

Interim Financial Statements of

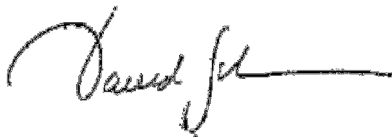
LEITH WHEELER BALANCED FUND

For the six months ended June 30, 2011

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Leith Wheeler Balanced 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 BALANCED FUND

Statement of Investment Portfolio (unaudited)

June 30, 2011

Face amount	Cost	Fair value	Percentage of net assets
Bonds and Guarantees			
Federal Bonds and Guarantees:			
\$ 60,000 Canada 4.00% June 01, 2016	\$ 63,612	\$ 64,651	
24,000 Canada 3.75% June 01, 2019	25,635	25,470	
197,000 Canada 3.50% June 01, 2020	206,298	204,315	
207,000 Canada 5.75% June 01, 2029	274,896	269,857	
540,000 Canada 4.00% June 01, 2041	587,151	584,820	
2,919,000 Canada Housing FRN 1.79% March 15, 2014	2,962,595	2,962,785	
	4,120,187	4,111,898	6.4%
Provincial Bonds and Guarantees:			
169,000 Alberta Capital Financial Authority 4.65% June 15, 2017	185,711	185,070	
13,000 Province of British Columbia 4.10% December 18, 2019	13,585	13,516	
396,000 Province of British Columbia 3.70% December 18, 2020	391,125	395,321	
412,000 Province of British Columbia 4.95% June 18, 2040	445,131	455,071	
279,000 Province of Manitoba 6.30% March 05, 2031	310,374	354,397	
198,000 Province of New Brunswick 4.55% March 26, 2037	186,350	201,139	
95,000 Province of Ontario 4.40% June 02, 2019	99,862	100,759	
914,000 Province of Ontario 4.20% June 02, 2020	911,330	947,546	
414,000 Province of Ontario 4.00% June 02, 2021	412,054	419,174	
621,000 Ontario Coupon 0.00% December 02, 2021	389,848	403,952	
260,000 Province of Ontario 8.00% June 02, 2026	350,285	371,354	
75,000 Province of Ontario 6.20% June 02, 2031	84,626	94,103	
423,000 Province of Ontario 4.65% June 02, 2041	437,641	444,015	
154,000 Province of Quebec 4.50% December 01, 2016	158,621	166,534	
538,000 Province of Quebec 4.50% December 01, 2019	546,174	571,023	
252,000 Province of Quebec 4.50% December 01, 2020	262,370	265,359	
156,000 Province of Quebec 4.25% December 01, 2021	156,900	160,156	
198,000 Province of Quebec 6.25% June 01, 2032	222,517	248,301	
194,000 Province of Quebec 5.00% December 01, 2041	212,382	212,672	
272,000 Province of Saskatchewan 5.00% March 05, 2037	278,047	303,427	
	6,054,933	6,312,889	9.8%
Corporate Bonds and Guarantees:			
100,000 Anheuser-Busch InBev 3.65% January 15, 2016	99,961	101,465	
208,000 Algonquin Credit Card Trust 06-1 C 5.46% July 15, 2011	208,000	208,227	
281,000 Algonquin Credit Card Trust 07-1 C 5.09% June 15, 2012	281,000	283,764	
268,000 Algonquin Credit Card Trust 07-1 B 4.79% June 15, 2012	268,000	271,624	
113,024 Alliance Pipeline LP 7.23% June 30, 2015	128,490	122,179	

