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SEC  
**ANNUAL AUDITED REPORT**  
**FORM X-17A-5**  
**PART III**

Processing Section  
 FEB 28 2018

SEC FILE NUMBER
8-68006

FACING PAGE Washington DC  
**Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 1/1/2017 AND ENDING 12/31/2017  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Destra Capital Investments, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

One North Wacker Drive

(No. and Street)

Chicago

(City)

IL

(State)

60606

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Dominic Martellaro

(925) 736-8450

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained on this Report\*

Plante & Moran, PLLC

(Name - if individual, state last, first, middle name)

2601 Cambridge Court

(Address)

Auburn Hills

(City)

MI

(State)

48326

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

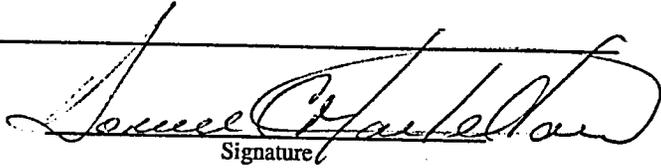
\* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See 240.17a-5(e)(2).

BW

OATH OR AFFIRMATION

I, Dominic Martellaro, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of Destra Capital Investments, LLC, as of December 31, 2017, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer, or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Signature

\_\_\_\_\_  
CEO  
Title

\_\_\_\_\_  
Notary Public

PLEASE, SEE  
THE ATTACHED  
FROM NOTARY PUBLIC

This report\* contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors.
- (g) Computation of net capital for brokers and dealers pursuant to Rule 15c3-1.
- (h) Computation for determination of reserve requirements pursuant to Rule 15c3-3.
- (i) Information relating to the possession or control requirements for brokers and dealers under Rule 15c3-3.
- (j) A reconciliation, including appropriate explanation, of the computation of net capital under Rule 15c3-1 and the computation for determination of the reserve requirements under exhibit A of Rule 15c3-3.
- (k) A reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An oath or affirmation.
- (m) A copy of the Securities Investor Protection Corporation (SIPC) supplemental report.
- (n) Exemption Report

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Contra Costa

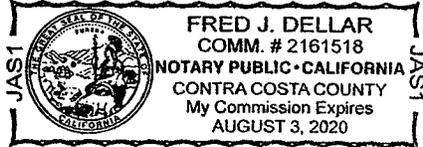
On 23 Feb 18 before me, Fred J Dellar Notary Public  
(insert name and title of the officer)

personally appeared Dominica Martellada  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Fred J Dellar (Seal)



Annual Audit

**Destra Capital Investments LLC**  
Financial Statements and Supplemental Schedules  
For the year ended December 31, 2017

# Destra Capital Investments LLC

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member  
Destra Capital Investments, LLC

### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Destra Capital Investments, LLC (a Delaware limited liability company) as of December 31, 2017 and the related statements of operations, changes in member's capital, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of Destra Capital Investments, LLC as of December 31, 2017 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These financial statements are the responsibility of Destra Capital Investments, LLC's management. Our responsibility is to express an opinion on Destra Capital Investments, LLC's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Destra Capital Investments, LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### **Supplemental Information**

The accompanying supplemental information in schedules I, II and III, as listed in the accompanying table of contents, has been subjected to audit procedures performed in conjunction with the audit of Destra Capital Investments, LLC's financial statements. The supplemental information is the responsibility of Destra Capital Investments, LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

We have served as Destra Capital Investments, LLC's auditor since 2017.  
Auburn Hills, Michigan  
February 22, 2018

**Destra Capital Investments LLC**  
**Statement of Financial Condition**  
**December 31, 2017**

**Assets**

Cash	\$	680,913
Receivables:		
Servicing fee receivable		279,265
Commissions and distribution fees		128,089
Prepaid expenses		125,137
Due from parent		183,898
Total assets	\$	<u>1,397,302</u>

**Liabilities and Member's Equity**

Commissions payable	\$	279,764
Accounts payable and accrued expenses		98,380
Total liabilities		<u>378,144</u>

Member's equity		<u>1,019,158</u>
Total liabilities and member's equity	\$	<u>1,397,302</u>

