



MARQUEST AMERICAN DIVIDEND
GROWTH FUND

SEMI-ANNUAL MANAGEMENT
REPORT OF FUND PERFORMANCE

Period ended June 30, 2018

MARQUEST AMERICAN DIVIDEND GROWTH FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended June 30, 2018

A NOTE ON FORWARD-LOOKING STATEMENTS

This report contains forward looking statements. These statements primarily relate to assessments of future economic and market conditions. Such information has been included to assist readers with assessing recent developments in the Fund's operating climate and possible future developments that may affect Fund performance. All forward looking statements are based on management's current beliefs and assumptions which are subject to numerous risks and uncertainties. Statements with respect to future economic and market conditions are based on management's beliefs and assumptions with respect to a range of factors, including market conditions generally and within the sectors in which the Fund's investments operate. While management considers such beliefs and assumptions to be reasonable based on information currently available to it, no assurance can be given that such beliefs and assumptions will prove to be correct. As a result, these forward looking statements would typically include words such as "anticipates, believes, intended or estimated". Events or circumstances may cause actual results to differ materially from those expressed or implied by such forward looking statements as a result of numerous known and unknown risks and uncertainties, including, but not limited to, those associated with economic and market conditions, political stability and other risks identified in the Fund's prospectus. Most of these factors are beyond the control of the Fund and its Manager. Neither the Fund nor its Manager assumes any obligation to update any of the forward looking statements made in this report.

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This interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the Marquest American Dividend Growth Fund (the "Fund"). You can get a copy of the interim financial statements at your request, and at no cost, from the manager Marquest Asset Management Inc. (the "Manager") by calling 1-888-964-3533, by writing to us at Suite 4420, 161 Bay Street, PO Box 204, Toronto, Ontario, M5J 2S1 or by visiting our website at www.marquest.ca or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Results of Operations

As at June 30, 2018, the Fund's total NAV was \$21,996,530, a decrease of 11.97% since the prior year end (December 2017: \$24,986,954). The change is primarily due to net redemptions and distribution to holders of redeemable units of \$1,795,949 and \$1,037,994, respectively.

Stronger equity markets in the second quarter allowed the S&P 500 Index to record an 1.67% advance (in USD) by mid-year. Growth names have continued their market leadership, as evidenced by the Russell 1000 growth index outpacing the Russell 1000 value index. The Fund's mandate favours a dividend and value tilt, which resulted in the Marquest American Dividend Growth Fund Corporate Class returning 0.56% for class A and 0.82% for call F during the quarter, bringing the year to date return to -0.79% and -0.19% respectively. Currency played a positive role in the Fund's returns. For the first half of 2018, the Canadian dollar fell by 4.73% versus its U.S. counterpart. During the first half, the Fund gradually increased its currency hedge from about 20.00% at the first of the year to just over 50.00% by June 30. Some hedging is prudent for Canadian investors that want to protect asset values in the event of a rise in the Canadian dollar.

For the first half of the year, the U.S. market continued to be driven by a handful of the largest companies, not unlike the experience of 2017. That said, following its correction in February, the market has experienced a broader participation, with more industry groups taking part in the recovery. In the second quarter, the energy and consumer discretionary sectors were the strongest performers within the benchmark, with information technology slipping to third place. The fund's best performers in the first half were Cisco Systems, Flowers Foods, and Stryker.

During the first quarter we took advantage of the market's correction to spend cash that had accumulated to 6.57% as at year end. By mid-year, cash had been reduced to -2.30%. New companies purchased during a correction in their share prices include Anheuser Busch, UPS and Walmart. Smaller positions were established in Mosaic Company (potash and phosphate fertilizer), Nielsen Holdings (ratings measurement) and Albemarle Corp (specialty chemicals/lithium).

At June 30, Financials comprised 16.09% of the portfolio. This industry subgroup underperformed in the first half, but prospects are stronger for the balance of the year. Banks have easily passed their annual stress tests, with most subsequently announcing dividend increases and share buy-backs that will proceed in the second half. Loan growth has shown some life, and the banks will continue to benefit from higher net income margins as interest rates continue to tick upward. A solid exposure to financials offers the conservative investor an attractive risk/reward scenario.