LEITH WHEELER BALANCED FUND

Statement of Investment Portfolio (unaudited) continued

June 30, 2011

Face amount		Cost	Fair value	Percentage of net assets
Bonds, Debentures and Guarantees				
Corporate Bonds & Guarantees (continued):				
\$ 168,983	Alliance Pipeline LP 5.55%			
	December 31, 2023	\$ 180,948	\$ 182,980	
96,000	American Express Canada Credit Corporation 3.60%			
	June 03, 2016	95,974	95,478	
61,000	Arrow Lakes Power 5.52%			
	April 05, 2041	61,000	63,097	
51,000	Bank of Montreal 3.49% June 10, 2016	51,000	51,732	
184,000	Bank of Montreal FF 3.98% July 08, 2016	183,949	186,665	
57,000	Bank of Montreal 5.45% July 17, 2017	64,013	63,117	
144,000	Bank of Montreal FF 6.17%			
	March 28, 2018	163,258	163,172	
365,000	Bank of Nova Scotia 5.04%			
	April 08, 2013	384,801	384,374	
186,000	Bank of Nova Scotia FF 4.94%			
	April 15, 2014	192,547	196,861	
138,000	Bank of Nova Scotia 4.10% June 08, 2017	139,990	142,634	
179,000	Bank of Nova Scotia Bats5 7.80%			
	June 30, 2019	197,386	213,521	
105,000	Bell Canada 4.95% May 19, 2021	104,616	105,004	
71,000	Bridgepoint 7.25% August 31, 2042	72,362	85,497	
178,000	Broadway Credit Card Trust 08-2 A 5.45%			
	June 17, 2013	181,369	188,000	
117,000	Brookfield Renewable Power 5.25%			
	November 05, 2018	116,958	121,075	
120,000	Canadian Western Bank FF 4.39%			
	November 30, 2015	120,000	120,836	
280,000	Canadian Credit Card Trust 05-2 B 4.86%			
	April 24, 2012	280,000	285,180	
27,000	Canadian Imperial Bank of Commerce 5.00%			
	September 10, 2012	28,080	28,028	
275,000	Canadian Imperial Bank of Commerce 4.75%			
	December 22, 2014	292,256	294,120	
85,000	Canadian Imperial Bank of Commerce FF 4.11%			
	April 30, 2015	87,054	88,140	
93,000	Canadian Imperial Bank of Commerce 3.40%			
	January 14, 2016	92,962	94,275	
21,000	Canadian Imperial Bank of Commerce Capital Trust 9.98%			
	June 30, 2019	27,492	27,469	
93,000	Claregold 06-1 C 5.12%			
	February 15, 2013	92,996	93,475	
118,000	Canada Mortgage Acceptance Corp 06-C5 C 4.85%			
	October 15, 2011	117,999	117,685	
66,000	Emera Inc 4.10% October 20, 2014	65,976	68,459	
15,000	Fortis Alberta Inc. 5.37%			
	October 30, 2039	14,937	15,997	
235,000	FortisBC Energy 10.30%			
	September 30, 2016	326,225	312,343	
56,000	FortisBC Energy 6.50% May 01, 2034	61,329	68,097	
71,000	GE Capital Canada 4.24% June 08, 2015	70,997	73,791	
60,000	GE Capital Canada 4.40% February 08, 2018	59,907	61,152	
203,000	Glacier Credit Card Trust 06-2 B 4.77%			
	May 20, 2014	203,000	208,643	
116,000	Glacier Credit Card Trust 08-1 B 6.03%			
	February 20, 2013	116,000	120,932	
229,000	Gloucester Credit Card Trust 04-1 A 5.38%			
	May 15, 2014	244,118	245,163	

