

Financial Statements of

**LEITH WHEELER CORPORATE
ADVANTAGE FUND**

(formerly Leith Wheeler Corporate Fixed Income Fund)

Years ended December 31, 2016 and 2015

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Leith Wheeler Corporate Advantage Fund (formerly Leith Wheeler Corporate 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 Leith Wheeler Corporate Advantage Fund

We have audited the accompanying financial statements of the Leith Wheeler Corporate Advantage Fund (formerly Leith Wheeler Corporate 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 Corporate Advantage 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 CORPORATE ADVANTAGE 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		\$ 312	\$ 160
Balances due from brokers		25	1,023
Interest and dividends receivable		261	193
Investments		50,589	37,066
		51,187	38,442
Liabilities			
Payable to brokers		150	991
Management fees payable	1	5	1
Redemptions payable		5	14
		160	1,006
Net assets attributable to holders of redeemable units		\$ 51,027	\$ 37,436
Represented by:			
Series A		\$ 39,959	\$ 31,425
Series B		1,230	1,402
Series F		9,838	4,609
		51,027	37,436
Net assets attributable to holders of redeemable units per unit:			
Series A		\$ 10.18	\$ 10.00
Series B		10.02	9.84
Series F		9.69	9.55

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 CORPORATE ADVANTAGE 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		\$ 973	\$ 756
Dividend income		454	232
Other		114	(63)
Changes in fair value of investments:			
Net realized gain (loss)		14	(277)
Net change in unrealized appreciation (depreciation)		516	(221)
Total revenue		2,071	427
Expenses:			
Management fees	1	43	4
Filing fees		7	10
GST/HST		3	1
Commissions and transaction costs		25	26
Audit fees		7	7
Custodial fees		3	3
Independent review committee fees		2	2
Legal fees		1	-
Total operating expenses		91	53
Expenses waived or absorbed by Manager		(21)	(23)
Net operating expenses		70	30
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		2,001	397
Distributions to holders of redeemable units:			
From net investment income		(1,385)	(893)
Increase (decrease) in net assets attributable to holders of redeemable units		616	\$ (496)
Increase (decrease) in net assets attributable to holders of redeemable units:			
Series A		\$ 510	\$ (450)
Series B		9	(15)
Series F		97	(31)
		616	\$ (496)
Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions):			
Series A		\$ 0.50	\$ 0.13
Series B		0.36	0.31
Series F		0.45	0.47

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

LEITH WHEELER CORPORATE ADVANTAGE FUND

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

Years ended December 31, 2016 and 2015

Series A	Note	2016	2015
Balance, beginning of period		\$ 31,425	\$ 15,924
Increase (decrease) in net assets attributable to holders of redeemable units		510	(450)
Redeemable unit transactions:			
Issue of redeemable units		13,292	23,089
Reinvestment of distributions		1,115	815
Redemption of redeemable units		(6,383)	(7,953)
Net increase (decrease) from redeemable unit transactions		8,024	15,951
Balance, end of period		\$ 39,959	\$ 31,425

Series B	Note	2016	2015
Balance, beginning of period		\$ 1,402	\$ 314
Increase (decrease) in net assets attributable to holders of redeemable units		9	(15)
Redeemable unit transactions:			
Issue of redeemable units		555	1,137
Reinvestment of distributions		27	30
Redemption of redeemable units		(763)	(64)
Net increase (decrease) from redeemable unit transactions		(181)	1,103
Balance, end of period		\$ 1,230	\$ 1,402

Series F	Note	2016	2015
Balance, beginning of period		\$ 4,609	\$ -
Increase (decrease) in net assets attributable to holders of redeemable units		97	(31)
Redeemable unit transactions:			
Issue of redeemable units		5,322	4,611
Reinvestment of distributions		202	39
Redemption of redeemable units		(392)	(10)
Net increase (decrease) from redeemable unit transactions		5,132	4,640
Balance, end of period		\$ 9,838	\$ 4,609