Over the course of the year the currency hedge has been gradually increased in the portfolio, from just over 20.00% at the first day of the year, to approximately 44.00% by March 31, and to just over 50.00% at mid-year. The increases were each in junction with a falling Canadian dollar. Should the CAD continue to falter, the portfolio's hedge will be increased further. At mid-year the portfolio held no option positions.

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Recent Developments

At mid-year, the U.S. economy continues to look strong, with unemployment at its lowest level since 2002 and an orderly interest rate normalization underway. Corporate earnings are being buoyed by lower tax rates and the consumer continues to spend. Many U.S. multinationals are repatriating profits that had been stranded offshore to reinvest stateside. It is ironic that President Trump would choose this particular time to turn insular, and protectionist even, with U.S. trade policies. A full-out trade war could derail the economy that is the envy of the world.

Proposed Change of Manager

On June 22, 2018, the manager Marquest Asset Management Inc. and Stone Investment Group Limited announced that the Firms have entered into a binding agreement for Stone to acquire the management contract of the Fund.

The shareholders and/or unitholders of the Funds have passed the resolution to change the Manager to Stone Investment Group Limited on August 27, 2018, however the transaction is still waiting on regulatory approval.

Related Party Transactions

Marquest Asset Management Inc. is the Manager (“the Manager”) of the Fund. The Manager of the Fund has engaged SEAMARK Asset Management Ltd. as the portfolio sub-advisor for the Fund, at its own cost.

The Manager of the Fund is responsible for managing all of the Fund’s activities, including investment advisory and portfolio management services under a Management Agreement. The Management Agreement is subject to automatic renewal for additional one year terms. The Management Agreement may be terminated during its term if the Manager defaults in its performance of any of its duties or obligations thereunder and if the holders pass a resolution at a meeting of holders terminating the Management Agreement as a result of such default. Further, the holders of a Fund may, by resolution passed at a meeting of holders at least 180 days before the end of the initial term or each anniversary thereof, elect not to renew the Management Agreement, whereupon the Management Agreement will not be renewed beyond its existing term. The Manager must give the holders and the Trustee at least 180 days’ notice of its intention not to renew a Management Agreement. Management fees are paid by each class at the rates set out under “Management Fees” below.

During the period, \$262,631 in management fees (including HST) was paid to the Manager. The Manager is also the trustee of the Fund and is responsible for certain aspects of the day-to-day administration. The Fund reimbursed the Manager for operating costs (including HST) incurred in administering the Fund of approximately \$76,798.

As disclosed in the Fund’s prospectus, the Manager may voluntarily waive, absorb or pay a portion of the Fund’s fees and expenses, at its discretion. During the period the Manager absorbed \$41,533 in expenses of the Fund.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past four years and the most recent interim period. The information is derived from the Fund's unaudited interim and audited annual financial statements.

Marquest American Dividend Growth Fund (Class A)**					
Net Assets per Share (\$) ⁽¹⁾					
	2018*	2017	2016	2015	2014
Net assets, beginning of the year	10.37	10.84	11.05	10.60	10.00
Increase (decrease) from operations:					
Total revenue	0.16	0.28	0.26	0.31	0.12
Total expenses (excluding distributions)	(0.21)	(0.32)	(0.34)	(0.34)	(0.10)
Realized gains (losses) for the year	0.27	0.16	0.20	0.17	0.04
Unrealized gains (losses) for the year	(0.29)	0.30	1.40	0.88	0.58
Total increase (decrease) from operations ⁽²⁾	(0.07)	0.42	1.52	1.02	0.64
Distributions:					
From net investment income (excluding dividends)	(0.45)	-	-	-	(0.02)
From dividends	-	-	-	-	-
From capital gains	-	-	(0.22)	(0.03)	(0.04)
Return of capital	-	(0.90)	(0.68)	(0.63)	(0.12)
Total Annual Distributions ⁽³⁾	(0.45)	(0.90)	(0.90)	(0.66)	(0.18)
Net assets at December 31st of year shown	9.84	10.37	10.84	11.05	10.60

Notes:

⁽¹⁾ This information is derived from the Fund's audited annual and unaudited interim financial statements. The net assets attributable to holders of redeemable units per unit presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to financial statements, if applicable.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash or re-invested in additional units of the Fund, or both.

*The financial information is for the six-month period ending June 30, 2018.

