

Financial Statements of

LEITH WHEELER CORE BOND FUND

(formerly Leith Wheeler Fixed Income Fund)

Years ended December 31, 2016 and 2015

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Leith Wheeler Core Bond Fund (formerly Leith Wheeler Fixed Income 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.

The Board of Directors of the Manager is responsible for reviewing and approving the financial statements and for overseeing the Manager’s performance of its financial reporting responsibilities. The Board of Directors has approved the accompanying financial statements of the Fund.

KPMG LLP, the external auditors of the Fund, were appointed by the Manager. As explained in their auditors’ report, KPMG LLP have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their auditors’ report is included in this Annual Report.

Leith Wheeler Investment Counsel Ltd.

“James F. Gilliland”
President and Chief Executive Officer

“Cecilia Wong”
Chief Financial Officer

March 29, 2017



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INDEPENDENT AUDITORS' REPORT

To the Unitholders of the Leith Wheeler Core Bond Fund

We have audited the accompanying financial statements of the Leith Wheeler Core Bond Fund (formerly Leith Wheeler Fixed Income Fund) which comprise the statements of financial position as at December 31, 2016 and December 31, 2015, the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

The Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Leith Wheeler Core Bond Fund as at December 31, 2016 and December 31, 2015, its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants

March 29, 2017
Vancouver, Canada

LEITH WHEELER CORE BOND FUND

Statements of Financial Position

(Expressed in thousands of dollars except for per unit amounts)

December 31, 2016 and 2015

	Note	2016	2015
Assets			
Cash		\$ 138	\$ 111
Interest and dividends receivable		1,219	1,177
Investments		210,198	198,964
		<u>211,555</u>	<u>200,252</u>
Liabilities			
Management fees payable	1	71	80
Redemptions payable		517	334
		<u>588</u>	<u>414</u>
Net assets attributable to holders of redeemable units		\$ 210,967	\$ 199,838
Represented by:			
Series A		\$ 174,933	\$ 155,559
Series B		36,034	44,279
		<u>\$ 210,967</u>	<u>\$ 199,838</u>
Net assets attributable to holders of redeemable units per unit:			
Series A		\$ 10.71	\$ 11.00
Series B		10.80	11.05

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors of
Leith Wheeler Investment Counsel Ltd.,
in its capacity as Manager.

“James F. Gilliland” Director “Jonathon D. Palfrey” Director

LEITH WHEELER CORE BOND FUND

Statements of Comprehensive Income

(Expressed in thousands of dollars except for per unit amounts)

Years ended December 31, 2016 and 2015

	Note	2016	2015
Revenue:			
Interest income		\$ 6,453	\$ 6,638
Changes in fair value of investments:			
Net realized gain (loss)		3,664	4,696
Net change in unrealized appreciation (depreciation)		(5,822)	(3,736)
Total revenue		4,295	7,598
Expenses:			
Management fees	1	305	356
HST/GST		16	18
Commissions and transaction cost		10	9
Total operating expenses		331	383
Management fee distributions	1	(16)	(38)
Net operating expenses		315	345
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions			
		3,980	7,253
Distributions to holders of redeemable units:			
From net investment income		(6,126)	(6,263)
From net realized gains on investments		(3,494)	(3,976)
Management fee distributions	1	(16)	(38)
		(9,636)	(10,277)
Increase (decrease) in net assets attributable to holders of redeemable units			
		\$ (5,656)	\$ (3,024)
Increase (decrease) in net assets attributable to holders of redeemable units:			
Series A		\$ (4,997)	\$ (2,445)
Series B		(659)	(579)
		\$ (5,656)	\$ (3,024)
Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions):			
Series A		\$ 0.22	\$ 0.44
Series B		0.20	0.34

The accompanying notes are an integral part of these financial statements.

LEITH WHEELER CORE BOND FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units
(Expressed in thousands of dollars)

Years ended December 31, 2016 and 2015

Series A	Note	2016	2015
Balance, beginning of year		\$ 155,559	\$ 164,835
Increase (decrease) in net assets attributable to holders of redeemable units		(4,997)	(2,445)
Redeemable unit transactions:			
Issue of redeemable units		38,480	25,482
Reinvestment of distributions		7,425	7,671
Redemption of redeemable units		(21,534)	(39,984)
Net increase (decrease) from redeemable unit transactions		24,371	(6,831)
Balance, end of year		\$ 174,933	\$ 155,559

Series B	Note	2016	2015
Balance, beginning of year		\$ 44,279	\$ 48,965
Increase (decrease) in net assets attributable to holders of redeemable units		(659)	(579)
Redeemable unit transactions:			
Issue of redeemable units		5,982	5,797
Reinvestment of distributions		1,369	1,977
Redemption of redeemable units		(14,937)	(11,881)
Net increase (decrease) from redeemable unit transactions		(7,586)	(4,107)
Balance, end of year		\$ 36,034	\$ 44,279

The accompanying notes are an integral part of these financial statements.