See Notes to Financial Statements

**Destra Capital Investments LLC**  
**Statement of Operations**  
For the year ended December 31, 2017

**Revenues:**

Account servicing fee	\$ 3,541,026
Distribution fees	570,273
Commissions	165,505
Other	25,125
Gain and loss on securities, net	15,818
Total revenue	<u>4,317,747</u>

**Expenses:**

Salaries and employee costs	1,072,225
Commissions	1,870,264
Regulatory fees and expenses	66,229
Information technology	120,724
Professional fees	246,861
Depreciation expense	1,769
General & administrative	125,556
Travel & entertainment	441,053
Rent	61,200
Insurance	39,223
Other	113,162
Total expenses	<u>4,158,266</u>

<b>Net Income</b>	<u>\$ 159,481</u>
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See Notes to Financial Statements

**Destra Capital Investments LLC**  
**Statement of Changes in Member's Equity**  
**For the year ended December 31, 2017**

Member's equity at January 1, 2017	\$ 1,224,677
Distributions	(365,000)
Net Income	<u>159,481</u>
Member's equity at December 31, 2017	<u>\$ 1,019,158</u>

See Notes to Financial Statements

**Destra Capital Investments LLC**  
**Statement of Cash Flows**  
For the year ended December 31, 2017

Cash flows from operating activities:	
Net income	\$ 159,481
Adjustments to reconcile net income to net cash used in operating activities:	
Gain and loss on securities, net	(15,818)
Dividend reinvestment	(563)
(Increase) decrease in assets:	
Servicing fee receivable	8,321
Commissions and distribution fees receivable	98,454
Dividends from affiliated funds	5,833
Prepaid expenses	13,410
Due from parent	(170,585)
Increase (decrease) in liabilities:	
Commissions payable	45,621
Other accrued expenses	43,260
Net cash provided by operating activities	<u>187,414</u>
Cash flows from financing activities:	
Distributions	<u>(365,000)</u>
Net cash used in financing activities	<u>(365,000)</u>
Cash flows from investing activities:	
Sale of securities	<u>164,528</u>
Net cash provided by investing activities	<u>164,528</u>
Net decrease in cash	(13,058)
Cash at beginning of the year	<u>693,971</u>
Cash at end of year	<u>\$ 680,913</u>

See Notes to Financial Statements

# Destra Capital Investments LLC

## Notes to Financial Statements

### 1. Organization and Nature of Business

Destra Capital Investments LLC (the Company) is a wholly owned subsidiary of Destra Capital Management LLC (the Parent) and was formed on August 8, 2008. The Company is organized as a Delaware limited liability company. The first capital contribution was made in December 2010, from its sole member. The Company is registered as a broker-dealer with the Securities and Exchange Commission (SEC) and became a member of the Financial Industry Regulation Authority, Inc. (FINRA), effective March 2011. The Company is registered with FINRA in all 50 states.

The Company acts as the distributor for the Destra Funds and the Meridian Funds (the Funds).

The primary business of the Company is to perform a wholesale distribution function for the Funds by introducing investment company shares to registered broker-dealer representatives. The Company receives distribution and service fees from the Funds and generally pays these fees to financial intermediaries.

The Company also acted as sponsor and depositor for various unit investment trust portfolios. Additionally, the Company participates in the marketing and distribution of closed end funds.

The Company is a limited business broker dealer and therefore is exempt from computing the Reserve Requirements under Rule 15c3-3 paragraph (k)(1) of the Securities and Exchange Commission and is exempt from including Information Relating to the Possession or Control Requirements under Rule 15c3-3.

### 2. Significant Accounting Policies

#### *Basis of Accounting and Presentation*

The financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America.

#### *Securities*

During the year, the Firm held securities representing the Company's investments in mutual funds advised by Destra Capital Advisors, LLC, an affiliate of the Company. These securities were recorded on a trade date basis. On December 27, 2017, the Firm liquidated these securities.

## **Destra Capital Investments LLC**

Notes to Financial Statements, continued

### **2. Significant Accounting Policies (continued)**

#### *Revenues*

Distribution fees consist of fees received by the Company for acting as sponsor and depositor for a unit investments trust portfolio and for the marketing and distribution of closed end funds. Net revenue from the closed end fund and unit investment trust sales includes sales fees, as well as creation and development fees. These fees are recorded net of concessions paid to selling broker-dealers at the time of sale. Sales fees are computed on a per unit basis and the creation and development fees are computed as a percentage of trust assets.

