

Interim Financial Statements of

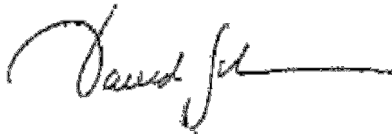
LEITH WHEELER INCOME ADVANTAGE FUND

For the six months ended June 30, 2011

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Leith Wheeler Income Advantage Fund (the “Fund”) have been prepared by the Manager, Leith Wheeler Investment Counsel Ltd. The Manager is responsible for the preparation and presentation of the Fund’s financial statements and the development of internal controls over the financial reporting process.

Leith Wheeler Investment Counsel Ltd.



David Schaffner
President and Chief Executive Officer



Cecilia Wong
Chief Financial Officer

August 29, 2011

UNAUDITED INTERIM FINANCIAL STATEMENTS

The accompanying interim financial statements have not been reviewed or audited by the external auditors of the Funds. The external auditors will be auditing the annual financial statements of the Funds in accordance with Canadian generally accepted auditing standards.

LEITH WHEELER INCOME ADVANTAGE FUND

Statement of Investment Portfolio (unaudited)

June 30, 2011

Face amount	Cost	Fair value	Percentage of net assets
Corporate Bonds & Debentures:			
35,000 407 International Inc. 5.10% January 20, 2014	\$ 37,377	\$ 37,258	
92,822 Alliance Pipeline 5.55% December 31, 2023	98,513	100,510	
30,000 American Express Credit Corp. 4.85% October 03, 2014	31,776	31,617	
45,000 AON Corp 4.76% March 08, 2018	45,598	45,377	
25,000 Bank of Montreal 3.93% April 27, 2015	25,799	26,030	
90,000 Bank of Montreal 6.17% March 28, 2018	101,473	101,983	
30,000 Bank of Montreal 4.61% September 10, 2025	29,066	29,974	
122,000 Bell Canada 4.40% March 16, 2018	122,668	123,960	
80,000 Broad Credit Card Trust 04-2 A 4.80% March 17, 2014	84,144	84,343	
39,000 Brookfield Power Corp. 5.25% November 05, 2018	39,486	40,358	
70,000 Canadian Western Bank 4.39% November 30, 2015	69,693	70,488	
72,000 CI Investments 3.94% December 14, 2015	72,194	72,905	
40,000 Canadian Imperial Bank of Commerce 4.75% December 22, 2014	42,452	42,781	
98,000 Emera Inc. 4.10% October 20, 2014	101,496	101,651	
107,000 Enbridge Inc. 4.53% March 09, 2020	108,386	109,544	
31,000 Enbridge Pipeline 4.45% April 06, 2020	31,731	32,035	
85,000 Fortisbc Holdings 5.56% September 15, 2014	91,978	91,663	
95,000 GE Cap Canada 4.40% June 01, 2014	98,857	99,300	
23,000 Glacier Credit Card Trust 04-1 A 5.38% May 15, 2014	24,702	24,623	
60,000 Hydro One 5.00% November 12, 2013	63,936	63,779	
58,286 Institutional Mortgage Securities Canada Inc. 11-1 A1 3.69% April 12, 2020	58,286	59,295	
93,000 Manulife Financials 5.16% June 26, 2015	98,298	98,502	
54,150 Maritime & Northeast Pipeline 4.34% November 30, 2019	55,420	55,880	
66,000 Merrill Lynch Financial Asset 02-Can7 B 6.47% May 12, 2012	68,592	67,959	
102,606 Merrill Lynch Financial Asset 02-Can8 A2 5.74% November 12, 2012	106,474	105,978	
56,257 Merrill Lynch Financial Asset 04-Can14 A1 4.60% May 12, 2014	57,935	57,969	
50,000 National Bank of Canada 5.55% November 15, 2013	53,379	53,424	
40,000 NS Power 5.75% October 01, 2013	43,144	43,007	
26,000 Plenary Health Hamilton LP 3.16% December 13, 2013	25,945	26,100	
41,000 Plenary Properties 3.80% August 18, 2014	41,494	41,945	
128,000 Real Estate Asset Liquid Trust 05-1 A2 4.86% March 12, 2015	134,928	134,698	
55,000 Rogers Communications 5.34% March 22, 2021	55,079	54,978	
70,000 Schooner Trust 05-4 B 4.52% September 12, 2015	68,816	71,137	
40,000 Shaw 5.50% December 07, 2020	40,380	40,031	
113,000 Telus Corp. 5.05% July 23, 2020	114,478	114,810	
50,000 Trans-Canada Pipeline Ltd. 5.05% August 20, 2013	53,075	52,920	
62,000 Trans-Canada Pipeline Ltd. 5.10% January 11, 2017	67,119	67,756	
98,000 Anheuser-Busch InBev 3.65% January 15, 2016	99,486	99,436	
42,000 Westpac Bank Corp. 3.75% December 01, 2014	42,341	42,723	
	2,605,994	2,618,727	45.2%
Total Bonds and Guarantees	\$ 2,605,994	\$ 2,618,727	45.2%