LEITH WHEELER BALANCED FUND

Statement of Investment Portfolio (unaudited) continued

June 30, 2011

Face amount	Cost	Fair value	Percentage of net assets
Bonds, Debentures and Guarantees			
Corporate Bonds & Guarantees (continued):			
\$ 126,000 Great West Lifeco 6.14% March 21, 2018	\$ 128,801	\$ 142,480	
96,000 Great West Lifeco 7.13% June 26, 2018	97,623	108,474	
111,000 Great West Lifeco 4.65% August 13, 2020	111,260	113,166	
22,000 Great West Lifeco 6.67% March 21, 2033	24,556	25,587	
112,000 Great West Lifeco 6.00% November 16, 2039	115,066	121,957	
191,000 Halifax Bank of Scotland PLC 5.11% June 21, 2012	191,000	154,710	
100,000 Hydro One 5.49% July 16, 2040	106,615	108,494	
144,000 Manulife Financial Corporation 5.51% June 26, 2018	153,605	153,804	
28,900 Maritime & North East Pipeline LLC 6.90% November 30, 2019	33,335	32,349	
180,500 Maritime & North East Pipeline LLC 4.34% November 30, 2019	183,500	186,267	
52,000 Metro Inc. 5.97% October 15, 2035	51,964	52,050	
257,249 Merrill Lynch Financial Asset 02-Can7 A2 6.14% May 12, 2012	261,010	263,080	
320,522 Merrill Lynch Financial Asset 02-Can8 A2 5.74% November 12, 2012	324,038	331,054	
98,000 Merrill Lynch Financial Asset 04-Can14 C 5.60% March 12, 2015	98,556	97,805	
71,000 Merrill Lynch Financial Asset 04-Can14 B 5.48% March 12, 2015	71,131	74,267	
95,000 Merrill Lynch Financial Asset 05-Can15 C 5.27% March 12, 2015	94,403	93,606	
122,000 Merrill Lynch Financial Asset 05-Can16 C 4.80% July 12, 2015	121,996	117,331	
55,042 Merrill Lynch Financial Asset 05-Can17 A1 4.38% August 12, 2015	52,787	56,927	
105,000 Merrill Lynch Financial Asset 05-Can17 C 4.93% November 12, 2015	104,993	100,828	
112,000 Merrill Lynch Financial Asset 06-Can18 C 5.04% March 12, 2016	111,318	106,576	
148,000 National Bank of Canada FF 5.55% November 15, 2013	148,828	158,136	
61,000 National Bank of Canada 3.58% April 26, 2016	61,000	62,045	
56,000 National Bank of Canada Asset Trust 7.24% June 30, 2018	61,272	64,584	
38,000 National Bank of Canada Asset Trust 7.45% June 30, 2020	43,787	44,534	
59,000 Plenary Properties LTAP LP FF 3.80% August 18, 2014	59,821	60,359	
90,000 Plenary Properties LTAP LP 6.29% January 31, 2044	95,245	98,250	
99,000 Real Estate Asset Liquid Trust 06-2 B 4.71% September 12, 2016	98,992	98,549	
200,000 Rogers Communications 5.34% March 22, 2021	199,908	199,920	
356,000 Royal Bank 3.27% November 10, 2014	360,060	364,593	
125,000 Royal Bank FF 3.18% November 02, 2015	123,569	123,801	

LEITH WHEELER BALANCED FUND

Statement of Investment Portfolio (unaudited) continued

June 30, 2011

Face amount	Cost	Fair value	Percentage of net assets
<i>Bonds, Debentures and Guarantees</i>			
Corporate Bonds & Guarantees (continued):			
\$ 140,000 Royal Bank 3.36% January 11, 2016	\$ 139,943	\$ 141,715	
180,000 Royal Bank 3.77% March 30, 2018	179,978	182,318	
228,000 Schooner Trust 05-4 B 4.52% September 12, 2015	227,986	231,702	
75,000 Schooner Trust 05-4 A2 4.36% September 12, 2015	70,328	77,735	
102,000 Schooner Trust 05-4 C 4.57% September 12, 2015	89,542	100,405	
59,000 Shaw 5.50% December 07, 2020	58,785	59,046	
43,000 Shaw 6.75% November 09, 2039	41,863	41,684	
340,000 Solar Trust 02-1 A2 5.83% August 12, 2012	350,031	349,510	
81,000 Sun Life Financial 5.70% July 02, 2019	81,892	87,970	
219,000 TD Capital Trust Bank 5.48% April 02, 2015	238,757	238,197	
109,000 TD Capital Trust Bank 3.37% November 02, 2015	109,000	108,771	
17,000 Toronto Dominion Bank 5.76% December 18, 2017	14,348	18,630	
84,000 Toronto Dominion Bank 6 6.63% June 30, 2021	84,000	93,926	
87,000 Telus Corp. 5.05% July 23, 2020	86,817	88,394	
96,065 Toronto Airport 6.45% July 30, 2029	108,746	108,467	
48,000 Toronto Airport 5.30% February 25, 2041	48,044	50,067	
134,569 University Of Ontario 6.35% October 15, 2034	134,569	149,371	
11,000 Westcoast Energy 8.50% September 04, 2018	14,021	14,058	
140,000 Merrill Lynch 4.50% January 30, 2012	131,701	141,949	
67,000 Westpac Bank Corp 3.75% December 01, 2014	67,718	68,153	
	11,445,058	11,621,902	18.0%
Total Bonds and Guarantees	\$ 21,620,178	\$ 22,046,689	34.2%

