dealers, and not directly through the Manager.

Shares may be redeemed at their NAV per share on any valuation day. If the shares are redeemed or switched within 90 days of purchase, the shareholder may be charged a short-term trading fee of 2% of the value of the shares redeemed.

# AlphaDelta Growth of Dividend Income Class

## Notes to Financial Statements

(Unaudited)

June 30, 2018

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### 3 SHAREHOLDER TRANSACTIONS (Cont'd)

The number of Series A, F, G and I shares issued and redeemed at NAV are summarized as follows:

	<b>For the six-month period ended June 30,</b>	
	<b>2018</b>	<b>2017</b>
<b>Series A</b>		
Share issued and outstanding - Beginning of period	233,646	74,768
Shares issued during the period	43,102	135,359
Shares issued on reinvestment of distributions	3,390	2,046
Shares redeemed during the period	(18,502)	(14,279)
Shares issued and outstanding - End of period	261,636	197,894
<b>Series F</b>		
Share issued and outstanding - Beginning of period	162,036	66,953
Shares issued during the period	48,399	304,463
Shares issued on reinvestment of distributions	1,759	1,785
Shares redeemed during the period	(29,397)	(212,123)
Shares issued and outstanding - End of period	182,797	161,078
<b>Series G</b>		
Share issued and outstanding - Beginning of period	1,073,881	108,108
Shares issued during the period	143,221	289,394
Shares issued on reinvestment of distributions	7,626	2,967
Shares redeemed during the period	(93,939)	(13,277)
Shares issued and outstanding - End of period	1,130,789	387,192
<b>Series I</b>		
Share issued and outstanding - Beginning of period	8,210	10,846
Shares issued during the period	8,023	1,740
Shares issued on reinvestment of distributions	193	163
Shares redeemed during the period	(167)	(2,242)
Shares issued and outstanding - End of period	16,259	10,507

# AlphaDelta Growth of Dividend Income Class

## Notes to Financial Statements

(Unaudited)

June 30, 2018

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### 3 SHAREHOLDER TRANSACTIONS (Cont'd)

#### Classification of shares

IAS 32, *Financial Instruments: Presentation*, requires that units or shares of an entity would include a contractual obligation for the issuer to repurchase them for cash or another financial asset be classified as a liability. The Class A shares of the Corporation are not redeemable and holders are entitled to receive the remaining property of the Corporation upon liquidation, dissolution, winding-up or other distribution of assets. As a result, the Class A shares of the Corporation are subordinate to all other classes of shares, including the Fund, and thus the condition in paragraph IAS 32.16A(b) is not met. The special shares of the Fund are also redeemable on demand. As such the shares of the Fund are classified as financial liabilities. The Class A shares of the Corporation are not presented in the financial statements of the Fund.

### 4 DISTRIBUTIONS

The Fund intends to make monthly distributions from Canadian and foreign dividend payments received and certain derivative income received by the Fund in a particular month. In addition, the Fund may pay annually to shareholders capital gains dividends. Monthly distributions will generally be paid on the last day of each month and capital gains dividends will generally be paid in February. Dividends and distributions may be paid at other times as determined by the Manager. Shareholders may elect to receive distributions from the Fund in cash, or to have them automatically reinvested in additional shares of the Fund.

### 5 CHANGES IN ACCOUNTING POLICIES

The Fund has applied IFRS 9 retrospectively from January 1, 2017, which has resulted in changes in accounting policies. The following accounting policies relating to classification of financial assets and financial liabilities have been changed to comply with IFRS 9 which replaces the provisions of IAS 39.