LEITH WHEELER INCOME ADVANTAGE FUND

Statement of Investment Portfolio (unaudited) continued

June 30, 2011

Number of Shares / units	Cost	Fair value	Percentage of net assets
Canadian Equity			
Straight Preferred Stocks:			
900 Bank Of Montreal Preferred Shares, Series L	\$ 23,413	\$ 24,075	
1,300 Bank Of Montreal Preferred Shares, Series O	35,944	35,906	
1,300 The Bank of Nova Scotia 5.6% Non-Cumulative Preferred Shares, Series 17	33,691	33,800	
2,700 Bank Of Nova Scotia Preferred Shares, Series X	73,386	72,927	
3,675 Canadian Utilities Preferred Shares, Series B	93,220	93,529	
900 Canadian Utilities Ltd 5.80% Cumulative Redeemable Second Preferred Shares, Series W.	22,734	22,716	
1,600 Canadian Imperial Bank of Commerce Preferred Shares, Series M	44,342	43,968	
500 CU Inc. Preferred Shares, Series B	13,787	13,880	
1,100 Enbridge Inc. Preferred Shares, Series A	27,395	27,775	
200 Fortis Inc. First Preferred Shares Series F	4,548	4,818	
1,580 Great-West Life Co. Preferred Shares, Series L	39,835	39,895	
400 Great-West Life Co. Preferred Shares, Series M	10,122	10,140	
3,300 IGM Financial Inc. 5.90% Non-Cumulative First Preferred Shares, Series B	83,468	83,127	
500 Industrial Alliance 6.00% Non-Cumulative Class A Preferred Shares, Series E	12,981	12,740	
2,800 National Bank Preferred Shares, Series M	73,683	74,228	
4,600 Royal Bank Preferred Shares, Series Y	125,772	126,499	
1,500 Royal Bank Preferred Shares, Series T	41,200	41,070	
150 Sun Life Financial Inc. 4.45% Class A Non-Cumulative Preferred Shares, Series 3	3,023	3,306	
500 Sun Life Financial Inc. Preferred Shares	11,140	11,100	
2,350 The Toronto Dominion Bank Preferred Shares, Series K	64,340	64,484	
100 The Toronto Dominion Bank 5.60% Class A First Preferred Shares, Series R	2,561	2,640	
2,300 The Toronto Dominion Bank Preferred Shares, Series I	63,137	63,204	
488 Trans-Canada Pipeline Limited 5.60% Cumulative Redeemable First Preferred Shares, Series U	24,452	24,498	
200 Union Gas Preferred Shares, Series D	10,602	10,552	
2,875 Westcoast Energy Inc. 5.50% Cumulative First Preferred Shares, Series 7	70,173	69,719	
2,400 Westcoast Energy Preferred Shares, Series J	58,996	58,224	
	1,067,945	1,068,820	18.4%

LEITH WHEELER INCOME ADVANTAGE FUND

Statement of Investment Portfolio (unaudited) continued

June 30, 2011

Number of Shares / units	Cost	Fair value	Percentage of net assets
Mutual:			
193,503 Leith Wheeler Canadian Dividend Fund Series A	2,016,192	2,065,739	35.6%
Total Canadian Equity	3,084,137	3,134,559	54.0%
Total Investment Portfolio	\$ 5,690,131	5,753,286	99.2%
Other Assets less Liabilities		45,142	0.8%
Net Assets		\$ 5,798,428	100.0%

See accompanying notes to financial statements.