LEITH WHEELER BALANCED FUND

Statement of Investment Portfolio (unaudited) continued

June 30, 2011

Number of shares	Cost	Fair value	Percentage of net assets
Canadian Equity			
Consumer Discretionary:			
9,000 Astral Media Inc.	\$ 312,347	\$ 334,890	
1,700 Bauer Performance	12,750	11,050	
8,100 Canadian Tire A	490,545	510,381	
8,300 Cogeco Cable Inc.	296,929	373,583	
4,700 Corus Entertainment B Non Voting	101,830	96,303	
1,900 Forzani Group Ltd. Class A	29,049	50,046	
19,600 Great Canadian Gaming Corp.	147,974	150,332	
30,600 Shaw Communication B	620,292	672,588	
10,600 Transat A.T. Inc. Class B	253,685	118,932	
	2,265,402	2,318,105	3.6%
Consumer Staple:			
8,100 Alimentation Couche-Tard Sub Voting	167,910	226,962	
30,900 Saputo Inc.	500,984	1,432,833	
	668,894	1,659,795	2.6%
Energy:			
6,900 Baytex Energy Corp	161,916	361,698	
29,400 Canadian Natural Resources Ltd.	1,098,052	1,185,996	
33,300 Encana Corporation	991,960	990,675	
28,129 Enerflex Ltd.	155,316	348,800	
3,600 Longview Oil Corp	39,416	41,580	
34,700 Nuvista Energy Ltd	318,139	314,729	
10,000 Progress Energy Resources Corp.	110,319	137,200	
7,552 Pure Energy Services Ltd.	54,606	57,773	
18,400 Savanna Energy Services Corp.	307,913	159,528	
49,600 Talisman Energy Inc.	692,920	980,096	
11,600 Transcanada Corp	442,353	489,520	
	4,372,910	5,067,595	7.9%
Financials:			
18,900 Bank of Nova Scotia	726,038	1,097,901	
15,100 Canadian Western Bank	341,434	464,778	
7,800 Canadian Imperial Bank Of Commerce	569,884	593,580	
17,580 Great-West Lifeco Inc.	456,786	447,235	
5,300 Home Capital Group Inc.	255,804	273,480	
7,900 Industrial Alliance Insurance and Financial Corp.	224,723	316,632	
1,700 Intact Financial Subscription Receipt	81,260	92,905	
1,100 Intact Financial Corp.	60,062	60,687	
24,200 Manulife Financial Corp.	368,831	412,126	
6,700 National Bank of Canada	476,574	523,337	
7,000 Onex Corp.	257,731	259,980	
19,300 Royal Bank Of Canada	816,249	1,062,079	
15,800 Toronto Dominion Bank	764,977	1,291,650	
	5,400,353	6,896,370	10.7%
Industrials:			
71,300 CAE Inc.	669,336	925,474	
10,200 Canadian National Railway Co.	429,260	785,298	
20,200 Finning International Inc.	296,200	575,902	
6,900 Richelieu Hardware Ltd.	166,008	188,439	
46,229 Toromont Industries Ltd.	330,193	875,577	
17,000 Westjet Airlines Ltd.	243,392	256,870	
	2,134,390	3,607,560	5.6%

LEITH WHEELER BALANCED FUND

Statement of Investment Portfolio (unaudited) continued

June 30, 2011

Number of shares	Cost	Fair value	Percentage of net assets
Canadian Equity			
Information Technology:			
5,600 Constellation Software Inc.	\$ 122,704	\$ 395,360	
12,700 Miranda Technologies Inc.	178,488	95,758	
	301,193	491,118	0.8%
Materials:			
4,300 Teck Resources Ltd.	\$ 209,782	\$ 210,055	
600 West Fraser Timber	31,720	31,206	
	241,503	241,261	0.4%
Telecom Services:			
12,300 Rogers Communications Class B	395,329	468,138	0.7%
Total Canadian Equity	15,779,970	20,749,942	32.3%
Foreign Equity			
Consumer Discretionary:			
10,800 Carnival Corp.	463,183	391,895	
5,500 Fortune Brands Inc.	260,568	338,002	
20,700 Gannett Co. Inc.	705,425	286,041	
5,800 Lennar Corp. Class B	155,385	81,657	
800 Home Depot Inc.	30,015	27,918	
2,700 Walt Disney Co.	85,787	101,593	
	1,700,362	1,227,106	1.9%
Consumer Staple:			
1,725 Brown-Forman Corp.	88,940	124,157	
5,900 Coca-Cola Co.	318,505	382,781	
7,500 Procter And Gamble Co.	464,872	459,971	
1,000 Sanderson Farms Inc.	39,812	46,065	
8,900 Sysco Corp.	261,873	267,681	
12,500 Walgreen Co.	418,408	512,043	
	1,592,410	1,792,698	2.8%
Energy:			
3,700 Apache Corp.	328,730	440,066	
14,900 Nabors Industries Ltd.	337,659	353,742	
8,400 Tidewater Inc.	399,864	436,029	
	1,066,253	1,229,837	1.9%
Financials:			
1,000 American Express Co	30,431	49,845	
4,000 Berkshire Hathaway Inc. Class B	295,584	298,393	
1,600 Markel Corp.	621,852	611,135	
17,800 Washington Federal Inc.	367,104	281,842	
16,100 Wells Fargo & Co.	486,196	435,483	
	1,801,166	1,676,698	2.6%