LEITH WHEELER CORE BOND FUND

Statements of Cash Flows
(Expressed in thousands of dollars)

Years ended December 31, 2016 and 2015

	Note	2016	2015
Cash provided by (used in):			
Operating activities:			
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (5,656)	\$ (3,024)
Adjustments for:			
Net realized loss (gain) from investments		(3,664)	(4,696)
Net change in unrealized depreciation (appreciation) from investments		5,822	3,736
Interest income		(6,453)	(6,562)
Management fees payable		(9)	(6)
Redemptions payable		183	298
Proceeds from sale of investments		328,709	241,773
Purchases of investments		(342,100)	(227,141)
Interest received		6,410	6,657
		(16,758)	11,035
Financing activities:			
Proceeds from issue of redeemable units		44,462	31,279
Payments on redemption of redeemable units		8,794	(51,865)
Reinvestment of distributions		(36,471)	9,648
		16,785	(10,938)
Net increase (decrease) in cash		27	97
Cash, beginning of year		111	14
Cash, end of year		\$ 138	\$ 111

The accompanying notes are an integral part of these financial statements.

LEITH WHEELER CORE BOND FUND

Schedule of Investment Portfolio
(Expressed in thousands of dollars)

December 31, 2016

Security	Coupon Rate %	Maturity	Par Value	Cost	Fair Value	% of Net Assets
BONDS AND GUARANTEES						
Corporate Bonds and Guarantees:						
407 International Inc.	5.960	3-Dec-35	\$ 582	\$ 823	\$ 766	
Alliance Pipeline Limited Partnership	5.546	31-Dec-23	466	517	496	
Alliance Pipeline Limited Partnership	7.181	30-Jun-23	228	283	259	
Allied Properties Reit	3.750	13-May-20	300	302	308	
AltaLink LP	2.978	28-Nov-22	692	741	724	
AltaLink LP	3.717	3-Dec-46	211	211	209	
AltaLink LP	4.922	17-Sep-43	259	328	308	
American Express Canada Credit Corp.	2.310	29-Mar-18	2,427	2,462	2,457	
Arrow Lakes Power	5.516	5-Apr-41	535	547	606	
Bank of Montreal	1.610	28-Oct-21	707	697	693	
Bank of Montreal	1.880	31-Mar-21	1,700	1,720	1,697	
Bank of Montreal	2.100	6-Oct-20	517	517	522	
Bank of Montreal	2.240	11-Dec-17	1,601	1,627	1,618	
Bank of Montreal	3.210	13-Sep-18	1,090	1,139	1,123	
Bank of Montreal	1.330	1-May-18	4,188	4,196	4,192	
Bank of Nova Scotia	1.900	2-Dec-21	200	200	198	
Bank of Nova Scotia	2.250	13-Jan-20	878	888	894	
Bank of Nova Scotia	2.750	13-Aug-18	1,277	1,316	1,305	
BCIMC Realty Corp.	5.650	5-Jan-18	650	718	679	
Bell Canada	2.000	1-Oct-21	256	255	253	
Bell Canada	2.900	12-Aug-26	331	329	319	
Bell Canada	3.050	3-Oct-22	511	509	524	
Bell Canada	3.150	29-Sep-21	500	516	520	
Bell Canada	3.350	18-Jun-19	692	698	720	
Bell Canada	3.550	2-Mar-26	245	244	251	
Blackbird Infrastructure 407 General Partnership	1.710	8-Jan-20	600	595	593	
BMW Canada Inc	1.780	19-Oct-20	618	618	615	
BMW Canada Inc.	1.690	24-Feb-17	466	466	466	
BMW Canada Auto Trust	1.521	20-Sep-17	843	843	842	
Brookfield Infrastructure Finance ULC	3.500	30-Oct-20	1,018	1,018	1,040	
Brookfield Renewable Energy Partners ULC	3.630	15-Jan-27	512	512	499	
BRP Finance ULC	5.250	5-Nov-18	1,175	1,266	1,245	
Bruce Power LP	2.844	23-Jun-21	1,087	1,101	1,103	
Calloway Real Estate Investment Trust	4.050	27-Jul-20	1,250	1,331	1,316	
Canadian Imperial Bank of Commerce	1.700	9-Oct-18	3,050	3,062	3,067	
Canadian Imperial Bank of Commerce	2.350	18-Oct-17	1,600	1,613	1,616	
Canadian Imperial Bank of Commerce	1.140	17-May-17	718	718	719	
Canadian Natural Resources Ltd	3.310	11-Feb-22	500	508	510	
Canadian Western Bank	2.104	26-Jun-17	236	237	237	
Canadian Western Bank	3.049	18-Jan-17	1,850	1,885	1,851	
Choice Properties LP	3.600	20-Sep-22	2,165	2,306	2,251	
CNH Capital Canada Receivables Trust	1.353	15-Mar-21	541	541	538	
Cominar Real Estate Investment Trust	3.350	25-Nov-20	589	589	605	
Cominar Real Estate Investment Trust	4.941	27-Jul-20	577	612	608	
Canadian Utilities Ltd.	4.722	9-Sep-43	277	319	319	
Canadian Utilities Ltd.	5.896	20-Nov-34	606	758	769	
CU Inc	9.920	1-Apr-22	1,499	2,178	2,040	
Daimler Canada Finance Inc.	2.280	17-Feb-17	1,243	1,251	1,245	
Daimler Canada Finance Inc	1.777	8-Jul-19	1,071	1,071	1,078	

LEITH WHEELER CORE BOND FUND

Schedule of Investment Portfolio (continued)

(Expressed in thousands of dollars)