#### Reclassifications of financial instruments on application of IFRS 9

On the date of initial application of IFRS 9, January 1, 2018, the financial instruments of the Fund were as follows, with any reclassifications from December 31, 2017 noted:

# AlphaDelta Growth of Dividend Income Class

## Notes to Financial Statements

(Unaudited)

June 30, 2018

### 5 CHANGES IN ACCOUNTING POLICIES (Cont'd)

<i>Financial Instruments</i>	<i>Classification Category</i>		<i>Measurement Category</i>		<i>Carrying amount at Jan 1, 2018</i>		
	<i>Original (IAS 39)</i>	<i>New (IFRS9)</i>	<i>Original (IAS 39)</i>	<i>New (IFRS9)</i>	<i>Original (IAS 39) \$</i>	<i>New (IFRS 9) \$</i>	<i>Difference \$</i>
<b>Assets</b>							
Cash	Amortised cost	Amortised cost	Amortised cost	Amortised cost	1,038,072	1,038,072	-
Dividends receivable	Loans and receivables	Amortised cost	Amortised cost	Amortised cost	24,896	24,896	-
Subscriptions receivable	Loans and receivables	Amortised cost	Amortised cost	Amortised cost	425,787	425,787	-
Forward contracts – at fair value	FVTPL - Designated at inception	FVTPL	FVTPL	FVTPL	62,715	62,715	-
Due from related parties	Loans and receivables	Amortised cost	Amortised cost	Amortised cost	55,569	55,569	-
Investments – at fair value	FVTPL - Designated at inception	FVTPL	FVTPL	FVTPL	16,488,916	16,488,916	-
Prepaid expenses	Loans and receivables	Amortised cost	Amortised cost	Amortised cost	18,857	18,857	-
<b>Liabilities</b>							
Accounts payable and accrued liabilities	Financial liabilities	Financial liabilities	Amortized cost	Amortized cost	73,512	73,512	-
Unsettled trades payable	Financial liabilities	Financial liabilities	Amortized cost	Amortized cost	641,326	641,326	-
Redemption payable	Financial liabilities	Financial liabilities	Amortized cost	Amortized cost	32,888	32,888	-
Management fees payable	Financial liabilities	Financial liabilities	Amortized cost	Amortized cost	8,651	8,651	-



# AlphaDelta Growth of Dividend Income Class

## Notes to Financial Statements

(Unaudited)

June 30, 2018

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### 6 INCOME TAXES

The Corporation's available tax losses, both capital and non-capital, are determined at the corporate and not the individual class level. As at December 31, 2017, the Corporation had unrecognized non-capital losses of approximately \$3,248,145 available for utilization against taxable income in future years. The Corporation had unrecognized capital losses available at December 31, 2017 of approximately \$7,901,770. The non-capital losses expire as follows:

	\$
Expiry date	
2037	1,090,669
2036	520,929
2035	524,234
2034	389,415
2033	722,898
	<hr/>
	3,248,145
	<hr/>

### 7 EXPENSES

The Fund is responsible for all charges and expenses incurred in connection with its operations, including regulatory, printing, legal and audit expenses.

Brokerage commissions paid by the Fund with respect to security transactions for the period ended June 30, 2018 are \$5,329 (June 30, 2017 - \$2,293). For the period ended June 30, 2018 and 2017, there were no soft dollar amounts paid.

### 8 MANAGEMENT FEE

The management fee is calculated at 1.3% per annum of the daily NAV of Series A shares, 0.8% per annum of the daily NAV of Series F shares, and 0.4% per annum of the daily NAV of Series G shares, paid monthly. The management fee charged for Series I shares is negotiated directly with each investor. The fees are payable to the Manager (notes 1 and 9).

# AlphaDelta Growth of Dividend Income Class

## Notes to Financial Statements

(Unaudited)

June 30, 2018

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### 9 RELATED PARTY BALANCES AND TRANSACTIONS

Balances and transactions are as follows:

	<b>For the six-month period ended June 30,</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Qwest Funds Corp., Qwest Energy Canadian Resource Class Reimbursement for Fund expenses paid by QECRC	12,628	5,118
Qwest Investment Fund Management Ltd. ("QIFM") Management fee	57,359	22,994
AlphaDelta Management Corp. (note 1) Voluntary reimbursement of Fund expenses	21,263	46,726
	<b>June 30,</b>	<b>December 31,</b>
<b>As of</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Qwest Funds Corp., Qwest Energy Canadian Resource Class Accounts payable	-	-
Qwest Investment Fund Management Ltd. Management fee payable	19,304	8,651
AlphaDelta Management Corp. (note 1) Due from related parties	61,832	55,569

All amounts payable are due on demand and non-interest bearing.