**Class A units were first issued on September 09, 2014 at \$10.00.

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Financial Highlights (continued)

Marquest American Dividend Growth Fund (Class F)**					
Net Assets per Share (\$) ⁽¹⁾					
	2018*	2017	2016	2015	2014
Net assets, beginning of the year	10.82	11.16	11.23	10.66	10.00
Increase (decrease) from operations:					
Total revenue	0.17	0.29	0.28	0.31	0.07
Total expenses (excluding distributions)	(0.15)	(0.21)	(0.21)	(0.21)	(0.01)
Realized gains (losses) for the year	0.30	0.14	0.32	0.28	0.01
Unrealized gains (losses) for the year	(0.32)	0.38	0.62	0.79	0.62
Total increase (decrease) from operations ⁽²⁾	-	0.60	1.01	1.17	0.69
Distributions:					
From net investment income (excluding dividends)	(0.45)	-	-	(0.12)	(0.01)
From dividends	-	-	-	-	-
From capital gains	-	-	(0.22)	(0.09)	(0.01)
Return of capital	-	(0.90)	(0.68)	(0.45)	(0.16)
Total Annual Distributions ⁽³⁾	(0.45)	(0.90)	(0.90)	(0.66)	(0.18)
Net assets at December 31st of year shown	10.35	10.82	11.16	11.23	10.66

Notes:

⁽¹⁾ This information is derived from the Fund's audited annual and unaudited interim financial statements. The net assets attributable to holders of redeemable units per unit presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to financial statements, if applicable.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash or re-invested in additional units of the Fund, or both.

*The financial information is for the six-month period ending June 30, 2018.

**Class F units were first issued on August 15, 2014 at \$10.00.

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Financial Highlights (continued)

Ratios and Supplemental Data					
Class A**	2018*	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$ 21,531	\$ 24,404	\$ 29,729	\$ 4,366	\$ 759
Number of units outstanding ⁽¹⁾	2,187,756	2,353,073	2,742,159	395,139	71,592
Management expense ratio ⁽²⁾	3.48%	2.70%	2.78%	2.63%	2.33%
Management expense ratio before waivers or absorption ⁽⁵⁾	3.84%	3.24%	3.70%	5.59%	30.66%
Trading expense ratio ⁽³⁾	0.04%	0.03%	0.12%	0.09%	0.12%
Portfolio turnover rate ⁽⁴⁾	17.48%	18.53%	15.70%	22.87%	139.42%
Net asset value per unit ⁽¹⁾	\$ 9.84	\$ 10.37	\$ 10.84	\$ 11.05	\$ 10.60
Class F***	2018*	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$ 466	\$ 583	\$ 622	\$ 365	\$ 13
Number of units outstanding ⁽¹⁾	44,972	53,896	55,676	32,514	1,264
Management expense ratio ⁽²⁾	2.33%	1.67%	1.64%	1.58%	0.23%
Management expense ratio before waivers or absorption ⁽⁵⁾	2.56%	2.01%	2.19%	3.36%	3.04%
Trading expense ratio ⁽³⁾	0.04%	0.03%	0.12%	0.09%	0.12%
Portfolio turnover rate ⁽⁴⁾	17.48%	18.53%	15.70%	22.87%	139.42%
Net asset value per unit ⁽¹⁾	\$ 10.35	\$ 10.82	\$ 11.16	\$ 11.23	\$ 10.66

Notes:

⁽¹⁾ The information is provided as at December 31st of the year shown.

⁽²⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

⁽⁵⁾ Waivers and absorption of certain expenses associated with the Fund are at the Manager's discretion and may be terminated at any time.

*The financial information is for the six-month period ending June 30, 2018.

**Class A units were first issued on September 9, 2014.

***Class F units were first issued on August 15, 2014.

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Management Fees

The Management fees for each applicable class are calculated daily and are based on the Fund's ending total NAV per class; cumulative daily totals are then paid on a weekly basis. The Manager uses these management fees to pay sales and trailing commissions to registered dealers on the distribution of the Fund units, as well as for the general investment management expenses.