December 31, 2016

Security	Coupon Rate %	Maturity	Par Value	Cost	Fair Value	% of Net Assets
BONDS AND GUARANTEES (continued)						
Corporate Bonds and Guarantees (continued):						
Dollarama Inc	2.337	22-Jan-21	\$ 1,597	\$ 1,600	\$ 1,589	
Enbridge Gas Distribution Inc	2.500	05-Aug-26	253	254	245	
Enbridge Inc.	4.530	09-Mar-20	1,065	1,119	1,145	
Enbridge Inc.	3.940	30-Mar-23	200	214	212	
Enbridge Pipelines Inc	3.500	30-Sep-25	599	598	620	
Enbridge Pipelines Inc	4.130	09-Aug-46	382	392	371	
Enbridge Pipelines Inc.	2.930	30-Nov-22	1,029	1,043	1,057	
Epcor Utilities Inc.	5.800	31-Jan-18	554	611	581	
Fortis BC Energy Inc	3.389	13-Apr-45	673	670	620	
FortisBC Energy Inc	5.800	13-May-38	415	516	533	
GE Capital Canada Funding Co.	4.600	26-Jan-22	615	713	690	
GMF Canada Leasing Trust	1.636	20-Sep-18	850	851	846	
Greater Toronto Airports Authority	7.050	12-Jun-30	397	564	550	
Great-West Lifeco Inc.	6.740	24-Nov-31	295	386	384	
Great-West Lifeco Inc.	4.650	13-Aug-20	187	188	205	
H&R Real Estate Investment Trust	5.000	01-Dec-18	300	330	316	
Hospital for Sick Children	5.217	16-Dec-49	300	407	371	
Hydro One Inc	3.720	18-Nov-47	117	117	114	
Hydro One Inc.	2.780	09-Oct-18	536	553	549	
Hydro One Inc.	1.840	24-Feb-21	890	903	891	
Hydro One Inc.	5.490	16-Jul-40	400	518	502	
Institutional Mortgage Securities Canada Inc	2.340	12-Feb-25	855	855	824	
Institutional Mortgage Securities Canada Inc. 13-3 A1	2.153	12-Nov-17	67	67	67	
Inter Pipeline Ltd	3.484	16-Dec-26	873	873	883	
Manulife Financial Corp	7.768	08-Apr-19	500	566	564	
Manulife Financial Corp.	5.505	26-Jun-18	1,237	1,322	1,307	
Maritimes & Northeast Pipeline LP	4.340	30-Nov-19	273	284	278	
Maritimes & Northeast Pipeline LP	6.900	30-Nov-19	94	117	101	
National Bank of Canada	1.950	11-Dec-17	927	935	934	
National Bank of Canada	2.794	09-Aug-18	422	426	432	
National Bank of Canada	2.404	28-Oct-19	180	184	184	
National Bank of Canada	1.809	26-Jul-21	305	305	302	
North Battleford Power LP	4.958	31-Dec-32	496	498	544	
North West Redwater Partnership / NWR Financing Co	4.250	01-Jun-29	581	651	619	
OMERS Realty Corp.	2.470	12-Nov-19	773	849	810	
OMERS Realty Corp.	2.858	23-Feb-24	514	514	523	
Ontario School Boards Financing Corp.	5.376	25-Jun-32	539	633	622	
Pembina Pipeline Corp.	3.770	24-Oct-22	451	469	472	
Pembina Pipeline Corp.	3.540	03-Feb-25	684	692	694	
Plenary Properties LTAP LP	6.288	31-Jan-44	457	497	584	
Royal Bank of Canada	2.770	11-Dec-18	3,327	3,441	3,411	
Royal Bank of Canada	2.980	07-May-19	1,701	1,766	1,757	
Royal Bank of Canada	1.583	13-Sep-21	1,650	1,634	1,615	
Royal Bank of Canada	3.310	20-Jan-26	667	678	676	
Royal Bank of Canada	3.770	30-Mar-18	2,400	2,496	2,476	
Saputo Inc.	2.196	23-Jun-21	1,064	1,064	1,062	
Shaw Communications Inc	3.150	19-Feb-21	500	515	510	
Shaw Communications Inc.	5.500	07-Dec-20	860	916	953	
Shaw Communications Inc.	4.350	31-Jan-24	204	219	217	

LEITH WHEELER CORE BOND FUND

Schedule of Investment Portfolio (continued)

(Expressed in thousands of dollars)