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

LEITH WHEELER CORPORATE ADVANTAGE 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		\$ 616	\$ (496)
Adjustments for:			
Net realized loss (gain) from investments		(14)	277
Net change in unrealized depreciation (appreciation) from investments		(516)	221
Interest income		(973)	(756)
Dividend income		(454)	(232)
Redemptions payable		(9)	13
Proceeds from sale of investments		46,842	50,536
Purchases of investments		(59,834)	(72,110)
Interest received		914	664
Dividends received		444	227
Balances due from brokers		998	(1,023)
Balances due to brokers		(841)	991
Management fees payable		4	1
		(12,823)	(21,687)
Financing activities:			
Proceeds from issue of redeemable units		19,169	28,837
Reinvestment of distributions		1,344	884
Redemption of redeemable units		(7,538)	(8,027)
		12,975	21,694
Net increase (decrease) in cash		152	7
Cash, beginning of period		160	153
Cash, end of period		\$ 312	\$ 160

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

LEITH WHEELER CORPORATE ADVANTAGE 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.	3.350	16-May-24	\$ 50	\$ 55	\$ 53	
Alliance Pipeline Limited Partnership	5.546	31-Dec-23	215	227	229	
Allied Properties Reit	3.750	13-May-20	150	151	154	
Allied Properties Real Estate Investment Trust	3.934	14-Nov-22	50	51	50	
Altagas Ltd.	3.720	28-Sep-21	200	211	211	
Altagas Ltd.	3.840	15-Jan-25	100	101	104	
AltaLink LP	3.399	06-Jun-24	100	109	106	
AltaLink LP	3.668	06-Nov-23	481	519	522	
American Express Canada Credit Corp.	2.310	29-Mar-18	400	407	405	
Anheuser-Busch InBev Finance Inc.	2.375	25-Jan-18	100	102	101	
AT&T INC	3.830	25-Nov-20	360	385	378	
Bank of Montreal	1.610	28-Oct-21	581	577	570	
Bank of Montreal	1.880	31-Mar-21	140	140	140	
Bank of Montreal	2.100	06-Oct-20	200	201	202	
Bank of Montreal	2.960	02-Aug-16	1,150	1,153	1,149	
Bank of Nova Scotia	1.900	02-Dec-21	168	168	167	
Bank of Nova Scotia	2.130	15-Jul-20	211	213	213	
Bank of Nova Scotia	2.400	28-Oct-19	200	203	204	
Bank of Nova Scotia	2.873	04-Jun-21	800	845	830	
BCIMC Realty Corp.	2.840	03-Jun-25	300	301	301	
BCIMC Realty Corp.	3.510	29-Jun-22	100	105	106	
Bell Canada	2.000	01-Oct-21	380	380	375	
Bell Canada	2.900	12-Aug-26	42	42	41	
Bell Canada	3.050	03-Oct-22	513	536	526	
Bell Canada	3.350	22-Mar-23	262	270	272	
Bell Canada	3.550	02-Mar-26	350	360	358	
Blackbird Infrastructure 407 General Partnership	1.710	08-Jan-20	60	60	59	
BMW Canada Auto Trust	1.680	20-Nov-18	175	175	174	
BRP Finance ULC	3.950	09-Apr-19	550	576	572	
Brookfield Infrastructure Finance ULC	3.500	30-Oct-20	50	50	51	
Brookfield Asset Management Inc	3.455	10-Oct-17	300	308	304	
Brookfield Renewable Energy Partners ULC	3.630	15-Jan-27	200	203	195	
BRP Finance ULC	3.752	02-Jun-25	350	360	353	
Caisse Centrale Desjardin	2.443	17-Jul-19	250	254	255	
Calloway Real Estate Investment Trust	3.556	06-Feb-25	148	148	147	
Calloway Real Estate Investment Trust	3.749	11-Feb-21	175	181	183	
Canadian Imperial Bank of Commerce	1.640	12-Jul-21	300	300	295	
Canadian Imperial Bank of Commerce	1.700	09-Oct-18	590	592	593	
Canadian Imperial Bank of Commerce	1.850	14-Jul-20	200	198	201	
Canadian Natural Resources Ltd	3.310	11-Feb-22	300	307	306	
Canadian Real Estate Investment Trust	3.676	24-Jul-18	150	156	153	
Canadian Real Estate Investment Trust	4.323	15-Jan-21	200	212	210	
Canadian Utilities Ltd.	3.122	09-Nov-22	195	212	205	
Canadian Western Bank	2.104	26-Jun-17	350	350	351	
Capital Power Corp	5.276	16-Nov-20	71	76	76	
Choice Properties Real Estate Investment Trust	2.850	09-Jun-22	110	110	110	
Choice Properties LP	3.600	20-Sep-22	214	228	223	
Choice Properties REIT	3.196	07-Mar-23	421	435	427	
CI Financial Corp	2.775	25-Nov-21	330	330	330	
Cominar Real Estate Investment Trust	3.350	25-Nov-20	450	458	462	
Cominar Real Estate Investment Trust	3.620	21-Jun-19	250	254	254	
Cominar Real Estate Investment Trust	4.230	04-Dec-19	208	216	215	
Daimler Canada Finance Inc.	1.420	02-Oct-18	200	199	200	
Daimler Canada Finance Inc.	1.780	19-Aug-19	300	301	300	
Dollarama Inc	2.337	22-Jan-21	225	225	224	
Dollarama Inc.	3.095	05-Nov-18	250	257	256	
EllisDon Infrastructure JBH Inc.	2.020	28-Aug-18	100	101	99	
Empire Life Insurance	3.383	16-Dec-26	164	164	164	
Enbridge Gas Distribution Inc	2.500	05-Aug-26	40	40	39	
Enbridge Inc.	3.190	05-Dec-22	600	613	615	