	Maximum Annual Management Fee Rate (%)	As a percentage of Management fees	
		Sales & Trailer Commissions (%)	Investment Advisory and Portfolio Management Services (%)
Class A Units	2.00%	26.11%	73.89%
Class F Units	1.00%	0.00%	100.00%

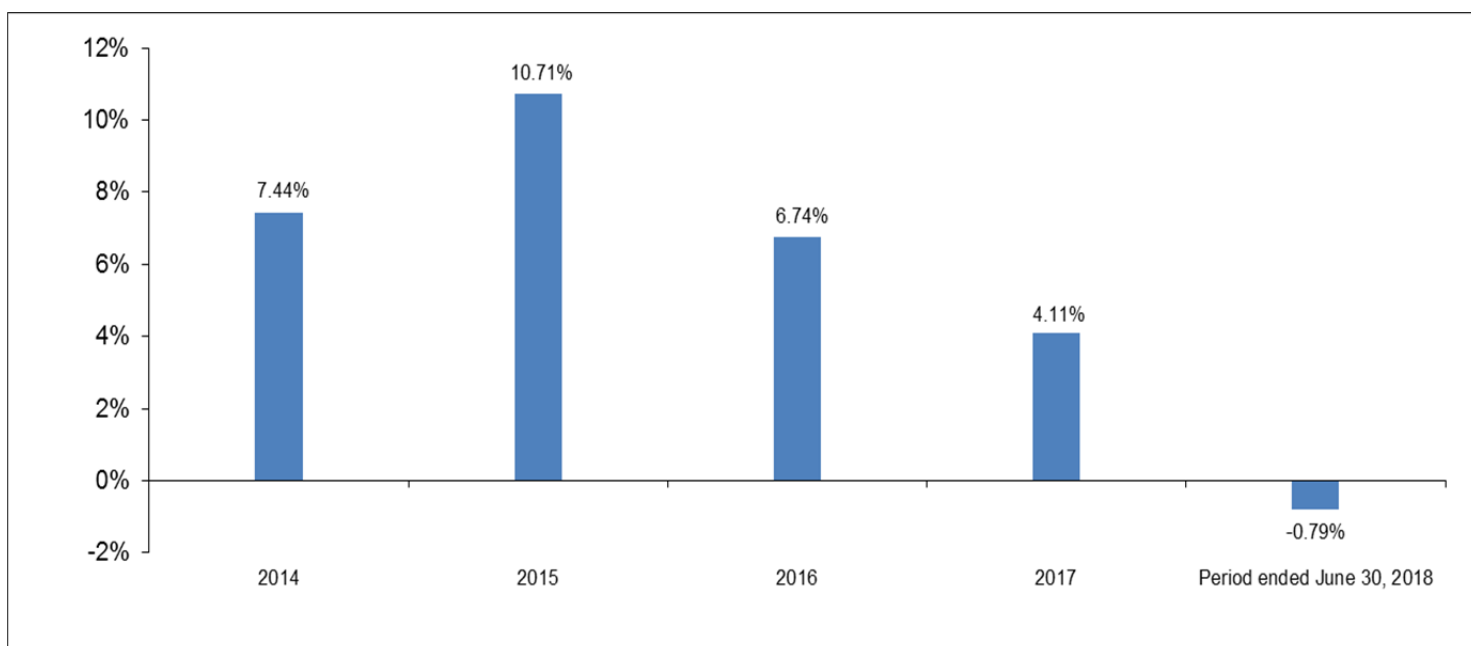
Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future. Performance differences between classes of units are mainly attributable to management fees charged to each class.

Year-by-Year Returns

The following bar charts show the Fund's annual Class A and F performance for each of the periods shown, and illustrate how the Fund's performance has changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Class A