LEITH WHEELER INCOME ADVANTAGE FUND

Statements of Net Assets (unaudited)

June 30, 2011 and December 31, 2010

	2011	2010
Assets		
Investment portfolio, at fair value	\$ 5,753,286	\$ 248,942
Cash	15,767	5,894
Accrued income receivable	29,026	992
Account receivable	2,900	-
Receivable from brokers	42,464	-
	<u>5,843,443</u>	<u>255,828</u>
Liabilities		
Accounts payable	325	259
Payable to brokers	43,144	5,699
Management fee payable	1,546	-
	<u>45,015</u>	<u>5,958</u>
Net assets representing unitholders' equity	\$ 5,798,428	\$ 249,870
Unitholders' equity allocation by series:		
Series A	\$ 1,647,574	\$ 249,860
Series B	4,150,854	10
	<u>\$ 5,798,428</u>	<u>\$ 249,870</u>
Number of units outstanding (note 8):		
Series A	160,815	25,038
Series B	405,547	1
Net asset per unit (note 3):		
Series A	\$ 10.25	\$ 9.98
Series B	10.24	10.00

See accompanying notes to financial statements.

LEITH WHEELER INCOME ADVANTAGE FUND

Statements of Operations (unaudited)

For the six month periods ended June 30, 2011 and 2010

	2011	2010
Investment income:		
Dividends	\$ 40,392	\$ -
Interest	33,900	-
	74,292	-
Expenses:		
Management fees (note 6)	10,063	-
Harmonized Sales Tax (note 7)	1,208	-
	11,271	-
Net gain (loss) from investing activities:		
Proceeds from sale of investments	930,701	-
Investment portfolio at cost, beginning of period	249,188	-
Cost of investments purchased	6,371,828	-
Investment portfolio at cost, end of period	(5,690,131)	-
Cost of investments sold	930,885	-
Net realized gain on sale of investments	(184)	-
Change in unrealized depreciation in value of investments	64,010	-
Transaction costs	(3,576)	-
Net gain from investing activities	60,250	-
Increase in net assets from operations	\$ 123,271	\$ -
Increase in net assets from operations per series:		
Series A	\$ 38,172	\$ -
Series B	85,099	-
Increase in net assets from operations per unit:		
Series A	\$ 0.39	\$ -
Series B	0.36	-

See accompanying notes to financial statements.

LEITH WHEELER INCOME ADVANTAGE FUND

Statements of Changes in Net Assets (unaudited)

For the six month periods ended June 30, 2011 and 2010

	2011	2010
Series A		
Increase in net assets from operations	\$ 38,172	\$ -
Distributions to unitholders of taxable income:		
Out of net investment income	(21,116)	-
Unit transactions (note 8):		
Subscription of units	1,465,630	-
Reinvestment of distributions	21,116	-
Redemption of units	(106,088)	-
	1,380,658	-
Increase in net assets	1,397,714	-
Net assets, beginning of period	249,860	-
Net assets, end of period	\$ 1,647,574	\$ -
Series B		
Increase in net assets from operations	\$ 85,099	\$ -
Distributions to unitholders of taxable income:		
Out of net investment income	(41,905)	-
Unit transactions (note 8):		
Subscription of units	4,088,089	-
Reinvestment of distributions	41,905	-
Redemption of units	(22,344)	-
	4,107,650	-
Increase in net assets	4,150,844	-
Net assets, beginning of period	10	-
Net assets, end of period	\$ 4,150,854	\$ -

See accompanying notes to financial statements.