LEITH WHEELER CORPORATE ADVANTAGE 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):						
Enbridge Income Fund Holdings Inc	3.940	13-Jan-23	\$ 200	\$ 212	\$ 212	
Enbridge Pipelines Inc.	2.930	30-Nov-22	100	104	103	
Enbridge Pipelines Inc	3.500	30-Sep-25	450	452	466	
First Capital Realty Inc	3.604	06-May-26	129	129	128	
Fortis Inc	2.850	12-Dec-23	100	100	100	
FortisAlberta Inc.	3.301	30-Sep-24	155	161	162	
FortisBC Energy Inc	2.580	08-Apr-26	183	183	180	
Gaz Metro Inc	1.520	25-May-20	305	305	303	
GMF Canada Leasing Trust	1.636	20-Sep-18	150	150	149	
GE Capital Canada Funding Co.	4.600	26-Jan-22	272	313	305	
Glacier Credit Card Trust	2.750	20-Nov-18	225	231	230	
General Motors Financial of Canada Ltd	3.080	22-May-20	350	354	354	
Goldman Sachs Group Inc.	3.375	01-Feb-18	425	438	434	
Granite Reit Holdings LP	3.873	30-Nov-23	225	225	225	
H&R Real Estate Investment Trust	3.344	20-Jun-18	275	283	281	
Heathrow Funding LTD.	3.000	17-Jun-21	100	103	103	
Home Trust Co.	2.350	24-May-17	200	200	200	
HSBC Bank of Canada	2.050	23-Nov-18	100	101	101	
HSBC Holdings PLC	3.196	05-Dec-23	200	199	199	
Hydro One Inc	1.480	18-Nov-19	100	100	100	
Hydro One Inc	2.770	24-Feb-26	250	259	251	
Institutional Mortgage Securities Canada Inc	2.340	12-Feb-25	179	179	172	
Institutional Mortgage Securities	1.940	12-Sep-24	232	232	227	
Intact Financial Corp	3.770	02-Mar-26	275	284	290	
Inter Pipeline Ltd	3.484	16-Dec-26	100	100	101	
Laurentian Bank of Canada	2.750	22-Apr-21	120	120	121	
Magna International Inc.	3.100	15-Dec-22	150	153	153	
Manulife Bank of Canada	1.915	01-Sep-21	165	165	163	
Manulife Financial Corp.	5.505	26-Jun-18	636	683	672	
National Bank of Canada	1.809	26-Jul-21	303	303	300	
North West Redwater Partnership / NWR Financing Co Ltd	2.100	23-Feb-22	300	299	299	
North West Redwater Partnership / NWR Financing Co Ltd	3.200	22-Jul-24	400	415	414	
OMERS Realty Corp	1.823	09-May-22	100	99	98	
OMERS Realty Corp.	2.858	23-Feb-24	250	258	254	
OMERS Realty Corp.	2.971	05-Apr-21	215	223	224	
OMERS Realty Corp.	3.328	12-Nov-24	165	170	172	
Pembina Pipeline Corp.	3.540	03-Feb-25	299	302	303	
Pembina Pipeline Corp	3.710	11-Aug-26	175	175	176	
Pembina Pipeline Corp.	3.770	24-Oct-22	300	315	314	
Real Estate Asset Liquidity Trust	2.325	12-Jun-25	243	243	237	
RioCan Real Estate Investment Trust	3.725	18-Apr-23	260	273	269	
Royal Bank of Canada	1.583	13-Sep-21	389	388	381	
Royal Bank of Canada	1.650	15-Jul-21	400	399	394	
Royal Bank of Canada	1.970	02-Mar-22	1,250	1,239	1,237	
Royal Bank of Canada	2.333	05-Dec-23	267	267	265	
Royal Bank of Canada	2.350	09-Dec-19	400	412	408	
Royal Bank of Canada	3.310	20-Jan-26	559	564	567	
Mbarc Credit Canada Inc	1.470	15-Dec-17	38	38	38	
Saputo Inc.	2.196	23-Jun-21	250	250	250	
Shaw Communications Inc.	4.350	31-Jan-24	183	194	195	
Sun Life Financial Inc	3.050	19-Sep-28	420	425	419	
Suncor Energy Inc	3.000	14-Sep-26	219	217	215	
TELUS Corp.	1.500	27-Mar-18	350	350	351	
TELUS Corp.	3.350	15-Mar-23	95	100	98	
TELUS Corp.	3.750	17-Jan-25	600	617	626	
TELUS Corp.	3.750	10-Mar-26	262	264	271	
Thomson Reuters Corp.	3.309	12-Nov-21	150	153	156	
Toronto Dominion Bank	1.680	08-Jun-21	240	242	238	
Toronto-Dominion Bank	1.690	02-Mar-20	600	606	600	
Toronto-Dominion Bank	1.909	18-Jul-23	67	67	65	

