

Leith Wheeler International Equity Plus Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE
December 31, 2016



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

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

Management Discussion of Fund Performance

Investment Objective and Strategies

To provide superior long-term investment returns by investing in equity securities trading on the major markets around the world. The Fund will focus on holdings in the EAFE (Europe, Australasia & Far East) markets but may also have some exposure to North American and Emerging Markets. The Fund primarily invests in a broad range of international companies and is not restricted by capitalization or industry sector, although portfolio diversification is a consideration in the selection of securities for the Fund. Under normal circumstances, the Fund will keep its portfolio fully invested, to the greatest extent possible, in equity and equity related securities.

Our strategy employs a value approach to the management of equities. It emphasizes long-term investment and it focuses on the selection of individual securities using a bottom-up, research driven approach. Sector exposure is a residual of this stock selection process. Fund holdings must meet our standards of investment quality, including a history of above average financial performance, a secure financial position, reputable management and a growth opportunity in terms of sales, earnings, and share price.

Risk

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

Results of Operations

The Fund's net assets increased by 19.0% in 2016 to \$22.5 million from \$18.9 million at the end of 2015. Of this change, \$0.6 million was attributable to investment gains and \$3.0 million to net inflows.

For the full year, the MSCI EAFE Index returned +5.3% in local currency, however weakness in the British pound and the euro resulted in a negative return for the MSCI EAFE Index (-2.0%) in Canadian dollar terms.

We changed the subadvisor of the International Equity Plus Fund at the end of the first quarter of 2016, and the holdings of the Fund were transitioned completely at the end of March. Edinburgh Partners took over the management of the Fund on April 1st. Series A units of the International Equity Plus Fund increased by 2.7% in 2016. During this same time Series B units increased by 1.1% after fees and expenses. We introduced an F-class series of the Fund in June of 2016 which increased by 9.0% since its inception after fees and expenses.

During the first quarter, the Fund performed in line with the market during the downturn, but did not rebound as strongly when the market recovered so ended the quarter behind the benchmark. This was mainly due to the Fund holding fewer commodity-related stocks than the market which performed well during the recovery. The Fund's Emerging Markets holdings had a positive impact on performance, however, as did holding fewer financial stocks than the market due to concerns about negative interest rates and low interest margins impacted financial stocks. The best performing stocks were Materials stock Freeport-McMoRan, Consumer Discretionary stock Priceline Group and Industrials stock Vinci. The worst performing stocks in the Fund during the first quarter were Industrials stock AerCap Holdings, Telecommunications stock Telecom Italia and Financials stock Aviva.

During the second quarter, global stock markets performed reasonably well until the "Brexit" vote on June 23rd, which was not expected by the market. Reaction to the vote was quite significant initially with markets globally declining and Sterling depreciating sharply. The Yen appreciated strongly and financial stocks globally were impacted by uncertainty of the implications around Brexit and negative interest rates in Japan and in Europe. More defensive stocks performed well during the second quarter, including stocks in the Consumer Staples, Healthcare and Utilities sectors. Oil & Gas stocks also performed well on stronger commodity prices. The best performing stocks in the Fund during the quarter included Oil and Gas stocks Royal Dutch Shell and BP and Healthcare stock Novartis. The weakest sector in the second quarter was Financials. The stocks that detracted most from Fund performance included Consumer Discretionary stock Carnival, Financials stock Nomura Holdings and Information Technology stock Lenovo Group.

Financial markets resumed their upward trend during the third quarter, with equity markets recovering very quickly from "Brexit" related volatility. There are a range of possibilities regarding the U.K.'s decision to leave the European Union, but the path to exit seems unlikely to be smooth. Central Banks were a focused topic of conversation this quarter with the U.S. Fed deterring a September rate hike and the Bank of Japan announcing a change in policy framework towards yield targeting. OPEC made steps towards an agreement to improve oil prices by cutting oil output. Against this backdrop, cyclical stocks led the market rally, with Technology notably out performing. More expensive, defensive sectors such as Utilities, Consumer Staples and Telecom lagged the market. A key detractor to Fund performance was the Health Care Sector. Running up to the U.S. presidential

Management Discussion of Fund Performance (cont.)

election these holdings were under a cloud but we believed they had strong balance sheets, dividend yields, and a continuing pipeline flow, so were comfortable in our positioning.