LEITH WHEELER INCOME ADVANTAGE FUND

Notes to Interim Financial Statements (unaudited)

For the six month periods ended June 30, 2011 and 2010

1. Operations:

The Leith Wheeler Income Advantage Fund (the "Fund") was established under the laws of British Columbia pursuant to a trust indenture between Leith Wheeler Investment Counsel Ltd., as manager (the "Manager"), and CIBC Mellon Trust Company, as trustee. The Fund's custodian is the Canadian Imperial Bank of Commerce.

The Fund commenced operations on December 21, 2010. Currently authorized series of units are as follows: Series A units do not carry any management fees and are available to investors that satisfy certain criteria related to the nature of the investors and certain other matters as established by the Manager; Series B units are available to all other investors. The Fund has Series A and Series B units outstanding.

2. Significant accounting policies:

(a) Valuation of investments:

Investments are deemed to be held for trading in accordance with Canadian Institute of Chartered Accountants (CICA) Section 3855, *Financial Instruments - Recognition and Measurement* ("Section 3855") and therefore are recorded at fair value in accordance with CICA Accounting Guideline 18, *Investment Companies*.

Financial instruments carried at fair value are categorized in accordance with CICA Section 3862, *Financial Instruments – Disclosures* ("Section 3862"). Section 3862 establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The three levels of the fair value hierarchy are as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The fair value of investments as at the financial reporting date is determined as follows:

The fair value of equity securities is generally the closing bid price for a security on the recognized exchange on which it is principally traded.

Bonds and other debt securities are recorded at fair value, usually established using the closing bid price on the over-the-counter market.

LEITH WHEELER INCOME ADVANTAGE FUND

Notes to Interim Financial Statements (unaudited)

For the six month periods ended June 30, 2011 and 2010

2. Significant accounting policies (continued):

(a) Valuation of investments (continued):

Money market securities are valued at amortized cost, which approximates their fair value.

Should the quoted value for a security, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value of the security is estimated by using appropriate valuation techniques. Fair value is determined by the Manager on the basis of the most recently reported information for the security, similar securities and the markets in which the security is active.

Investments in securities of another investment fund are valued on a business day at the net asset value per security calculated in accordance with the offering documents of such investment fund.

(b) Investment transactions:

Investment purchase and sale transactions are recorded as of the trade date. Realized gains and losses from investments transactions are calculated on an average cost basis. The period change in the difference between fair value and average cost of securities represents unrealized gains and losses. Brokers' commissions and other transaction charges are immediately charged to net income in the period incurred. Cost of securities presented in the Statement of Investments represents the amount paid for each security, including brokerage commissions and other trading costs, and is determined on an average cost basis.

(c) Income recognition:

Income from investments is recognized on an accrual basis, with dividends recorded as of the ex-dividend date. Other income includes income from income trusts. Distributions received from income trusts are recognized based on the nature of the underlying components such as income, capital gains, and return of capital.

(d) Foreign exchange:

Foreign currency amounts are translated into Canadian dollars on the following bases:

- (i) Fair value of portfolio investments, other assets and liabilities at the rate of exchange prevailing on each valuation day.
- (ii) Purchases and sales of portfolio investments, income and expenses at the rate of exchange prevailing on the respective dates of such transactions.

Realized and unrealized gains and losses from foreign exchange are included in realized gain (loss) on sale of investments and change in unrealized appreciation (depreciation) of investments, respectively.

LEITH WHEELER INCOME ADVANTAGE FUND

Notes to Interim Financial Statements (unaudited)

For the six month periods ended June 30, 2011 and 2010

2. Significant accounting policies (continued):

(e) Valuation of each series of units:

A different net asset value is calculated for each series of units of the Fund. The net asset value of a particular series of units is computed by calculating the value of that series' proportionate share of the assets less liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative net assets of each series. Expenses are accrued daily.

(f) Per unit value:

Per unit values for each series of the Fund are calculated as follows:

(i) Net asset value per unit is calculated by dividing the net assets attributable to the series determined in accordance with Generally Accepted Accounting Principles (GAAP), by the total number of units of the series outstanding at period end.

(ii) Net increase (decrease) in net assets from operations per unit, represents the net increase (decrease) in net assets of the series from operations for the period divided by the daily weighted average units outstanding for the series during the period.