LEITH WHEELER CORPORATE ADVANTAGE 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):						
Toronto Dominion Bank	2.045	08-Mar-21	\$ 250	\$ 253	\$ 251	
Toronto-Dominion Bank	2.550	22-Dec-21	600	617	616	
Toronto Dominion Bank	4.859	04-Mar-31	356	361	389	
TransCanada PipeLines Ltd.	3.650	15-Nov-21	250	268	269	
TransCanada PipeLines Ltd.	3.690	19-Jul-23	300	321	321	
Union Gas Ltd.	2.760	02-Jun-21	550	569	569	
Ventas Canada Finance Ltd.	3.300	01-Feb-22	150	155	153	
Ventas Canada Finance Ltd.	4.130	30-Sep-24	150	161	157	
Veresen Inc	3.060	13-Jun-19	325	330	328	
Westcoast Energy Inc.	3.120	05-Dec-22	300	308	306	
Westcoast Energy Inc.	3.430	12-Sep-24	175	181	179	
Wells Fargo & Company	2.222	15-Mar-21	150	150	150	
Wells Fargo & Co	2.509	27-Oct-23	150	149	147	
Wells Fargo & Company	2.975	19-May-26	250	250	243	
				36,919	36,765	72.1
Federal/Provincial/Municipal Bonds and Guarantees:						
Canadian Mortgage Pools 97506898	1.475	01-Apr-21	712	713	708	
Canadian Mortgage Pools 97507233	1.545	01-Jun-21	340	342	338	
Canadian Mortgage Pools 97507473	1.296	01-Aug-21	520	517	513	
Canadian Mortgage Pools 9900161	2.010	15-Oct-25	91	91	91	
Canadian Government Bond	1.250	01-Sep-18	153	154	154	
City of Vancouver	3.450	02-Dec-21	75	74	74	
City of Montreal Canada	3.500	01-Sep-23	591	633	629	
City of Vancouver	3.450	02-Dec-21	75	78	80	
First Nations Finance Authority	3.400	26-Jun-24	275	290	287	
				2,892	2,874	5.6
Mutual Fund						
Leith Wheeler High Yield Bond Fund (CAD Hedged), Series A			418	4,012	4,095	8.0
				4,012	4,095	
TOTAL BONDS AND GUARANTEES				43,823	43,734	85.7

CANADIAN EQUITY

Step Up Preferred Stocks:

Altagas Ltd.		16,500	276	295
Bank of Montreal Preferred Shares, Series M		1,300	31	32
Bank of Montreal Preferred Shares, Series Q		2,100	43	44
Bank of Nova Scotia Preferred Shares P		700	17	17
Bank of Nova Scotia Preferred Shares, Series Z		9,200	180	193
BCE Inc. Preferred Shares, Series M		18,100	268	284
Brookfield Asset Management Inc. Preferred Shares, Series Z		5,500	95	114
Brookfield Office Properties Inc. Preferred Shares, Series N		2,000	26	37
Brookfield Office Properties, Preferred Shares, Series R		6,000	108	125
Brookfield Renewable Power, Preferred Shares, Series C		10,300	163	200
Capital Power Preferred Shares, Series C		1,500	26	28
CU Inc., Preferred Shares, Series C		5,400	67	74
Emera Inc. Preferred Shares, Series A		11,100	156	165
Enbridge Inc. Preferred Shares, Series B		4,300	62	74
Enbridge Inc. Preferred shares, Series F		9,100	145	160
Enbridge Inc. Preferred Shares, Series N		19,100	320	354
Fortis Inc. Preferred Shares, Series M		4,900	95	100
Husky Energy Inc		5,500	87	120
Husky Energy Inc. Preferred shares, Series E		1,800	40	41
Intact Financial Corp. Preferred Shares, Series 3		7,300	124	154
Manulife Financial Corp. Preferred Shares, Series G		8,500	167	189
Manulife Financial Corp Preferred Shares, Series O		4,500	114	121
Manulife Financial Corp Preferred Shares, Series R		1,900	47	48
National Bank of Canada		1,800	45	48
National Bank of Canada		6,400	151	158

LEITH WHEELER CORPORATE ADVANTAGE FUND

Schedule of Investment Portfolio (continued)

(Expressed in thousands of dollars)

December 31, 2016

Security	Par Value	Cost	Fair Value	% of Net Assets
CANADIAN EQUITY (continued):				
Step Up Preferred Stocks (continued):				
Pembina pipeline corp Preferred shares, Series I	6,000 \$	128 \$	147	
Royal Bank of Canada Preferred Shares, Series R	2,800	70	76	
Sun Life Financial Inc. Preferred Shares, Series H	1,000	16	18	
Sun Life Financial Inc. Preferred Shares, Series I	16,000	284	349	
Toronto Dominion Bank, Preferred shares, Series G	5,400	136	147	
Toronto Dominion Bank, Preferred shares, Series D	2,300	43	51	
Toronto Dominion Bank, Preferred shares, Series E	6,500	126	148	
TransCanada corp. Preferred shares, Series D	5,700	102	107	
TransCanada Corp. Preferred Shares, Series K	2,800	70	71	
TransCanada Corp	3,700	95	99	
Veresen Inc	3,000	47	54	
Westcoast Energy Inc	4,800	121	124	
		<u>4,091</u>	<u>4,566</u>	<u>8.9</u>
Straight Preferred Stocks:				
Bank of Montreal Preferred Shares, Series L	10,400	269	266	
Bank of Nova Scotia	6,400	150	153	
CU Inc. Preferred Shares, Series A	9,800	213	211	
Fortis Inc	300	7	7	
Great-West Lifeco Inc. Preferred Shares, Series H	4,500	115	115	
Great-West Lifeco Inc. Preferred shares Series M	5,200	135	134	
Loblaw Companies Preferred Shares, Series B	400	9	10	
Royal Bank of Canada Preferred Shares B	2,000	50	51	
Sun Life Financial Inc. Preferred Shares, Series B	1,500	36	34	
		<u>984</u>	<u>981</u>	<u>1.9</u>
Floating Preferred Stocks				
Toronto Dominion Bank, Preferred shares, Series Z	3,000	69	70	
		<u>69</u>	<u>70</u>	<u>0.1</u>
TOTAL CANADIAN EQUITY		5,144	5,617	11.0
Money Market Securities		1,238	1,238	2.4
TRANSACTION COSTS		(16)		
TOTAL INVESTMENT PORTFOLIO	\$	50,189	\$	50,589
OTHER ASSETS LESS LIABILITIES			438	0.9
NET ASSETS			\$	51,027
				100.0

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

LEITH WHEELER CORPORATE ADVANTAGE 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 Corporate Advantage 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 fees in respect of Series F are calculated at a maximum of 0.50% per annum, before GST/HST, of the daily Net Asset Value of Series F. Series A units do not carry management fees. There were no management fee distributions for the year ended December 31, 2016 (2015 - nil).