Included within accounts payable and accrued liabilities is an amount of \$6,393 in respect of sales tax payable which is to be remitted to the tax authorities through QIFM. In addition, an amount of \$250 was deposited in a trust account held in QIFM's name during the period to cover costs associated with shareholder transactions.

The terms of transactions with the Manager are disclosed in note 8. QECRC is another class of special shares of the Corporation. During the period, ADM has reimbursed the Fund for certain operating expenses incurred. This reimbursement is at the discretion of ADM and is calculated daily based on a set percentage of the NAV.

### 10 SHAREHOLDER RECORDKEEPING AND FUND ACCOUNTING FEES

The Fund has engaged the services of SGGG Fund Services Inc. ("SGGG") and FundSERV Inc. to provide shareholder recordkeeping and fund accounting services. Shareholder recordkeeping and fund accounting fees incurred by the Fund for the period ended June 30, 2018 are \$53,819 (June 30, 2017 - \$34,885).

# AlphaDelta Growth of Dividend Income Class

## Notes to Financial Statements

(Unaudited)

June 30, 2018

### 11 FAIR VALUE MEASUREMENT

The following table illustrates the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2018 and December 31, 2017. The three levels of fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

	Financial instruments at fair value as at June 30, 2018			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Equities	17,479,564	-	-	17,479,564
Forward contracts	-	150,673	-	150,673
	17,479,564	150,673	-	17,630,237

	Financial instruments at fair value as at December 31, 2017			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Equities	16,488,916	-	-	16,488,916
Forward contracts	-	62,715	-	62,715
	16,488,916	62,715	-	16,511,631

All fair value measurements above are recurring. The carrying values of other financial instruments approximate their fair values due to their short-term nature.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Fund, including Level 3 measurements. The Manager has engaged SGGG to value the net assets of the Fund on a daily basis. SGGG obtains pricing from a third party pricing vendor. The Fund's overall market positions are monitored on a daily basis by the Manager and are reviewed on a quarterly basis by the Board of Directors. The Manager ensures the accuracy of the calculation of NAV prepared by SGGG by reviewing the NAV calculation on a monthly basis.

The Fund's equity positions are classified as Level 1 when the security is actively traded and reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available.

# AlphaDelta Growth of Dividend Income Class

## Notes to Financial Statements

(Unaudited)

June 30, 2018

### 11 FAIR VALUE MEASUREMENT (Cont'd)

In such cases, fair value is determined using observable market data (e.g. transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3. There were no financial instruments that were transferred into or out of Level 1 or 2 during the period ended June 30, 2018 and December 31, 2017.

The Fund enters into foreign exchange forward contracts to reduce its foreign currency exposure. The forward contracts are measured at fair value based on the difference between the US dollar close price and the forward contract price.

Settlement date	Foreign exchange forward contracts as at June 30, 2018					
	Currency to be delivered		Currency to be received		Contract price \$	Appreciation CA\$
	Face value US\$	Fair value as at June 30, 2018 CA\$	Face value CA\$	Fair value as at June 30, 2018 CA\$		
July 20, 2018	(11,500,000)	(15,108,792)	15,259,465	15,259,465	1.32691	150,673

Settlement date	Foreign exchange forward contracts as at December 31, 2017					
	Currency to be delivered		Currency to be received		Contract price \$	Appreciation CA\$
	Face value US\$	Fair value as at December 31, 2017 CA\$	Face value CA\$	Fair value as at December 31, 2017 CA\$		
January 18, 2018	(11,100,000)	(13,897,200)	13,959,915	13,959,915	1.25765	62,715

### 12 FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Fund's activities expose it to a variety of financial instrument risks: market risk (including price risk, interest rate risk and currency risk), credit risk, concentration risk and liquidity risk.

The Fund's investment objective is to provide shareholders of the Fund with income and longer-term capital appreciation by investing primarily in dividend paying equity securities of companies around the world. The Fund invests primarily in larger capitalization, global, dividend paying equity securities (including securities of unit trusts, real estate investment trusts and depository receipts) and their derivatives.