December 31, 2016

Security	Coupon Rate %	Maturity	Par Value	Cost	Fair Value	% of Net Assets
BONDS AND GUARANTEES (continued)						
Corporate Bonds and Guarantees (continued):						
SSL Finance Inc	4.099	31-Oct-45	\$ 203	\$ 203	201	
Sun Life Financial Inc.	5.700	02-Jul-19	2,534	2,814	2,781	
Sun Life Financial Inc	3.050	19-Sep-28	534	533	533	
TELUS Corp.	3.600	26-Jan-21	1,047	1,051	1,105	
TELUS Corp.	3.750	17-Jan-25	333	335	348	
TELUS Corp.	3.750	10-Mar-26	1,000	1,051	1,032	
Thomson Reuters Corp.	3.369	23-May-19	200	203	207	
Toronto Dominion Bank	1.680	08-Jun-21	1,058	1,063	1,050	
Toronto-Dominion Bank	1.690	02-Mar-20	500	502	500	
Toronto Dominion Bank	2.045	08-Mar-21	1,438	1,438	1,445	
Toronto-Dominion Bank	2.171	02-Apr-18	550	557	556	
Toronto Dominion Bank	4.859	04-Mar-31	513	513	560	
TransCanada PipeLines Ltd.	9.450	20-Mar-18	442	553	481	
Union Gas Ltd.	2.760	02-Jun-21	2,435	2,511	2,517	
University of Ontario Institute of Technology	6.351	15-Oct-34	1,024	1,104	1,231	
Ventas Canada Finance Ltd.	3.300	01-Feb-22	500	524	510	
Wells Fargo Canada Corp.	2.780	15-Nov-18	1,000	1,041	1,024	
National Grid Electricity Transmission Plc	2.730	20-Sep-17	2,024	2,082	2,045	
Transpower New Zealand	3.000	20-Mar-17	1,245	1,268	1,250	
Wells Fargo & Company	2.975	19-May-26	750	753	729	
Westcoast Energy Inc.	3.430	12-Sep-24	600	599	612	
Westcoast Energy Inc.	8.500	04-Sep-18	152	196	168	
				104,088	103,510	49.1
Federal Bonds and Guarantees:						
Canada Housing Trust	2.650	15-Mar-22	6,617	7,148	6,962	
Canada Housing Trust	2.400	15-Dec-22	1,394	1,470	1,447	
Canada Housing Trust	1.900	15-Sep-26	2,535	2,573	2,463	
Canadian Government Bond	5.000	01-Jun-37	2,517	3,882	3,617	
Canadian Government Bond	3.500	01-Dec-45	3,504	4,647	4,355	
Canadian Government Bond	2.750	01-Dec-48	5,222	6,337	5,736	
Canadian Government Bond	2.750	01-Dec-64	1,065	1,221	1,205	
Canadian Government Bond	1.500	01-Jun-23	1,995	1,998	2,007	
Canadian Government Bond	1.500	01-Jun-26	1,900	1,899	1,864	
Canadian Government Real Return Bond	1.250	01-Dec-47	1,374	1,659	1,663	
Canadian Mortgage Pools 99010498	2.040	01-Dec-22	1,428	1,477	1,424	
Canadian Mortgage Pools 97503417	1.744	01-Aug-19	1,372	1,392	1,384	
Canadian Mortgage Pools 97506320	1.247	01-Dec-20	2,020	2,006	2,000	
Canadian Mortgage Pools 97506633	1.350	01-Jan-21	612	606	606	
Canadian Mortgage Pools 97506823	1.545	01-Apr-21	1,270	1,264	1,262	
Canadian Mortgage Pools 97507473	1.296	01-Aug-21	1,066	1,058	1,051	
Canadian Mortgage Pools 97507953	1.366	01-Nov-21	851	842	840	
Canadian Mortgage Pools 99007726	5.440	01-Mar-28	2,634	3,183	3,086	
				44,662	42,972	20.3
Provincial/Municipal Bonds and Guarantees:						
City of Montreal Canada	3.500	01-Sep-23	958	1,019	1,020	
City of Montreal Canada	3.500	01-Sep-24	1,350	1,421	1,432	
City of Toronto Canada	5.342	18-Jul-27	370	430	425	
City of Toronto Canada	4.500	02-Dec-19	747	822	810	

LEITH WHEELER CORE BOND FUND

Schedule of Investment Portfolio (continued)

(Expressed in thousands of dollars)

December 31, 2016

Security	Coupon Rate %	Maturity	Par Value	Cost	Fair Value	% of Net Assets
BONDS AND GUARANTEES (continued)						
Provincial/Municipal Bonds and Guarantees (continued):						
City of Vancouver	2.900	06-Nov-25	\$ 317	\$ 316	\$ 321	
First Nations Finance Authority	3.400	26-Jun-24	276	293	288	
Municipal Finance Authority of British Columbia	4.450	01-Jun-20	453	503	496	
Municipal Finance Authority of British Columbia	1.750	15-Oct-20	676	675	678	
Municipal Finance Authority of British Columbia	4.978	06-Apr-25	268	307	301	
Province of Alberta	3.450	01-Dec-43	51	57	52	
Province of Alberta	3.300	01-Dec-46	2,000	2,021	1,993	
Province of Alberta	3.500	01-Jun-31	718	723	750	
Province of Alberta	2.200	01-Jun-16	5,550	5,502	5,387	
Province of Manitoba	2.550	02-Jun-23	303	319	311	
Province of Manitoba	6.300	05-Mar-31	1,466	1,809	1,989	
Province of Manitoba	2.850	05-Sep-46	920	822	826	
Province of Manitoba	2.550	02-Jun-26	3,000	3,032	2,994	
Province of Manitoba	4.400	05-Mar-42	35	42	41	
Province of New Brunswick	2.600	14-Aug-26	90	90	89	
Province of New Brunswick	4.550	26-Mar-37	624	626	716	
Province of New Brunswick	3.650	03-Jun-24	834	938	907	
Province of Newfoundland	1.950	02-Jun-22	7,465	7,476	7,412	
Province of Newfoundland	3.000	02-Jun-26	554	553	556	
Province of Nova Scotia	4.500	01-Jun-37	63	79	73	
Province of Nova Scotia	4.400	01-Jun-42	947	1,118	1,099	
Province of Nova Scotia	2.100	01-Jun-27	2,176	2,175	2,048	
Province of Ontario	5.850	08-Mar-33	2,691	3,644	3,632	
Province of Ontario	5.600	02-Jun-35	1,527	2,145	2,047	
Province of Ontario	3.450	02-Jun-45	977	1,120	1,015	
Province of Ontario	2.900	02-Dec-46	7,400	7,009	6,930	
Province of Ontario	2.850	02-Jun-23	2,750	2,956	2,880	
Province of Ontario	0.000	02-Dec-28	2,689	1,846	1,868	
Province of Ontario	2.800	02-Jun-48	1,138	1,123	1,047	
Province of Quebec	3.500	01-Dec-48	2,850	3,302	3,001	
Province of Quebec	3.500	01-Dec-45	2,357	2,491	2,459	
Province of Quebec	8.500	01-Apr-26	1,534	2,344	2,275	
Province of Saskatchewan	3.900	02-Jun-45	312	345	343	
Province of Saskatchewan	4.750	01-Jun-40	309	403	378	
Province of Saskatchewan	5.000	05-Mar-37	1,121	1,265	1,394	
Province of Saskatchewan	2.550	02-Jun-26	1,188	1,194	1,187	
Province of Saskatchewan	2.750	02-Dec-46	97	96	86	
				64,451	63,556	30.1
TOTAL BONDS AND GUARANTEES				213,201	210,038	99.5
MONEY MARKET SECURITIES				\$ 160	\$ 160	0.1
TOTAL INVESTMENT PORTFOLIO				\$ 213,361	\$ 210,198	99.6
OTHER ASSETS LESS LIABILITIES					769	0.4
NET ASSETS					\$ 210,967	100.0

