Leith Wheeler Canadian Equity Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE
December 31, 2016

Leith Wheeler INVESTMENT COUNSEL LTD. | Quiet Money.

This annual management report of fund performance contains financial highlights, but does not contain complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-888-292-1122, by writing to us at 1500 – 400 Burrard Street, Vancouver, BC V6C 3A6 or by visiting our website at www.leithwheeler.com or SEDAR at www.sedar.com.

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

Management Discussion of Fund Performance

Investment Objective and Strategies

To provide superior long-term investment returns by investing primarily in a diversified portfolio of common shares and other equity related securities of Canadian issuers. The Fund is not restricted by capitalization or industry sector although portfolio diversification is a consideration in the selection of securities for the Fund. Under normal circumstances, the Fund will keep its portfolio fully invested, to the greatest extent possible, in Canadian equity and equity related securities.

Our approach to stock picking is based on fundamental research with a strong "value" bias. Our test for value is viewing any investment we make as if we were "buying the whole business". Therefore, the critical question becomes "what would be the price of the whole business that would make the purchase a profitable one?" Our experience has been that the price of a company in the stock market does not always reflect its real value. This discrepancy between price and value creates excellent investment opportunities.

As value investors, we tend to include companies in the portfolio when they are "out of favour" by the market and have declined in price. Companies can become undervalued when there is a lack of investor awareness; when an entire industry is out of favour with investors; or when a company experiences a short-term difficulty which, following careful analysis, we believe can be overcome. By purchasing these companies after a price decline, we find we are able to control risk in the portfolio as these investments often have less downside risk while offering a decent potential return.

Risk

The overall risks of investing in the Fund are as described in the Simplified Prospectus. There were no material changes to the Fund during the year that affected the overall level of risk.

Results of Operations

The Fund's net assets increased by 26.7% in 2016 to $2,666.4 million from $2,104.2 million at the end of 2015. Of this change, $650.5 million was attributable to investment gains and ($88.3) million to net outflows.

Despite a negative start, 2016 was a remarkable year for Canadian stock markets, where sentiment shifted quite significantly over the year. Canada had finished 2015 as one of the worst performing developed markets amid concerns around global growth, weakness in commodities and a gloomy outlook for the Canadian economy. Despite numerous global concerns including "Brexit", Trump and European bank issues, market sentiment improved over the course of the year and the TSX climbed the "wall of worry" to end 2016 as the best performing developed market.

In 2016, the S&P/TSX Composite's positive performance was broadly based, with ten of the eleven industry sectors posting positive returns. The index was led by the Materials (41.2%), Energy (35.5%) and Financials (24.1%) sectors. The only negative sector in 2016 was Health Care (-78.5%). The poor performance of the Health Care sector was primarily due to the issues experienced by Valeant Pharmaceuticals.

The Canadian Equity Fund significantly outperformed the S&P/TSX Composite Index in 2016 as Series A units of the Fund increased by 30.7% and Series B units of the Fund increased by 28.9% after fees and expenses. Overall, after a difficult year of performance in 2015, we are pleased with the results this year.

Among the top contributors to the Fund's performance in 2016 were Teck Resources (+405.8%), First Quantum (+158.2%), and Sleep Country (+70.9%). Teck Resources extended its year-long gains into the fourth quarter, as the company reported its highest quarterly sales volumes and made significant reductions in debt. First Quantum's share price increased as the company reported improved production volumes, lower costs and good progress in the development of its Cobre Panama copper mine. The stock also benefitted as copper prices improved. We reduced our positions in Teck and First Quantum over the fourth quarter, given their recent strength. Sleep Country increased as the company continued to report strong financial results and expanding market share. The stock also recently joined the S&P/TSX index, which boosted the share price as index funds had to include it in their portfolios. In contrast, the Fund's performance in 2016 was hurt by Calfrac (-50.2%), Redknee Solutions (-47.5%), and Hudson's Bay (-26.2%). We sold our remaining position in Calfrac during the first quarter. In 2015, the outlook for its energy services business started to deteriorate at a faster rate than we initially expected due to reduced drilling activity levels, as well as an increase in pricing pressure. We concluded a recovery in profitability from current levels could be several years away and exited the position. Redknee Solutions declined following the announcement of the results from their strategic review. ESW Capital offered to make a strategic investment in Redknee that would eliminate the company's debt and allow the company to complete their previously announced restructuring. Investors were disappointed at the high cost of the financing and that there was not an immediate sale of the company. Hudson's Bay declined as it reported weak results across its US and international businesses. In prior periods, HBC's diverse business mix had helped to smooth results, but more recently, its Canadian business was the only bright spot.