(g) Other assets and liabilities:

For the purpose of categorization in accordance with Section 3855, accrued interest and dividends, receivables for securities issued, amounts due from brokers, the Manager, and other net assets are designated as receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, accounts payable for securities redeemed, accrued expenses and other liabilities (including market fees payable) are designated as other financial liabilities and reported at cost or amortized cost. Cost or amortized cost approximates fair value for these assets and liabilities.

(h) Income taxes:

The Fund qualifies as a unit trust under the *Income Tax Act (Canada)*. The Fund distributes to unitholders the following amounts which would otherwise attract tax in the Fund.

- Monthly, net investment income;
- Annually, net realized gain on sale of investment, net of loss carryforwards and other applicable deductions allowed by the taxation authorities.

Accordingly, no provision for income taxes is reflected in the financial statements of the Fund.

LEITH WHEELER INCOME ADVANTAGE FUND

Notes to Interim Financial Statements (unaudited)

For the six month periods ended June 30, 2011 and 2010

2. Significant accounting policies (continued):

(i) Future accounting change:

The CICA will transition publicly accountable entities from Canadian generally accepted accounting principles (GAAP) to International Financial Reporting Standards (IFRS). The Fund's financial statements will be prepared in accordance with IFRS for the fiscal period commencing on January 1, 2013 and will include comparative information prepared on the same basis. The impact of adopting IFRS is expected to be mainly in presentation and additional disclosures in the Financial Statements of the Fund.

3. Reconciliation of Net Asset Value to Net Assets:

The calculation of net assets of an investment fund for financial reporting ("Net Assets") differs from the calculation of the net asset value ("Net Asset Value") of an investment fund because Section 3855 requires the fair values of marketable securities to be based on the closing bid quotations, while for trading purposes, these are generally determined at either the last sale price or the midpoint between the closing bid and asked quotations.

Section 14.2 of National Instrument 81-106 ("NI 81-106") issued by the Canadian Securities Administrators requires an investment fund to calculate its daily Net Asset Value for the purchase and redemption of units based on the fair value of the investment fund's assets and liabilities. The Fund has not changed the methodology in this respect. In accordance with NI 81-106, the Net Asset Value per unit compared to the Net Assets per unit and an explanation of the differences between such amounts, are required in the notes to the financial statements.

The impact of applying Section 3855 on the Net Asset Value of the Fund is as follows:

	As at June 30, 2011			Amounts per Unit as at June 30, 2011	
	Net Asset Value (Closing sale/ mid price)	Section 3855 adjustment	Net Assets (Closing bid price)	Net Asset Value (Closing sale/ mid price)	Net Assets (Closing bid price)
Series A	\$ 1,648,801	\$ (1,227)	\$ 1,647,574	\$ 10.25	\$ 10.25
Series B	4,153,946	(3,092)	4,150,854	10.24	10.24

	As at December 31, 2010			Amounts per Unit as at December 31, 2010	
	Net Asset Value (Closing sale/ mid price)	Section 3855 adjustment	Net Assets (Closing bid price)	Net Asset Value (Closing sale/ mid price)	Net Assets (Closing bid price)
Series A	\$ 249,984	\$ (124)	\$ 249,860	\$ 9.98	\$ 9.98
Series B	10	-	10	10.00	10.00

LEITH WHEELER INCOME ADVANTAGE FUND

Notes to Interim Financial Statements (unaudited)

For the six month periods ended June 30, 2011 and 2010

4. Fair value of Financial Instruments:

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Fund's financial instruments are recorded at fair value or at amounts that approximates fair value in the financial statements.