Distribution fees also include Rule 12b-1 distribution and service fees from the Funds that are earned on the distribution of mutual fund shares. These fees are accrued monthly and are based on the average daily assets of the Funds.

Account servicing fees are earned by the Company in its capacity as servicing agent for closed end funds. These fees are based on assets of the funds or on a flat fee basis and are accrued monthly as the service is provided.

Commission revenue is commissions received from the sale of mutual fund shares and is recognized on trade date.

Realized and unrealized gains and losses on securities owned are reported on a net basis in the statement of operations. Interest earned on cash balances is recognized when earned. Dividends and distributions received from securities owned are recognized as earned on the ex-dividend date.

#### *Income Taxes*

The Company is organized as a limited liability company and is a disregarded entity for Federal income tax purposes as a single member LLC. Further, the Parent is organized as a limited liability company and it is intended to be treated as a partnership under provisions of the Internal Revenue Code. Under these provisions, the liability for payment of Federal and state income taxes on the Parent's earnings will be the responsibility of its members, rather than that of the Parent. Management has reviewed the Company's tax positions for all open tax years, which include 2014 through 2017, and concluded that as of December 31, 2017, the Company does not have a liability for any unrecognized tax amounts. To the extent the Company incurs interest or penalties, they are included within other expenses in the statement of operations. There were no interest or penalties incurred during the year ended December 31, 2017.

## **Destra Capital Investments LLC**

Notes to Financial Statements, continued

### **2. Significant Accounting Policies (continued)**

#### *Use of Estimates in the Preparation of Financial Statements*

The financial statements and related notes are prepared in accordance with accounting principles generally accepted in the United States of America, which require the use of estimates and assumptions related to the reporting of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Management believes that the accounting estimates are appropriate and reasonably stated; however, due to the inherent uncertainties in making estimates, actual results could differ from those estimates.

#### *Recent Accounting Pronouncements*

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2014-09 (ASU 2014-09) "Revenue from Contracts with Customers." ASU 2014-09 supersedes the revenue recognition requirements in "Revenue Recognition (Topic 606)", and requires entities to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. As currently issued and amended, ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period, though early adoption is permitted for annual reporting periods beginning after December 15, 2016. Management has evaluated the Company's revenue streams and has determined this update will not have a material effect on the Company's financial statements.

### **3. Related Party Transactions**

Expenses of the Company are paid by the Parent and shared costs are allocated based upon a management services agreement. These expenses are either direct expenses of the Company or an allocated portion of expenses shared with the Parent (rent, utilities, office services etc.). Direct and allocated expenses of the Company are included in the statement of operations. During 2017, \$987,602 of expenses were allocated from the Parent to the Company. At December 31, 2017, the Parent owed the Company \$183,898 as a result of the difference between expense allocations and reimbursements.

ArrowMark Acquisition Vehicle SPC, a private investment fund managed by ArrowMark Colorado Holdings LLC, and affiliates previously owned approximately 79% of the Parent. In 2013 the Company was named the distributor for the Meridian Family of Funds which is advised by ArrowMark Colorado Holdings LLC. In addition, Meridian appointed the Company as the shareholder servicing agent to the Meridian Funds. In November 2017, ArrowMark Colorado Holdings sold its interest in the Parent to Continuum Fund Holdings, LLC.

## **Destra Capital Investments LLC**

### Notes to Financial Statements, continued

#### **4. Regulatory and Net Capital Requirements**

As a broker-dealer the Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1) which requires the maintenance of minimum net capital. Rule 15c3-1 requires that the Company maintain minimum net capital, as defined, of \$100,000 at December 31, 2017 and requires that the ratio of "aggregate indebtedness" to "net capital" as those terms are defined by the rule, may not exceed 15 to 1. At December 31, 2017 the Company's net capital was \$438,899 which was \$338,899 in excess of its required net capital and its ratio of aggregate indebtedness to net capital was .86 to 1.