Management Discussion of Fund Performance (cont.)

We added two names to the Fund in the first half of 2016: Boardwalk REIT and Onex Corporation. Boardwalk REIT is an Alberta-focused rental apartment owner, with 67% of its net operating income generated from the province. The remainder of income comes from properties in Ontario, Saskatchewan and Quebec. Investor concerns over low oil prices and the effects on the Alberta economy negatively impacted the stock. This created an opportunity for us to buy good-quality assets at a 30% discount to net-asset-value. Boardwalk has a strong and stable management team, with experience managing the company through difficult environments. The founders own 25% of the company and are well aligned with other shareholders, as they receive distributions as income rather than salaries, bonuses, or options. We initiated a position in Onex Corporation during the second quarter. Onex has been a successful private equity company for 32 years. As institutional investors diversify away from traditional asset classes, demand for alternatives, such as private equity, continues to increase. While there is plenty of competition within the private equity business, Onex has an established track record and brand name. The company has a strong management team, who have significant ownership in the business. We purchased shares at an attractive price, but could only establish a small position before the stock price jumped. We will look for further opportunities to add to the position at more attractive prices.

In the third quarter of 2016, we initiated a position in Seven Generations Energy. Seven Generations is a mid-cap oil and gas producer with operations in Alberta. The company recently made an acquisition of a large land base from Paramount Resources, which was struggling with too much debt. After the acquisition, we believe their asset base ranks as one of the best in North America from a cash cost and rate of return perspective. While the valuation is in-line with its peers, it has a lower cost structure, a good balance sheet, and an above-average growth rate.

In the fourth quarter of 2016, we initiated positions in Equitable Group and Bank of Montreal. Equitable specializes in multi-unit residential and alternative single dwelling mortgage financing. We have followed the company closely for a number of years as it is a key competitor to Home Capital (another Canadian Equity Fund holding). Equitable has a very good track record of growth and profitability and appears to be a key beneficiary of Home Capital's recent struggles. Bank of Montreal has total assets of $688 billion and provides a broad range of retail banking, investment banking and wealth management products and services to more than 12 million customers in Canada.

We eliminated a few of the holdings in the Fund during the first half of the year including Enbridge, CGI Group, Calfrac Well Services, and Bank of Montreal (which we repurchased later in the year as described above). We initiated a small position in Enbridge in the first quarter, but sold the position prior to the end of the quarter. The outlook for this pipeline, gas processing and distribution business became increasingly uncertain in the first quarter due to concerns about the company's access to debt capital markets. The company undertook equity financing at a substantial discount, which we found attractive. In short order, the market priced in several years of future growth and the stock appreciated quickly beyond our three-year-out price target. With the shares trading at an above-average valuation versus alternative investment opportunities, we sold our position. We sold our position in CGI Group during the first quarter. CGI is a high-quality company with strong management and a successful track record of adding value through acquisitions. However, towards the end of last year, the market began to anticipate further large acquisitions and the stock's valuation increased substantially. From our discussions with management, we felt that the probability of a large transaction was lower than investors were pricing in. As a result, our anticipated return fell and we saw better opportunities elsewhere. We also sold our remaining position in Calfrac Well Services during the first quarter. In 2015, the outlook for its energy services business started to deteriorate at a faster rate than we initially expected due to reduced drilling activity levels, as well as an increase in pricing pressure. We concluded a recovery in profitability from current levels could be several years away and exited the position. Finally, we sold our position in Bank of Montreal (BMO) in the second quarter. After evaluating the risk/return for the investment in BMO, we decided to redeploy capital into other, more attractive opportunities.