LEITH WHEELER BALANCED FUND

Statement of Investment Portfolio (unaudited) continued

June 30, 2011

Number of shares	Cost	Fair value	Percentage of net assets
Foreign Equity			
Health Care:			
3,900 Becton Dickinson Co.	\$ 290,364	\$ 324,028	
1,600 Dentsply International Inc.	49,950	58,737	
9,100 Johnson And Johnson	601,616	583,195	
12,300 Merck And Company Inc.	504,412	418,334	
21,800 Pfizer Inc.	523,877	432,838	
	1,970,219	1,817,132	2.8%
Industrials:			
6,300 3M Co.	506,703	576,101	
1,500 Crane Co.	52,483	71,484	
2,800 Granite Construction Inc.	85,338	66,205	
5,200 Heartland Express Inc.	83,283	82,988	
2,900 Hubbell Inc. Class B	134,204	181,659	
1,400 Simpson Manufacturing Co. Inc.	43,867	40,298	
1,400 United Technologies Corp.	87,394	119,477	
	993,274	1,138,212	1.8%
Information Technology:			
52 Google Inc. Class A	24,870	25,378	
11,100 Intel Corporation	250,171	236,981	
16,900 Microsoft Corporation	459,875	423,387	
33,800 Tellabs Inc.	280,727	150,255	
	1,015,642	836,001	1.3%
International Fund:			
1,146,334 Leith Wheeler International Equity Plus Series A	10,999,667	10,020,989	15.5%
Materials:			
8,500 Bemis Company Inc.	261,910	276,716	
1,400 Eagle Materials Inc.	44,815	37,612	
500 Martin Marietta Materials	40,920	38,567	
	347,645	352,895	0.5%
Utilities:			
17,100 MDU Resources Group Inc.	363,631	371,014	0.6%
Total Foreign Equity	21,850,270	20,462,582	31.7%
Money Market Securities	1,096,297	1,096,297	1.7%
Total Investment Portfolio	\$ 60,346,715	64,355,510	99.9%
Other Assets less Liabilities		91,995	0.1%
Net Assets		\$ 64,447,505	100.00%

See accompanying notes to financial statements.

LEITH WHEELER BALANCED FUND

Statements of Net Assets (unaudited)

June 30, 2011 and December 31, 2010

	2011	2010
Assets		
Investment portfolio, at fair value	\$ 64,355,510	\$ 61,687,757
Cash	188,918	109,279
Subscriptions receivable	-	288,334
Accrued income receivable	182,054	172,664
	<u>64,726,842</u>	<u>62,258,034</u>
Liabilities		
Redemptions payable	74,535	48,021
Payable to brokers	75,643	28,401
Management fees payable	128,799	130,279
	<u>278,977</u>	<u>206,701</u>
Net assets representing unitholders' equity	\$ 64,447,505	\$ 62,051,333
Unitholders' equity allocation by series	64,447,505	62,051,333
Number of units outstanding (note 8):	3,226,688	3,128,539
Net asset per unit (note 3):	\$ 19.97	\$ 19.83

See accompanying notes to financial statements.

LEITH WHEELER BALANCED FUND

Statements of Operations (unaudited)

For the six months ended June 30, 2011 and 2010

	2011	2010
Investment income:		
Dividends	\$ 524,269	\$ 451,077
Interest	475,521	484,959
Other	-	35,806
	999,790	971,842
Expenses:		
Management fees (note 6)	349,771	324,220
Harmonized Sales Tax (note 7)	39,909	16,211
	389,680	340,431
Net investment income	610,110	631,411
Net gain (loss) from investing activities:		
Proceeds from sale of investments	16,606,471	14,752,805
Investment portfolio at cost, beginning of period	57,093,585	57,834,347
Cost of investments purchased	18,846,623	14,798,140
Investment portfolio at cost, end of period	(60,346,715)	(58,318,663)
Cost of investments sold	15,593,493	14,313,824
Net realized gain (loss) on sale of investments	1,012,978	438,981
Change in unrealized appreciation in value of investments	(576,956)	(1,538,230)
Transaction costs	(13,457)	(12,136)
Net gain (loss) from investing activities	422,565	(1,111,385)
Increase (decrease) in net assets from operations	\$ 1,032,675	\$ (479,974)
Increase (decrease) in net assets from operations per unit	\$ 0.32	\$ (0.15)

See accompanying notes to financial statements.