The accompanying notes are an integral part of these financial statements.

LEITH WHEELER CORE BOND FUND

Notes to Financial Statements - Fund Specific Information

(Tabular amounts expressed in thousands of dollars)

Years ended December 31, 2016 and 2015

The Fund Specific Information for the Leith Wheeler Fixed Income Fund (the "Fund") contained herein should be read in conjunction with the "Notes to Financial Statements - General Information related to all Leith Wheeler Investment Funds" beginning after the "Notes to Financial Statements - Fund Specific Information".

1. Management fees and expenses:

Management fees in respect of Series B are calculated at a maximum of 0.75% per annum, before GST/HST, of the daily Net Asset Value of Series B. Management fee distributions for the year ended December 31, 2016 were approximately \$16,000 (2015 - \$38,000). No management fees were paid with respect to Series A units.

2. Withholding tax and other income taxes:

During the year, the average withholding tax rate was nil (2015 - nil).

The Fund has capital losses of nil (2015 - nil) available for utilization against capital gains in future years. The Fund has non-capital losses of nil (2015 - nil) available for utilization against net realized capital gains or non-capital gains in future years.

3. Redeemable units:

The redeemable unit transactions for the Fund during the years ended December 31, 2016 and 2015, are as follows:

	Outstanding units at beginning of year	Purchased during the year	Reinvested distributions	Redeemed during the year	Outstanding units at end of year
Series A:					
2016	14,145	3,452	678	(1,936)	16,339
2015	14,726	2,245	688	(3,514)	14,145
Series B:					
2016	4,009	534	124	(1,329)	3,338
2015	4,368	507	177	(1,043)	4,009

4. Financial risk management:

The investment objective of the Fund is to provide a stable and attractive total return through investment in Canadian fixed income securities. The Fund will invest in government and high-grade corporate bonds, with a varying mix between short term, medium term and longer term maturities depending on the assessment of interest rate trends and prospective returns. The Fund is not exposed to significant currency risk or other price risk.

For a comprehensive discussion of the risks applicable to the Fund refer to note 6 under the "General Information related to all Leith Wheeler Investment Funds". Financial risks applicable to the Fund are discussed in more detail below.

LEITH WHEELER CORE BOND FUND

Notes to Financial Statements - Fund Specific Information

(Tabular amounts expressed in thousands of dollars)

Years ended December 31, 2016 and 2015

4. Financial risk management (continued):

(a) Credit risk:

The majority of the credit risk to which the Fund is exposed is concentrated in debt securities. Credit risk arising from other financial instruments is not considered significant. At December 31, 2016 and 2015, the Fund was invested in debt securities with the following credit quality:

	2016	2015
Rating:		
AAA	24.3%	24.3%
AA	33.4%	32.2%
A	27.6%	28.6%
BBB	14.7%	14.9%
Total	100.0%	100.0%

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.

(b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining liabilities are due within twelve months of the year-end of the Fund.

(c) Market risk:

(i) Interest rate risk:

The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

	2016	2015
Term to maturity	% of total debt securities	% of total debt securities
Less than 1 year	6.1%	7.5%
1 - 5 years	33.9%	36.5%
5 - 10 years	29.3%	22.9%
> 10 years	30.7%	33.1%
Total debt securities	100.0%	100.0%

The Manager has determined that a fluctuation in interest rates of 100 basis points is reasonably possible, considering the economic environment in which the Fund operates. As at December 31, 2016 and 2015, had interest rates increased or decreased by 100 basis points, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$ 15,967,000 and \$14,552,000, respectively. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

LEITH WHEELER CORE BOND FUND

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5. Fair value of financial instruments:

For a general discussion of the Fund's fair value measurements, refer to note 7 under the "General Information related to all Leith Wheeler Investment Funds".