The Fund may take small positions in other securities, such as convertible securities, high-yield debt securities and derivative instruments, and invest in foreign resource companies listed on major stock exchanges. The Fund is currently using derivatives for hedging purposes only. The Fund may hold a portion of its assets in cash or short-term money market securities while seeking investment opportunities or for defensive purposes to reflect adverse market, economic, political or other conditions.

# AlphaDelta Growth of Dividend Income Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

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## 12 FINANCIAL INSTRUMENTS RISK MANAGEMENT (Cont'd)

### Market risk

#### a) Price risk

The Fund's investments are exposed to market price risk due to changing market conditions for equities as well as any changes to the tax environment in which the investee entities operate. All investments in equity securities have inherent risk of a loss of capital. The maximum risk resulting from financial instrument investments is determined by the fair value of the financial instruments. The Manager seeks to manage market risks by setting thresholds on individual investments to mitigate the risk of over exposure to any one investment. The Fund's overall market positions are monitored on a daily basis by the Manager and are reviewed on a quarterly basis by the Board of Directors.

At June 30, 2018, the Fund's market risk is impacted directly by changes in equity prices. The immediate impact on equity of a 5% increase or decrease in the fair value of investments assuming all other variables remain constant would be approximately \$874,000 (December 31, 2017 - \$824,000).

#### b) Interest rate risk

The Fund's interest bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rate on its financial position and cash flows. The substantial majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

#### c) Currency risk

Currency risk is the risk that the value of investments denominated in currencies other than the functional currency of the Fund will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than Canadian dollars is affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the investment is denominated.

When the value of the Canadian dollar falls in relation to foreign currencies, the value in Canadian dollars of investments denominated in other currencies increases.

The Fund's currency risk is impacted directly by changes in foreign exchange rates. The immediate impact on the assets of a 5% increase or decrease in the foreign exchange rate which the Fund has exposure to, and the notional amounts of foreign exchange forward contracts, assuming all other variables remain constant, is detailed in the table below. The Fund enters into foreign exchange forward contracts to reduce its foreign currency exposure.

# AlphaDelta Growth of Dividend Income Class

Notes to Financial Statements

(Unaudited)

June 30, 2018

## 12 FINANCIAL INSTRUMENTS RISK MANAGEMENT (Cont'd)

As at June 30, 2018						
Currency	Exposure			Impact on net assets attributable to holders of redeemable shares		
	Monetary	Non-monetary	Total	Monetary	Non-monetary	Total
	\$	\$	\$	\$	\$	\$
United States dollar	(15,062,861)	15,264,912	202,051	(753,143)	763,246	10,103
% of net assets attributable to holders of redeemable shares	(84.9)	86.0	1.1	(4.2)	4.3	0.1
As at December 31, 2017						
Currency	Exposure			Impact on net assets attributable to holders of redeemable shares		
	Monetary	Non-monetary	Total	Monetary	Non-monetary	Total
	\$	\$	\$	\$	\$	\$
United States dollar	(13,424,877) *	14,562,595	1,137,718	(671,224)	728,130	56,886
% of net assets attributable to holders of redeemable shares	(77.3)	83.9	6.6	(3.9)	4.2	0.3

\* Net of notional value of the forward contract at the period-end spot rate less the CA\$ value of the US\$ cash balance at the period-end, as applicable.

As at June 30, 2018, the Fund had outstanding currency contracts to sell US\$11,500,000 prior to July 20, 2018 at a rate of CA\$1.3269 per US\$. (December 31, 2017 - US\$11,100,000 prior at a rate of CA\$1.2577 per US\$.)

### Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay an amount in full when due.

Credit risk associated with cash is minimized by ensuring that these balances are held by high-quality financial institutions.

When the Fund trades in listed or unlisted securities that are settled upon delivery using approved brokers, the risk of default is considered minimal since delivery of securities 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 Fund only transacts with reputable brokers with a high credit rating.