LEITH WHEELER BALANCED FUND

Statements of Changes in Net Assets (unaudited)

For the six months ended June 30, 2011 and 2010

	2011	2010
Increase (decrease) in net assets from operations	\$ 1,032,675	\$ (479,974)
Distributions to unitholders of taxable income:		
Out of net investment income	(610,145)	(632,193)
Unit transactions (note 8):		
Subscription of units	5,012,816	3,882,649
Reinvestment of distributions	609,449	614,053
Redemption of units	(3,648,623)	(4,399,351)
	1,973,642	97,351
Increase (decrease) in net assets	2,396,172	(1,014,816)
Net assets, beginning of period	62,051,333	59,105,328
Net assets, end of period	\$ 64,447,505	\$ 58,090,512

See accompanying notes to financial statements.

LEITH WHEELER BALANCED FUND

Notes to Interim Financial Statements (unaudited)

For the six months ended June 30, 2011 and 2010

1. Operations:

The Leith Wheeler Balanced Fund (the "Fund") was established under the laws of British Columbia pursuant to various trust indentures between Leith Wheeler Investment Counsel Ltd., as manager (the "Manager"), and Canada Trust Company, as trustee. Effective June 30, 1999, the Fund's trustee was changed to CIBC Mellon Trust Company and the Fund's custodian was changed to the Canadian Imperial Bank of Commerce.

The Fund commenced operations on September 22, 1987. The Balanced Fund only has one series of 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 BALANCED FUND

Notes to Interim Financial Statements (unaudited)

For the six months 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 BALANCED FUND

Notes to Interim Financial Statements (unaudited)

For the six months 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 are calculated as follows:

- (i) Net asset value per unit is calculated by dividing the net assets attributable to the series, as applicable, 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 an open-ended mutual fund trust under the *Income Tax Act (Canada)*. The Fund distributes to unitholders the following amounts which would otherwise attract tax in the Fund.

- Quarterly, 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 BALANCED FUND

Notes to Interim Financial Statements (unaudited)

For the six months 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 year 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)
\$ 64,505,659	\$ (58,154)	\$ 64,447,505	\$ 19.99	\$ 19.97

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)
\$ 62,085,285	\$ (33,952)	\$ 62,051,333	\$ 19.84	\$ 19.83

LEITH WHEELER BALANCED FUND

Notes to Interim Financial Statements (unaudited)

For the six months 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	
Short Term Notes	\$ -	\$ 1,096,297	\$ -	\$ 1,096,297
Bonds (including Mortgage Backed Securities)	-	22,046,689	-	22,046,689
Equities – Long	31,191,535	-	-	31,191,535
Investment Fund Units	10,020,989	-	-	10,020,989
	\$ 41,212,524	\$ 23,142,986	\$ -	\$ 64,355,510

	Assets at fair value as at December 31, 2010			Total
	Level 1	Level 2	Level 3	
Short Term Notes	\$ -	\$ 1,465,418	\$ -	\$ 1,465,418
Bonds (including Mortgage Backed Securities)	-	20,115,680	-	20,115,680
Equities – Long	29,934,254	-	-	29,934,254
Investment Fund Units	10,172,405	-	-	10,172,405
	\$ 40,106,659	\$ 21,581,098	\$ -	\$ 61,687,757

There were no transfers between the three levels from December 31, 2010 to June 30, 2011 (December 31, 2009 to December 31, 2010 - nil).

5. Financial instrument risk and risk management:

The investment objective of the Fund is to provide investors with a relatively stable, superior long-term rate of return, through a balanced portfolio of common shares and fixed income securities.

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 BALANCED FUND

Notes to Interim Financial Statements (unaudited)

For the six months ended June 30, 2011 and 2010

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

(a) 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. Equities in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value.