(a) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

December 31, 2016	Level 1	Level 2	Level 3	Total
Short Term Notes	\$ -	\$ 160	\$ -	\$ 160
Bonds (including Mortgage Backed Securities)	-	210,038	-	210,038
	\$ -	\$ 210,198	\$ -	\$ 210,198

December 31, 2015	Level 1	Level 2	Level 3	Total
Short Term Notes	\$ -	\$ 1,498	\$ -	\$ 1,498
Bonds (including Mortgage Backed Securities)	-	197,466	-	197,466
	\$ -	\$ 198,964	\$ -	\$ 198,964

During the year, there were no transfers of financial instruments between the three levels (2015 - nil).

LEITH WHEELER CORE BOND FUND

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1. Reporting entity:

The Leith Wheeler Investment Funds (individually, a "Fund" and collectively, the "Funds") consist of:

Fund	Inception
Leith Wheeler Balanced Fund	September 22, 1987
Leith Wheeler Canadian Dividend Fund	December 21, 2010
Leith Wheeler Canadian Equity Fund	April 27, 1994
Leith Wheeler Core Bond Fund (formerly Leith Wheeler Fixed Income Fund)	April 27, 1994
Leith Wheeler Corporate Advantage Fund (formerly Leith Wheeler Corporate Fixed Income Fund)	May 29, 2015
Leith Wheeler High Yield Bond Fund	May 27, 2016
Leith Wheeler Income Advantage Fund	December 21, 2010
Leith Wheeler International Equity Plus Fund	October 31, 2007
Leith Wheeler Money Market Fund	April 27, 1994
Leith Wheeler U.S. Dividend Fund	September 26, 2016
Leith Wheeler U.S. Equity Fund	April 27, 1994
Leith Wheeler U.S. Small/Mid-Cap Equity Fund	October 27, 2016

The Funds were 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. The Funds' trustee is CIBC Mellon Trust Company and the Funds' custodian is the Canadian Imperial Bank of Commerce.

The trust indentures for all the above Funds allow for an unlimited number of series and an unlimited number of units of each series. Currently authorized series of units are as follows: Series A and Series A (CAD Hedged), Series B and Series B (CAD Hedged), Series F and Series F (CAD Hedged) and Series FP1.

Series A and Series A (CAD Hedged) units have no management fees. Unitholders of Series A and Series A (CAD Hedged) units pay a negotiated fee directly to the Manager 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 and Series B (CAD Hedged) units carry management fees and are available to all investors. Series F, Series F (CAD Hedged) and Series FP1 units carry reduced management fees and are available to investors who have accounts with dealers who have signed a fee-based agreement with the Manager.

The Leith Wheeler High Yield Bond Fund has Series A, Series A (CAD Hedged), Series B and Series B (CAD Hedged) and Series F and Series F (CAD Hedged) units outstanding. The Leith Wheeler U.S. Dividend Fund has Series A, Series B, Series F and Series FP1 units outstanding. The Leith Wheeler Balanced Fund, Leith Wheeler Canadian Dividend Fund, Leith Wheeler Corporate Advantage Fund, Leith Wheeler Income Advantage Fund, Leith Wheeler International Equity Plus Fund, Leith Wheeler U.S. Equity Fund and Leith Wheeler U.S. Small/Mid-Cap Equity Fund have Series A, Series B and Series F units outstanding. All other remaining Funds have Series A and Series B units outstanding.

LEITH WHEELER CORE BOND FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
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Years ended December 31, 2016 and 2015

2. Reporting entity (continued):

The information provided in these financial statements and notes thereto is for the years ended December 31, 2016 and 2015. In the year a Fund or series is established, "period" represents the time period from inception to December 31 of that fiscal year.

The general information related to all Funds presented here should be read in conjunction with each respective Fund's "Notes to Financial Statements - Fund Specific Information".

The Funds are unit trusts domiciled in Canada. The address of the Funds' registered office is at 1500 - 400 Burrard Street, Vancouver B.C., V6C 3A6.

2. Basis of preparation:

(a) Statement of compliance:

The financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements were authorized for issue by the Manager on March 29, 2017.

(b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments and derivatives, which are measured at fair value.

(c) Functional and presentation currency:

The Funds', with the exception of the Leith Wheeler U.S. Dividend Fund, have their subscriptions, redemptions, price and performance denominated in Canadian dollars, which is their functional and presentation currency. The Leith Wheeler U.S. Dividend Fund has its subscriptions, redemptions, price and performance denominated in U.S. dollars, which is the functional and presentation currency of that respective Fund.

(d) Investment entities:

The Funds meet the definition of an investment entity as defined by IFRS 10 and are required to account for their investment in the underlying funds at fair value through profit and loss. The Funds meet the definition of an investment entity per IFRS 10 as the following conditions exist:

(i) Activities:

The Funds' only substantive activity is to invest in multiple investments for capital appreciation and/or investment income; they have made explicit commitments to investors that this is the purpose of their activities; and they report financial information about these activities to investors;

(ii) Investors:

The Funds issue units that represent an entitlement to a proportionate share of net assets; investors are pooled to gain access to professional investment management services; and there are investors that are unrelated to the Fund; and

LEITH WHEELER CORE BOND FUND

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2. Basis of preparation (continued):

(d) Investment entities (continued):

(iii) Fair value management:

Substantially all investments of the Funds are managed, and their performance evaluated, on a fair value basis.