In the third quarter of 2016 we eliminated our positions in Encana and Boardwalk REIT. The risk-reward profile of Encana became less attractive than other investment opportunities in the Fund, after the stock rebounded off the lows earlier this year. The company has a higher risk profile than our preferred Energy names with a more levered balance sheet. In hindsight, our investment in Encana did not work out as expected, and we decided to deploy the capital into better opportunities. We purchased Boardwalk REIT in the first quarter of 2016 when oil prices were severely depressed and the outlook for the Alberta economy was quite dire. Boardwalk is an Alberta-focused rental apartment owner, and we bought the shares at a 30% discount to net-asset-value at the time. We did extensive work to make sure the downside of our investment was limited and felt the potential outcomes were skewed in our favour. As the oil price recovered, sentiment improved and we did very well on our investment, recouping a gain over several months that we had hoped would accrue over a few years. Boardwalk became less attractive than other investment opportunities in the portfolio and we sold our position.

In the fourth quarter of 2016 we sold our positions in First Capital, National Bank, Superior Plus, and Capstone Mining. First Capital has a high quality, defensive real estate portfolio, which caused the stock to outperform most large cap REITs over the last several quarters. As a result, the stock rose in value and had become quite expensive relative to other opportunities. National Bank had performed well over the year and as a result its forward-looking returns narrowed. We sold the stock and redeployed the proceeds into Royal Bank, Bank of Nova Scotia and CIBC. We sold down the position in Superior Plus over the last few quarters as the stock had performed well following the successful sale of its Construction Products division. Finally, we

Management Discussion of Fund Performance (cont.)

sold our position in Capstone Mining, a small cap copper producer, over the fourth quarter. The stock has rebounded 63% over the year thanks to improving sentiment for the mining sector. The company had also shown good operational results from its Pinto Valley and Minto North mines. However, the company is highly volatile to fluctuations in the copper price making it a higher risk name.

Arguably the main driver of capital markets in Canada, and globally, over the coming year will be the US policy agenda. So far, capital markets have given the Trump administration the "benefit of the doubt". There is no doubt that Canada will benefit from a stronger US economy; however, we expect the path to implementation to be rocky with potential upside as well as downside risks.

We remain committed to our bottom-up investment style, focusing on selecting and holding companies where we believe that the potential returns are attractive over the next three years and the valuations are reasonable.

Recent Developments

Equity markets were up globally in the first two months of 2017.

On June 23, 2016, Michael Ryan retired from the Independent Review Committee ("IRC"). Also, on June 23, 2016, the members appointed Eric Watt as a member of the IRC. On the same day, Michael Scott was appointed Chair of the IRC.

Related Party Transactions

Leith Wheeler Investment Counsel Ltd. (the "Manager") is the manager and portfolio advisor of the Fund and is responsible for the Fund's day-to-day operations. The Fund pays the Manager a management fee as compensation for managing the investment portfolio of the Fund.

Management Fees

The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The annualized management fee for the Series B units of the Fund is 1.40%. During the year, the Fund paid the Manager $1,690,103 (exclusive of GST/HST) of its net assets as management fees. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund. The Manager paid all operating expenses except brokerage charges and taxes. In respect of Series A units, the unitholder pays the Manager a negotiated management fee outside the Fund.

We do not, directly or indirectly, pay fees, sales commissions or trailing commissions, nor do we provide any non-monetary benefits to registered dealers for distributions of units of the Fund. If a broker charges you a commission or fee, that is a matter between you and the dealer.

Financial Highlights

The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. The financial information for periods beginning on or after January 1, 2013 is derived from the financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For all prior periods, the financial information is presented in accordance with Canadian generally accepted accounting principles "GAAP". The net assets attributable to holders of redeemable units and the net assets attributable to holders of redeemable units per unit may differ from the Net Assets and Net Assets per Unit due to the valuation methodology previously used in determining fair values. An explanation of these differences can be found in the notes to the financial statements.