# AlphaDelta Growth of Dividend Income Class

## Notes to Financial Statements

(Unaudited)

June 30, 2018

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### 12 FINANCIAL INSTRUMENTS RISK MANAGEMENT (Cont'd)

The Manager monitors the Fund's credit position regularly, and the Board of Directors reviews it on a periodic basis. The Fund has not identified any past due assets or receivables as at June 30, 2018 and December 31, 2017. The Fund is also exposed to counterparty credit risk on forward contracts. The counterparty credit risk for forward contracts is managed by using counterparties with a minimum credit rating from S&P Global Rating of A. The credit rating of the counterparty to the Fund's forward contracts was A-1 as at June 30, 2018 and December 31, 2017.

#### Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The table below shows concentration risk by industry sector:

	At June 30, 2018	At December 31, 2017
	% of net assets	% of net assets
<b>Sector/subgroup</b>		
Financial	33.12	29.75
Consumer, Cyclical	22.23	27.10
Communications	11.44	8.12
Technology	9.14	7.45
Consumer, Non-cyclical	9.11	9.23
Energy	8.42	7.98
Industrial	2.66	2.58
Basic Materials	2.07	1.99
Utilities	0.37	0.79
Other assets net of assets	0.31	(1.33)
Cash	0.28	5.98
Unrealized appreciation of forward contract	0.85	0.36
	100.00	100.00

#### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with its financial liabilities. The Fund is exposed to daily cash redemptions of redeemable shares and liabilities when they become due. Liquidity risk is managed by holding cash balances and investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed of when liabilities come due.

All liabilities are due within 30 days of the statement of financial position date, except for net assets attributable to holders of redeemable shares which are due on demand.

# AlphaDelta Growth of Dividend Income Class

## Notes to Financial Statements

(Unaudited)

June 30, 2018

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### 13 CAPITAL MANAGEMENT

Shares of the Fund issued and outstanding represent the capital of the Fund. The Manager manages the capital of the Fund in accordance with the investment objectives of the Fund. There are no externally imposed restrictions on the Fund's capital other than certain minimum subscription requirements. The minimum initial investment is \$1,000.

### 14 (DECREASE) INCREASE IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHARES PER SHARE

(Decrease) increase in net assets attributable to redeemable shares per share for the period ended June 30, 2018 and 2017 are calculated as follows:

	2018 \$	2017 \$
<b>Series A</b>		
(Decrease) increase in net assets attributable to holders of redeemable shares from operations	(112,598)	60,949
Weighted average units outstanding during the period	254,413	145,679
(Decrease) increase in net assets attributable to holders of redeemable shares per share	(0.44)	0.42
<b>Series F</b>		
(Decrease) increase in net assets attributable to holders of redeemable shares from operations	(79,104)	43,652
Weighted average units outstanding during the period	181,648	155,884
(Decrease) increase in net assets attributable to holders of redeemable shares per share	(0.44)	0.28
<b>Series G</b>		
(Decrease) increase in net assets attributable to holders of redeemable shares from operations	(490,050)	128,763
Weighted average units outstanding during the period	1,125,535	221,851
(Decrease) increase in net assets attributable to holders of redeemable shares per share	(0.44)	0.58
<b>Series I</b>		
(Decrease) increase in net assets attributable to holders of redeemable shares from operations	(4,940)	7,410
Weighted average units outstanding during the period	11,434	11,902
(Decrease) increase in net assets attributable to holders of redeemable shares per share	(0.43)	0.62



# AlphaDelta Growth of Dividend Income Class

## Notes to Financial Statements

(Unaudited)

June 30, 2018

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### 15 RECLASSIFICATIONS AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior period financial statements to enhance comparability with the current period financial statements following management's decision to simplify presentation of certain balances and transactions. As a result, certain line items in the statement of cash flows comparative figures have been adjusted to current period's presentation.

For the six-months ended June 30, 2017, the items were reclassified as follows:

	<b>Previously Reported</b>	<b>After Reclassification</b>
Distributions paid in cash	(9,229)	(83,823)
Shares issued on reinvestment of distributions	—	74,594