(e) Use of estimates and judgment:

(i) Assumptions and estimation uncertainties:

The preparation of financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

(ii) Involvement with unconsolidated structured entities

Certain funds have concluded that the underlying funds in which they invest, but that they do not consolidate, meet the definition of a structured entity in accordance with IFRS 12.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments:

(i) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: held-for-trading, fair value through profit or loss ("FVTPL"), available-for-sale, loans and receivables, assets held-to-maturity, and other financial liabilities. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument.

Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as held-for-trading or fair value through profit or loss in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities held for trading or at fair value through profit or loss are recognized initially on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled or expire.

LEITH WHEELER CORE BOND FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
(Tabular amounts expressed in thousands of dollars)

Years ended December 31, 2016 and 2015

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(i) Recognition and measurement (continued):

Financial assets and liabilities are offset and the net amount presented in the statement of net assets only when the Funds have a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Funds have not classified any financial instruments as available-for-sale or assets held to maturity.

(ii) Held-for-trading and fair value through profit and loss:

Financial instruments classified as held-for-trading or FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur. The Funds' derivative financial assets and derivative financial liabilities are classified as held-for-trading. The Funds' investments in securities are designated as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

(iii) Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of loans and receivables is at amortized cost, less any impairment losses. The Funds classify cash, subscriptions receivable, balances due from brokers, and interest and dividends receivable, as loans and receivables.

LEITH WHEELER CORE BOND FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
(Tabular amounts expressed in thousands of dollars)

Years ended December 31, 2016 and 2015

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(iv) Other financial liabilities:

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost. The Fund's other financial liabilities are comprised of redemptions payable, balances due to brokers, management fees payable, due to manager, accounts payable and distributions payable.

(b) Subsidiaries:

"Subsidiaries" are investees controlled by a Fund. The Fund controls an investee if it is exposed to, or has the rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. As described in note 2(d), the Funds are investment entities and measure investments in their subsidiaries at FVTPL.

(c) Redeemable units:

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The redeemable units, which are classified as financial liabilities at FVTPL and measured at redemption amount, provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Funds' valuation policies at each redemption date. Distributions to holders of redeemable units are recognized in comprehensive income when they are authorized and no longer at the discretion of the Manager.

(d) Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions):

The increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions) is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units, prior to the deduction of distributions recognized in comprehensive income, by the weighted average number of units outstanding during the year.

(e) Foreign exchange:

The financial statements of the Funds are denominated in Canadian dollars, with the exception of the Leith Wheeler U.S. Dividend Fund, which is denominated in U.S. dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the statement of comprehensive income.

LEITH WHEELER CORE BOND FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
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3. Significant accounting policies (continued):

(f) Income recognition:

Interest income is recognized on an accrual basis. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Income and capital gains distributions from pooled fund investments are recorded at the distribution date and maintain the same classification. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments and unrealized appreciation/depreciation in investments are determined on the average cost basis of the respective investments.

(g) Income taxes:

The Funds qualify as unit trusts under the Income Tax Act (Canada). All of the Funds' net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Funds. As a result, the Funds do not record income taxes.

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income

(h) New standards and interpretations not yet adopted:

A number of new standards, amendments to standards and interpretations are not yet effective for year ended December 31, 2016, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statement of the Funds, with the possible exception of IFRS 9, *Financial Instruments*.

IFRS 9 deals with recognition, derecognition, classification and measurement of financial statements and its requirements represent a significant change from the existing requirements in IAS 39, *Financial Instruments: Recognition and Measurement*, in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables.

The standard is effective for annual periods beginning on or after January 1, 2018. The Funds intend to adopt IFRS 9 in their financial statements for the annual period beginning on January 1, 2018. The Funds' Manager is currently in the process of evaluating the potential effect of this standard. The standard is not expected to have a significant impact on the financial statements since the Funds' financial assets are currently measured at fair value or amortized cost.

LEITH WHEELER CORE BOND FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
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Years ended December 31, 2016 and 2015

4. Related party transactions:

(a) Management fees:

The Manager is paid a management fee by the Funds, calculated daily and paid quarterly, as compensation for its services. No management fees are paid by the Funds with respect to Series A and Series A (CAD Hedged) units. Series A and Series A (CAD Hedged) unitholders pay a negotiated fee directly to the Manager outside of the Fund for investment management services.

(b) Operating expenses:

The Manager is also entitled to reimbursement of reasonable operating expenses incurred on behalf of the Fund in connection with charges made for registry and transfer agency services, dividend and distribution crediting services, services required in connection with the provision of information and reports to unitholders and holding unitholders' meetings, interest expense, accounting, audit, recordkeeping and legal fees, and custodian and safekeeping charges. The Funds pay brokerage commissions and taxes.

The Manager has at times absorbed certain expenses incurred on behalf of the Funds, in which case such amounts are shown as a deduction from expenses in the respective Fund's statement of comprehensive income. The Manager is under no legal obligation to continue these arrangements, and may terminate them at any time.

5. Capital management:

The redeemable units issued by the Funds represent the capital of the Funds. The Funds are not subject to any internally or externally imposed restrictions on its capital. The Funds' objectives in managing the redeemable units are to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from redemptions.

6. Financial risk management:

The following is a general discussion of the financial risks to which the Funds are exposed. Refer to the discussion on financial risk management (note 4) in the Fund Specific Information following each Fund's financial statements for information specific to the respective Fund.