Series A	2016	2015	2014	2013	2012
Net assets attributable to holders of redeemable units - per unit, beginning of year (1)	$32.91	$39.35	$39.47	$33.15	$29.88
Increase (decrease) from operations:					
Total revenue	1.20	1.08	1.07	0.92	0.86
Total expenses	-	-	-	-	-
Realized gains (losses) for the year	0.09	0.64	3.64	1.71	0.58
Unrealized gains (losses) for the year	8.76	(6.44)	(1.26)	5.57	3.19
Total increase (decrease) from operations(1)	10.05	(4.76)	3.45	8.20	4.63
Distributions:					
From income (excluding dividends)	-	(0.01)	-	(0.01)	(0.01)
From dividends	(0.98)	(1.06)	(1.10)	(0.91)	(0.85)
From capital gains	-	(0.82)	(2.54)	(0.91)	(0.49)
Return of capital	-	-	-	-	-
Total Annual Distributions(2)	(0.98)	(1.89)	(3.64)	(1.83)	(1.35)
Net assets attributable to holders of redeemable units - per unit, end of year (1)	$41.67	$32.91	$39.35	$39.47	$33.07

Series B	2016	2015	2014	2013	2012
Net assets attributable to holders of redeemable units - per unit, beginning of year (1)	$36.76	$43.55	$43.14	$35.78	$31.74
Increase (decrease) from operations:					
Total revenue	1.25	1.12	1.21	0.97	0.89
Total expenses	(0.61)	(0.51)	(0.58)	(0.49)	(0.53)
Realized gains (losses) for the year	0.10	0.67	4.10	1.81	0.60
Unrealized gains (losses) for the year	9.12	(6.72)	(1.42)	5.88	3.30
Total increase (decrease) from operations(1)	9.86	(5.44)	3.31	8.17	4.26
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.65)	(0.35)	(0.34)	(0.38)	(0.26)
From capital gains	-	(0.78)	(2.42)	(0.47)	(0.09)
Return of capital	(0.67)	-	-	-	-
Total Annual Distributions(2)	(1.32)	(1.13)	(2.76)	(0.85)	(0.35)
Net assets attributable to holders of redeemable units - per unit, end of year (1)	$45.94	$36.76	$43.55	$43.14	$35.70

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

(2) Distributions are reinvested in additional units of the Fund or paid in cash.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A	2016	2015	2014	2013	2012
Total net assets attributable to holders of redeemable units - ($000s) (1)	2,534,482	1,989,747	1,990,341	1,791,587	1,369,114
Number of units outstanding (000s) (1)	60,818	60,454	50,583	45,395	41,299
Management expense ratio(%)(2)	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	-	-	-	-	-
Trading expense ratio (%)(3)	0.06	0.07	0.07	0.07	0.09
Portfolio turnover rate (%)(4)	29.92	27.64	37.07	27.52	38.61
Net assets attributable to holders of redeemable units per unit ($)	41.67	32.91	39.35	39.47	33.15

Series B	2016	2015	2014	2013	2012
Total net assets attributable to holders of redeemable units - ($000s) (1)	131,928	114,474	140,724	130,114	115,223
Number of units outstanding (000s)(1)	2,872	3,114	3,232	3,016	3,220
Management expense ratio(%)(2)	1.49	1.49	1.49	1.49	1.56
Management expense ratio before waivers or absorptions (%)	1.49	1.49	1.49	1.49	1.56
Trading expense ratio (%)(3)	0.06	0.07	0.07	0.07	0.09
Portfolio turnover rate (%)(4)	29.92	27.64	37.07	27.52	38.61
Net assets attributable to holders of redeemable units per unit ($)	45.94	36.76	43.55	43.14	35.78

(1) *This information is provided as at December 31 of the year shown; unless noted otherwise.*