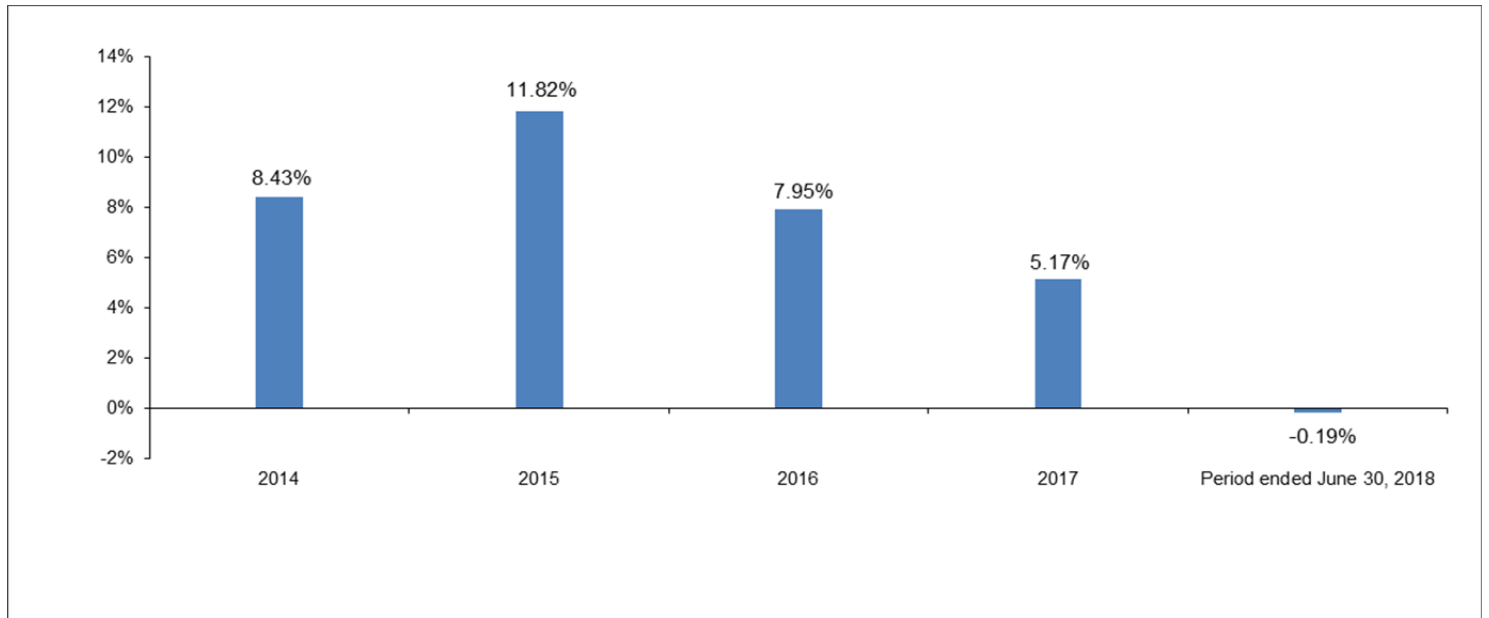
* Inception date for Class A units was July 17, 2014.

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Past Performance (continued)

Class F



* Inception date for Class F units was July 17, 2014.

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Summary of Investment portfolio as at June 30, 2018

Total Net Asset Value: \$ 21,996,530

Portfolio Allocation

	% of Fund's Net Asset Value
Financials	16.09%
Consumer Staples	12.04%
Healthcare	11.53%
Industrials	10.86%
Energy	10.41%
Consumer Discretionary	9.91%
Information Technology	9.53%
Materials	7.97%
Telecommunication Services	7.22%
Futures Contracts	2.50%
Utilities	2.41%
Net Other Assets (Liabilities)	1.83%
Cash	-2.30%
	<hr/>
	100.00%

Top 25 Holdings

	% of Fund's Net Asset Value
1 Northern Trust Corp.	2.89%
2 Royal Dutch Shell PLC	2.89%
3 Bank of America Corp.	2.87%
4 Newmont Mining Corp.	2.82%
5 State Street Corp.	2.78%
6 Honeywell International Inc.	2.76%
7 Merck & Co., Inc.	2.72%
8 Dollar General Corp.	2.65%
9 Chevron Corp.	2.65%
10 Verizon Communications Inc.	2.62%
11 JPMorgan Chase & Co.	2.62%
12 QUALCOMM Inc.	2.58%
13 Cisco Systems Inc.	2.57%
14 The Kroger Company	2.55%
15 Nestle S.A.	2.55%
16 The Walt Disney Co.	2.51%
17 Pfizer Inc.	2.50%
18 Unilever PLC	2.48%
19 Metlife Inc.	2.48%
20 Exxon Mobil Corporation	2.47%
21 HSBC Holdings PLC	2.45%
22 AT&T Inc.	2.42%
23 Duke Energy Corp.	2.41%
24 Anheuser-Busch InBev	2.41%
25 Schlumberger Ltd.	2.41%
	<hr/>
	65.06%

The investments and percentages shown may change from time to time due to the ongoing portfolio transactions of the Fund. The weightings of the positions are calculated based on the total net asset value of the Fund as at June 30, 2018. To obtain a copy of the most recent annual report, semi-annual report, quarterly report or simplified prospectus of the Fund, please contact a member of our client services team or visit our website at www.marquest.ca or SEDAR at www.sedar.com.

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