The Fund holds assets and liabilities, including cash and equities that are denominated in currencies other than the Canadian dollar, the functional currency. It is, therefore, exposed to currency risk, as the value of the securities denominated in other currencies fluctuate due to changes in exchange rates. At June 30, 2011 and December 31, 2010, the Canadian dollar equivalent currency exposures of the Fund were as follows:

	Currency exposure		Percentage of net assets	
	2011	2010	2011	2010
US Dollar	\$ 10,591,922	\$ 10,161,648	16.4%	16.4%
Japanese Yen	3,227,069	3,301,406	5.0%	5.3%
Euro	2,094,588	2,091,948	3.3%	3.4%
British Pound	1,072,349	817,241	1.7%	1.3%
South African Rand	471,032	606,112	0.7%	1.0%
South Korean Won	461,010	436,805	0.7%	0.7%
Australia Dollar	310,681	338,591	0.5%	0.5%
Brazilian Real	250,549	265,327	0.4%	0.4%
Swiss Franc	130,285	124,705	0.2%	0.2%
Russian Ruble	110,241	115,587	0.2%	0.2%
Indonesian Rupiah	100,220	112,046	0.1%	0.2%
Norwegian Krone	100,220	112,046	0.1%	0.2%
	\$ 18,920,166	\$18,371,416	29.3%	29.6%

If the exchange rate between the Canadian dollar and the foreign currencies that the Fund is exposed to increased or decreased by 1% at June 30, 2011, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$189,202 (December 31, 2010 - \$183,714). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

LEITH WHEELER BALANCED FUND

Notes to Interim Financial Statements (unaudited)

For the six months ended June 30, 2011 and 2010

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

(b) 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
2011					
Fixed income securities	7.8%	39.3%	28.5%	24.4%	100.0%
2010					
Fixed income securities	4.1%	44.7%	26.3%	24.9%	100.0%

As at June 30, 2011 and December 31, 2010, 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 \$1,295,882 (December 31, 2010 - \$1,217,603). 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.

(c) 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 investment groups securities by asset type, geographic region and/or market segment.

For this Fund, the most significant exposure to other price 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 \$4,121,252 (December 31, 2010 - \$3,947,597) respectively. In practice, the actual trading results may differ and the difference could be material.

LEITH WHEELER BALANCED FUND

Notes to Interim Financial Statements (unaudited)

For the six months ended June 30, 2011 and 2010

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

(d) 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	33.1%	35.7%
AA	30.5%	26.8%
A	28.6%	28.0%
BBB	7.8%	9.5%

(e) 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.

LEITH WHEELER BALANCED FUND

Notes to Interim Financial Statements (unaudited)

For the six months ended June 30, 2011 and 2010

6. Management fees and expenses:

At June 30, 2011 and December 31, 2010, the Balanced Fund only has one series of units issued and in respect of these units, the Manager is entitled to receive a management fee, calculated daily and paid quarterly, equal to 1.10% per annum applied to the Net Asset Value of the series.

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 has at times absorbed certain expenses incurred on behalf of the Fund, in which case such amounts are shown as a deduction from expenses in the statements 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 period were \$134,241 (2010 - \$102,117).

7. Harmonized sales tax:

Effective July 1, 2010, certain provinces have harmonized their provincial sales tax (PST) with the federal goods and services tax (GST). This resulted in an increase in the management expense ratio of the units of the Fund. "Harmonized sales tax" (HST) on the Statement of Operations represents the total HST (including GST up to June 30, 2011) calculated on all expenses.

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
2011	3,128,539	249,616	30,307	(181,774)	3,226,688
2010	3,221,369	209,542	33,482	(237,498)	3,226,895

LEITH WHEELER BALANCED FUND

Notes to Interim Financial Statements (unaudited)

For the six months ended June 30, 2011 and 2010

9. Income taxes:

As of June 30, 2011 and December 31, 2010, the Fund has non tax effected net realized capital losses available of \$2,188,000 for utilization against net realized capital gains in future years. Capital losses have no expiry. The Fund has no non-capital loss carryforwards.

10. Brokerage commissions:

The total brokerage commissions paid by the Fund for the period ended were \$8,421 (2010 - \$8,339).

11. Related party transactions:

At June 30, 2011, the Balanced Fund owns 1,146,334 units (December 31, 2010 – 1,102,550) of the Leith Wheeler International Equity Plus Fund Series A, which is a Fund under common management. The Balanced Fund earned approximately \$191,749 in dividend income (2010 - \$160,074) and nil (2010 - nil) in capital gains on that investment.

A statement of portfolio transactions for the six months 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.