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

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

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

Past Performance

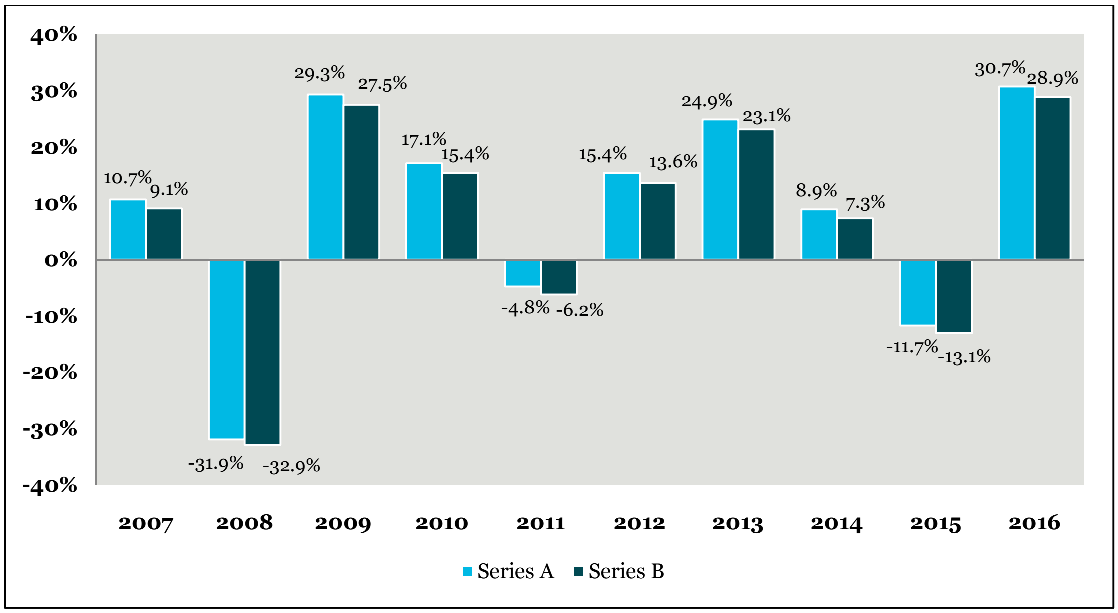
General

The Fund's performance assumes all distributions made by the Fund in the years shown were reinvested in units of the Fund and is based on net asset value per unit. If you hold the Fund outside a Registered Plan, you will be taxed on these distributions.

The performance information does not take into account sales charges, other charges or taxes that, if applicable, would have reduced returns or performance; but includes management fees and other expenses borne directly by the Fund. Past performance does not necessarily indicate how the Fund may perform in the future.

Year-by-Year Returns

The following bar chart shows the Fund's historical return, which changes each year and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each year.



Annual Compound Returns

The following table compares the historical annual compound return of the Fund (before fees for Series A and after fees for Series B) with the S&P/ TSX Composite Index, in each case for the year ended December 31, 2016. The S&P/TSX Composite Index is the headline index and the principal broad market measure for the Canadian equity markets. A discussion of the performance of the Fund as compared to the benchmark is found in the Results of Operations section of this document.

For the Years ended December 31	1 Year	3 Years	5 Years	10 Years
Fund – Series A	30.71%	7.91%	12.61%	7.02%
Benchmark	21.08%	7.06%	8.25%	4.72%
Fund – Series B	28.85%	6.33%	10.95%	5.44%
Benchmark	21.08%	7.06%	8.25%	4.72%

Summary of Investment Portfolio

As at December 31, 2016

Top 25 Positions

Issuer	% of Net Asset Value
Royal Bank of Canada	7.0%
Toronto Dominion Bank	6.1%
Bank of Nova Scotia	6.0%
Saputo Inc.	5.6%
Canadian National Railway Co.	5.3%
Brookfield Infrastructure Partners LP	5.1%
Tourmaline Oil Corp.	4.1%
Manulife Financial Corp.	4.1%
Toromont Industries Ltd.	3.9%
Open Text Corp.	3.7%
Canadian Imperial Bank of Commerce	3.5%
Finning International Inc.	3.4%
Brookfield Asset Management Inc	3.2%
Canadian Tire Corp. Ltd. Class A	3.2%
Stantec Inc.	2.8%
Waste Connections Inc	2.7%
Constellation Software Inc.	2.7%
CI Financial Corp.	2.6%
First Quantum Minerals Ltd.	2.6%
Mullen Group Ltd.	2.1%
Cameco Corp.	2.0%
Seven Generations Energy Ltd.	1.7%
Canadian Natural Resources	1.5%
BRP Inc.	1.4%
Sun Life Financial Inc.	1.2%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Financials	38.8%
Industrials	18.1%
Energy	15.2%
Information Technology	6.6%
Consumer Discretionary	6.0%
Consumer Staples	5.6%
Utilities	5.4%
Materials	3.4%
Cash & Other Net Assets	0.5%

The Fund held no short positions as at December 31, 2016.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.leithwheeler.com.