The following table presents information regarding the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2011 and December 31, 2010:

	Assets at fair value as at June 30, 2011			Total
	Level 1	Level 2	Level 3	
Bonds (including Mortgage Backed Securities)	\$ -	\$ 2,618,727	\$ -	\$ 2,618,727
Equities – Long	1,068,820	-	-	1,068,820
Investment Fund Units	2,065,739	-	-	2,065,739
	\$ 3,134,559	\$ 2,618,727	\$ -	\$ 5,753,286

	Assets at fair value as at December 31, 2010			Total
	Level 1	Level 2	Level 3	
Bonds (including Mortgage Backed Securities)	\$ -	\$ 123,477	\$ -	\$ 123,477
Equities – Long	38,205	-	-	38,205
Investment Fund Units	87,260	-	-	87,260
	\$ 125,465	\$ 123,477	\$ -	\$ 248,942

5. Financial instrument risk and risk management:

The investment objective of the Fund is to provide a relatively stable source of tax efficient monthly income, with some potential for long term growth through capital appreciation and growth in dividends. The Fund will invest in fixed income securities, preferred shares, mortgages and dividend paying equity securities. The Fund primarily invests in a broad range of Canadian securities and may also invest in foreign securities. The Fund will also invest in a broad range of companies and is not restricted by capitalization or industry sector although portfolio diversification is a consideration in the selection of securities of the Fund. Under normal circumstances, the Fund will keep its portfolio fully invested to the greatest extent.

The Fund's investment activities expose it to a variety of financial risks. The Statement of Investments presents the securities held by the Fund as at June 30, 2011, and groups the securities by asset type, geographic region and/or market segment. Significant risks arising from the financial instruments held by the Fund are discussed below.

No changes affecting the overall level of risk of investing in the Fund were made during the period. The risks of the Fund will remain as discussed in the most recent Simplified Prospectus.

LEITH WHEELER INCOME ADVANTAGE FUND

Notes to Interim Financial Statements (unaudited)

For the six month periods ended June 30, 2011 and 2010

5. Financial instrument risk and risk management (continued):

(a) Interest rate risk:

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

As at June 30, 2011 and December 31, 2010, the Fund's exposure to debt instruments by maturity is as follows:

	Less than 1 year	1 - 5 Years	5 – 10 Years	Greater than 10 years	Total
June 30, 2011					
Fixed income securities	2.6%	60.0%	32.4%	5.0%	100.0%
December 31, 2010					
Fixed income securities	0.2%	71.9%	23.7%	4.2%	100.0%

As at June 30, 2011, had prevailing interest rates raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Fund's net assets would have decreased or increased, respectively, by approximately \$105,861 (December 31, 2010 – \$5,200). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, actual trading results may differ and the difference could be material.

(b) Other market risk:

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital.

The Manager moderates this risk through a careful selection of securities and other financial instruments within the parameter of the investment strategy. The Statement of Investments groups securities by asset type, geographic region and/or market segment.

For this Fund, the most significant exposure to other market risk arises from its investment in equity securities. As at June 30, 2011, had the prices on the respective stock exchanges for these securities raised or lowered by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$313,456 (December 31, 2010 - \$12,546), respectively. In practice, the actual trading results may differ and the difference could be material.

LEITH WHEELER INCOME ADVANTAGE FUND

Notes to Interim Financial Statements (unaudited)

For the six month periods ended June 30, 2011 and 2010

5. Financial instrument risk and risk management (continued):

(c) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. The carrying amount of investments, as presented on the Statement of Investments, represents the maximum credit risk exposure.

As at June 30, 2011 and December 31, 2010, the Fund invested in debt instruments with the following credit ratings (credit ratings are obtained from Standard & Poor's, Moody's, Fitch and/or Dominion Bond Rating Services. Where one or more rating is obtained for a security, the most common rating has been used):

Debt instruments by Credit Rating	Percentage of Debt Instruments	
	2011	2010
AAA	20.3%	45.4%
AA	15.8%	11.3%
A	29.5%	18.1%
BBB	34.4%	5.2%

(d) Liquidity risk:

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund's exposure to liquidity risk is concentrated in the daily cash redemptions of units. Therefore, the Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity. The Fund is also subject to the requirements of NI 81-102, where the Fund shall not purchase an illiquid asset if, immediately after the purchase, more than 10 percent of the net assets of the fund, taken at market value at the time of purchase, would consist of illiquid assets

6. Management fees and expenses:

In respect of Series A units, the unitholder pays the Manager a negotiated management fee outside the Fund. In respect of Series B units, the Manager is entitled to receive a management fee, calculated daily and paid monthly, up to a maximum annual rate of 1.00% of the Series B Net Asset Value. The fee will be reduced to 0.80% per annum as long as annualized yield on the Fund quarter end is less than 4.50%.