#### **5. Concentration of Credit Risk**

The Company is exposed to concentrations of credit risk. The Company maintains cash at a financial institution where the total cash balance is insured by the Federal Deposit Insurance Corporation (the FDIC) up to \$250,000 per depositor, per bank. At times, the Company had cash balances that exceeded the balance insured by the FDIC. The Company monitors such credit risk at the financial institution and has not experienced any losses related to such risks to date.

#### **6. Subsequent Events**

The Company has evaluated the need for disclosures and adjustments resulting from subsequent events through February 22, 2018, the date the financial statements were issued. This evaluation did not result in any significant events that necessitated any disclosures or adjustments to the financial statements.

**Destra Capital Investments LLC**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**December 31, 2017**

Schedule I

Computation of net capital:	
Totals member's equity	\$ 1,019,158
Deduct:	
Nonallowable assets:	
Servicing fee receivable	196,294
Prepaid expenses and other assets	125,137
Commissions and distribution fees	69,688
Due from parent	183,898
Haircuts on securities positions	<u>5,242</u>
 Total deductions	 <u>580,259</u>
 Net capital	 438,899
 Minimum net capital requirement (6 2/3% of aggregate indebtedness)	 25,210
Minimum dollar net capital requirement of reporting broker or dealer	100,000
 Net capital requirement	 <u>100,000</u>
 Net capital in excess of requirement	 <u>\$ 338,899</u>
 Aggregate indebtedness - accounts payable and other liabilities	 \$ 378,144
 Ratio of aggregate indebtedness to net capital	 0.86
 Statement pursuant to paragraph (d)(4) of Rule 17a-5:	
 The original FOCUS filing showed net capital of	 \$ 438,899

**Destra Capital Investments LLC**

Schedule II

Computation for Determination of Reserve Requirements under  
Rule 15c3-3 of the Securities and Exchange Commission  
December 31, 2017

The Company is exempt from Rule 15c3-3 pursuant to the provision of subparagraph (k)(1).

**Destra Capital Investments LLC**

Schedule III

Information Relating to Possession or Control Requirements under

Rule 15c3-3 of the Securities and Exchange Commission

December 31, 2017

The Company is exempt from Rule 15c3-3 pursuant to the provision of subparagraph (k)(1).



**Plante & Moran, PLLC**  
Suite 500  
2601 Cambridge Court  
Auburn Hills, MI 48326  
Tel: 248.375.7100  
Fax: 248.375.7101  
plantemoran.com

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member  
Destra Capital Investments, LLC

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Destra Capital Investments, LLC identified the following provision of 17 C.F.R. §15c3-3(k) under which Destra Capital Investments, LLC claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(1) (the "exemption provision") and (2) Destra Capital Investments, LLC stated that Destra Capital Investments, LLC met the identified exemption provision throughout the most recent fiscal year without exception. Destra Capital Investments, LLC's management is responsible for compliance with the exemption provision and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and accordingly, included inquiries and other required procedures to obtain evidence about Destra Capital Investments, LLC's compliance with the exemption provision. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provision set forth in paragraph (k)(1) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Plante & Moran, PLLC*

Auburn Hills, Michigan  
February 22, 2018

# DESTRA CAPITAL INVESTMENTS, LLC

## EXEMPTION REPORT

YEAR ENDED DECEMBER 31, 2017

We, as members of management of Destra Capital Investments, LLC (the Company) are responsible for complying with 17 C.F. R §240. 17a-5, "Reports to be made by certain brokers and dealers". We have performed an evaluation of the Company's compliance with the requirements of 17 C.F.R §240. 17a-5 and the exemption provisions in 17 C.F. R §240. 15c3-3(k) (the "exemption provisions"). Based on this evaluation we make the following statements to the best knowledge and belief of the Company:

1. We identified the following provisions of 17 C.F. R §240. 15c3-3(k) under which the Company claimed an exemption from 17 C.F. R §240. 15c3-3: (k)(1).
2. We met the identified exemption provisions for the year ended December 31, 2017 without exception.

The Company is exempt from the provisions of 17 C.F. R §240. 15c3-3 of the Securities Exchange Act of 1934 (pursuant to paragraph (k)(2)(1) of such Rule) as the Company is limited to the sale of registered investment companies, carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer and does not otherwise hold funds or securities for, or owe money or securities to, customers.

Destra Capital Investments, LLC



Dominic Martellaro

Principal

Destra Capital Investments, LLC