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	3,143	1,312	110	(639)	3,926
2015	1,586	2,268	81	(792)	3,143
Series B:					
2016	143	55	3	(78)	123
2015	31	115	3	(6)	143
Series F:					
2016	482	553	21	(41)	1,015
2015	-	479	4	(1)	482

4. Financial risk management:

The investment objective of the Fund is to provide a relatively stable source of monthly income. The Fund will invest in fixed income securities (including corporate bonds, preferred shares, high-yield debt, loans, convertible debt and guaranteed mortgages). The Fund is not exposed to significant currency 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 CORPORATE ADVANTAGE 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	7.8%	3.9%
AA	26.1%	26.7%
A	22.3%	24.3%
BBB	34.5%	31.7%
B	9.3%	13.4%
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	2.0%	0.4%
1 - 5 years	46.1%	44.8%
5 - 10 years	51.5%	54.0%
> 10 years	0.4%	0.8%
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 \$1,962,000 and \$1,427,000 respectively. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

LEITH WHEELER CORPORATE ADVANTAGE 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):

(c) Market risk (continued):

(ii) Other price risk:

For this Fund, the most significant exposure to other price risk arises from its investment in equity securities, both directly and indirectly through holdings in underlying investment funds. As at December 31, 2016, had the relevant benchmark/broad-based indices increased or decreased by 5%, with all other variables held constant, the net assets attributable to holders of redeemable units would have increased or decreased by approximately \$281,000 (2015 – nil) , respectively. In practice, actual results may differ from this sensitivity analysis and these differences could be material.

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
Bonds (including Mortgage Backed Securities)	\$ -	\$ 39,639	\$ -	\$ 39,639
Equities - Long	5,617	-	-	5,617
Short Term Notes	-	1,238	-	1,238
Investment Fund units	4,095	-	-	4,095
	\$ 9,712	\$ 40,877	\$ -	\$ 50,589

December 31, 2015	Level 1	Level 2	Level 3	Total
Bonds (including Mortgage Backed Securities)	\$ -	\$ 28,526	\$ -	\$ 28,526
Equities - Long	3,986	-	-	3,986
Short Term Notes	-	100	-	100
Investment Fund units	4,454	-	-	4,454
	\$ 8,440	\$ 28,626	\$ -	\$ 37,066

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

LEITH WHEELER CORPORATE ADVANTAGE FUND

Notes to Financial Statements - Fund Specific Information

(Tabular amounts expressed in thousands of dollars)

Years ended December 31, 2016 and 2015

6. Involvement with structured entities:

The table below describes the Fund's structure entity, which it does not consolidate, but in which it holds an interest.

Entity	Nature and purpose	Interest held by the Fund
Investment Funds	To manage assets on behalf of third party investors and generate fees for the investment manager. These vehicles are financed through the issue of units to investors.	Investment in units issued by the underlying investment funds.

The table below sets out interests held by the Fund in structured entities. The maximum exposure to loss is the carrying amount of the investment in the underlying funds held.

December 31, 2016

Underlying Fund	Principal place of business	Country of Domicile	Total net assets of investee funds	Carrying amount included in investments in statement of financial position
Leith Wheeler International High Yield Bond Fund (CAD Hedged), Series A	Canada	Canada	\$ 36,408	\$ 4,095

The Fund and the Leith Wheeler International High Yield Bond Fund are subject to common control as they have the same Manager. During 2016, the Fund did not provide financial support to this structured entity and has no intention of providing financial or other support. The Fund can redeem its units in the above investment fund at any time, subject to their being sufficient liquidity in the underlying fund.

7. Related party transactions:

At December 31, 2016, the Fund owned 4,012,067 Series A units (2015 - nil) of the Leith Wheeler High Yield Bond Fund (CAD Hedged), which is a fund under common management.

During the year, the Fund earned approximately \$159,000 in interest income (2015 - nil), \$111,000 in other income (2015 - nil), and \$114,000 capital gains (2015 - nil) on that investment. No additional management fees are paid by the Fund to the Manager in respect of holding units of this underlying investment fund.

LEITH WHEELER CORPORATE ADVANTAGE 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

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 CORPORATE ADVANTAGE 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

9. 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 CORPORATE ADVANTAGE 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

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 CORPORATE ADVANTAGE 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 CORPORATE ADVANTAGE 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 CORPORATE ADVANTAGE 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 CORPORATE ADVANTAGE FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
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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 CORPORATE ADVANTAGE 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 CORPORATE ADVANTAGE 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 contracts 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 CORPORATE ADVANTAGE 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

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 CORPORATE ADVANTAGE 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

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.