Amounts payable to the Manager by a Series A unitholder, including Harmonized Sales Tax thereon (see note 7), in respect of management fees, are paid directly by unitholders and therefore not included as an expense of the Fund in the Statement of Operations.

LEITH WHEELER INCOME ADVANTAGE FUND

Notes to Interim Financial Statements (unaudited)

For the six month periods ended June 30, 2011 and 2010

6. Management fees and expenses (continued):

The Manager is also entitled to reimbursement of reasonable expenses incurred on behalf of the Fund in connection with charges made for registry and transfer agency services, interest expense, and costs and expenses associated with holding unitholders' meetings.

The Manager may at times absorb certain expenses incurred on behalf of the Fund, in which case such amounts are shown as a deduction from expenses in the Statement of Operations. The Manager is under no legal obligation to continue this arrangement, and may terminate it at any time.

Management fees and subscriptions for units include distributions that may be made to particular unitholders by the Manager in respect of fee reductions agreed between the respective unitholder and the Manager. Such management fee distributions for the year were \$2,252 (2010 - nil).

7. Harmonized sales tax:

Effective July 1, 2011, certain provinces have harmonized their provincial sales tax (PST) with the federal goods and services tax (GST).

Investment funds in Canada are required to calculate the HST rate using specific rules. The specific rules and guidance require HST to be calculated using the residency of unitholders and the current value of their interests, rather than the physical location of the fund manager. This results in a blended HST rate that is applied to the management fees and expenses of the Fund.

8. Unitholders' equity:

Pursuant to its trust indenture, the Fund has authorized an unlimited number of units, which are redeemable at the option of the unitholders. Issued units are summarized as follows:

	Outstanding units at beginning of period	Purchased during the period	Reinvested distributions	Redeemed during the period	Outstanding units at end of period
Series A					
2011	25,038	144,177	2,067	(10,467)	160,815
2010	-	-	-	-	-
Series B					
2011	1	403,634	4,096	(2,184)	405,547
2010	-	-	-	-	-

LEITH WHEELER INCOME ADVANTAGE FUND

Notes to Interim Financial Statements (unaudited)

For the six month periods ended June 30, 2011 and 2010

9. Income taxes:

The Fund does not have any non-tax effected net realized capital losses available for utilization against net realized capital gains in future years. The Fund also has no non-capital loss carryforwards.

10. Brokerage commissions:

The total brokerage commissions paid by the Fund for the period were \$609 (2010 - \$18).

11. Related party transactions:

The Income Advantage Fund owns 193,503 (December 31, 2010 – 8,722) Series A units of the Leith Wheeler Canadian Dividend Fund, which is a Fund under common management. The Income Advantage Fund earned approximately \$22,020 (December 31, 2010 - \$173) in dividend income from that investment.

A statement of portfolio transactions for the six month period ended June 30, 2011 will be provided for the Fund, without charge, on request to the Manager:

Leith Wheeler Investment Counsel Ltd.
400 Burrard Street, Suite #1500
Vancouver, BC V6C 3A6

Distributions of each Fund are automatically reinvested in units. Unitholders of the Fund are reminded that you can elect to receive your distributions in cash by giving us written notice at least 10 business days before a distribution date. There is no deferred (or contingent) sales or redemption fee payable on redemptions of units.

You can obtain a copy of the current simplified prospectus of the Fund by calling (604) 683-3391 or toll-free at 1 (888) 292-1122 and asking for the Investment Funds department, by e-mail at info@leithwheeler.com or by writing to the Investment Funds Department of Leith Wheeler Investment Counsel Ltd. at 1500 - 400 Burrard Street, Vancouver, BC V6C 3A6.

Our clients are entitled to obtain specific information about Leith Wheeler Investment Counsel Ltd. Our most recent Statement of Financial Condition, a list of our directors and senior officers, and any information about administration proceedings that may relate to the firm or our staff are available upon request.