Risk management framework:

The Funds use financial instruments in order to achieve their respective investment objectives. The Funds' investments are presented in each Fund's respective schedule of investment portfolio, which groups securities by asset type, geographic region and/or market segment.

The use of financial instruments subjects the Funds to a variety of financial instrument risks. The Funds' risk management practices include setting investment policies to limit exposures to financial instrument risks and employing experienced and professional investment advisors to invest the Funds' capital in securities within the constraints of investment policies. The Manager regularly monitors the Funds advisors' performance and compliance with the investment policies.

LEITH WHEELER CORE BOND FUND

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6. Financial risk management (continued):

The significant financial instrument risks, to which the Funds are exposed, along with the specific risk management practices related to those risks, are discussed below.

(a) 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, resulting in a financial loss to the Fund. It arises principally from debt securities held, and from derivative financial assets, cash and cash equivalents, and other receivables due to the Fund. The carrying value of these financial instruments as recorded in the statements of financial position reflects the Fund's maximum exposure to credit risk.

The risk management strategy for the Funds is to invest primarily in debt obligations of high credit quality issuers and to limit the amount of credit exposure with respect to any one corporate issuer.

Credit risk is mitigated by investing primarily in rated instruments. The Funds receive daily rating updates, which are reviewed accordingly. Credit risk is monitored on a daily basis by the Manager in accordance with the Funds' investment policies. If the credit risk is not in accordance with the investment policy or guidelines of the Fund, then the Manager is obliged to rebalance the portfolio as soon as practicable.

The Funds' activities may give rise to settlement risk. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities, or other assets as contractually agreed. For the majority of transactions, the Funds mitigate this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

(b) Liquidity risk:

Liquidity risk is the risk that the Funds will encounter difficulty in meeting the obligations associated with their financial liabilities that are settled by delivering cash or another financial asset.

The Funds' policy and the Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, including estimated redemptions of units, without incurring unacceptable losses or risking damage to the Funds' reputation.

The Funds' prospectus provides for the daily cash redemptions of redeemable units and the Funds are therefore exposed to the liquidity risk of meeting unitholder redemptions at any time.

Liquidity risk is managed by investing the majority of a Funds' assets in investments that are traded in an active market and can be readily disposed. In addition, the Funds retain sufficient cash and cash equivalent positions to maintain liquidity. The Funds are also subject to the requirements of NI 81-102, where each respective Fund shall not purchase an illiquid asset if, immediately after the purchase, more than 10 percent of the net assets of that particular Fund, taken at market value at the time of purchase, would consist of illiquid assets.

LEITH WHEELER CORE BOND FUND

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6. Financial risk management (continued):

(c) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Funds' income or the fair value of their holdings of financial instruments.

The Funds' market risk is managed on a daily basis by the Manager in accordance with the policies and procedures in place.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of interest-bearing financial instruments will fluctuate as a result of changes in market interest rates. In general, as interest rates rise, the fair value of interest bearing financial instruments will fall. Financial instruments with a longer term to maturity will generally have a higher interest rate risk.

Interest rate risk management practices include setting target durations based on the appropriate benchmark indices and monitoring the Funds' durations relative to the benchmarks. If interest rates are anticipated to rise, the Funds' durations can be shortened to limit potential losses. Conversely, if interest rates are anticipated to fall, the durations can be lengthened to increase potential gains.

(ii) Currency risk:

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a 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 a Fund's functional currency in determining fair value.

Currency risk may be moderated by the Manager through the use of foreign currency contacts to hedge foreign currency exposures.

(iii) Other price risk:

Other price risk is the risk that the fair 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 or its issuer, or factors affecting all instruments traded in the market.

Other price risk is moderated by the Manager through a careful selection of securities within specified limits and the Funds' price risk is managed through diversification of the respective Fund. The Manager monitors the Funds' overall market positions on a daily basis and positions are maintained within established ranges.

LEITH WHEELER CORE BOND FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
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7. Fair value of financial instruments:

(a) Valuation models:

The Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs that are unobservable.

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. Observable prices and model inputs are usually available in the market for listed debt and equity securities, and exchange-traded derivatives, such as futures. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values. Where observable market prices and model inputs are not available, the Funds determine fair values using other valuation techniques. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Funds equity and futures positions are classified as Level 1 when the security is actively traded and a reliable quoted market price is observable.

Investments in securities of another investment fund are classified as Level 1 when the investment fund is actively traded and a reliable price is observable.

Bonds and other debt securities are valued based on a matrix pricing process using multiple dealer quotations or alternative pricing sources supported by observable inputs and are classified within Level 2.

Forward foreign currency contracts are valued using present value techniques and market observable input data and accordingly are classified as Level 2.

Short-term investments and money market securities are classified as Level 2 as these instruments are valued at amortized cost, which approximates their fair value.

The Funds' net assets attributable to holders of redeemable units are classified as Level 2 since the carrying amount approximates fair value as the units are measured at the redemption amount.

Refer to the fair value of financial instruments (note 5) in the Fund Specific Information following each Fund's respective financial statements for further discussion of the respective Fund's fair value measurements.

LEITH WHEELER CORE BOND FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
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7. Fair value of financial instruments (continued):

(b) Financial instruments not measured at fair value:

The carrying value of cash, subscriptions receivable, balances due from brokers, interest and dividends receivable, redemptions payable, balances due to brokers, management fees payable, due to Manager, accounts payable, and distributions payable, approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.