Most equity markets around the globe continued to move higher during the final quarter of the year. The MSCI EAFE Index rose 7.1% in local currency terms; however, the stronger loonie negatively impacted returns for Canadian investors. When translated into Canadian dollars the index return was 1.6% for the quarter. The banking sector recovered strongly in the fourth quarter helped by improving inflation and interest rate expectations. Defensive sectors or “bond proxies” which have performed strongly for several years have begun to lose ground as economies and the financial system display signs of recovery. Consumer Staples, Telecoms, Utilities, and Health Care lagged the market. The fourth quarter saw cyclical sectors such as Energy and Financials recover.

Notable additions to the Fund after the transition in the first half of the year include Sanofi and Adecco. Sanofi is a diversified French pharmaceutical company. The company has a strong balance sheet and a healthy dividend yield with the potential to apply cash to M&A. Adecco is a large HR company and has a 6% market share in a fragmented market where the top 3 listed players only have 14%. Adecco has 50% exposure to Europe (excluding the UK which would give it additional 10%) with some decent market leadership positions. We feel the company has good cash flow and solid capital allocation.

Telefonica SA was a notable addition to the portfolio in the second half of the year. Telefonica is a diversified telecommunications company operating in Europe and Latin America.

We see the normalization of valuations which began midway through the year as being in its early stages. We believe this trend will continue given the extended period of interest rate suppression that preceded it. We see the portfolio as well positioned for the economic environment that is now unfolding.

Recent Developments

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

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

Related Party Transactions

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

As at December 31, 2016, the Leith Wheeler Balanced Fund owns 1,520,646 units of the Leith Wheeler International Equity Plus Fund Series A, a fund under common management. This holding represents approximately 70.9% of this Fund.

Management Fees

Leith Wheeler Investment Counsel Ltd. (the “Manager”) provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The annualized management fee is 1.50% for the Series B units of the Fund and 0.95% for the Series F units of the Fund. During the year, the Fund paid the Manager \$ 44,193 for Series B units and \$59 for Series F units (exclusive of GST/HST) of its net assets as management fees. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund. The Manager paid all operating expenses except brokerage charges and taxes. In respect of Series A units, the unitholder pays the Manager a negotiated management fee outside the Fund.

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

Financial Highlights

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

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

Series A	2016	2015	2014	2013	2012
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$10.59	\$9.44	\$9.36	\$7.65	\$7.69
Increase (decrease) from operations:					
Total revenue	0.26	0.24	0.20	0.19	0.23
Total expenses	-	-	-	-	-
Realized gains (losses) for the year	0.24	1.33	0.53	(1.27)	(0.49)
Unrealized gains (losses) for the year	(0.13)	0.16	(0.45)	2.97	0.36
Total increase (decrease) from operations ⁽¹⁾	0.37	1.73	0.28	1.89	0.10
Distributions:					
From income (excluding dividends)	-	-	(0.01)	-	-
From dividends	(0.23)	(0.20)	(0.19)	(0.17)	(0.23)
From capital gains	(0.13)	(0.34)	-	-	-
Return of capital	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.36)	(0.54)	(0.20)	(0.17)	(0.23)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.50	\$10.59	\$9.44	\$9.36	\$7.62

Series B	2016	2015	2014	2013	2012
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$10.41	\$9.33	\$9.24	\$7.58	\$7.63
Increase (decrease) from operations:					
Total revenue	0.37	0.27	0.32	0.22	0.27
Total expenses	(0.42)	(0.41)	(0.31)	(0.32)	(0.13)
Realized gains (losses) for the year	0.33	1.44	0.81	(1.42)	(0.54)
Unrealized gains (losses) for the year	(0.18)	0.17	(0.69)	3.33	0.39
Total increase (decrease) from operations ⁽¹⁾	0.10	1.47	0.13	1.81	(0.01)
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.08)	(0.09)	(0.04)	(0.07)	(0.12)
From capital gains	(0.08)	(0.33)	-	-	-
Return of capital	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.16)	(0.42)	(0.04)	(0.07)	(0.12)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.36	\$10.41	\$9.33	\$9.24	\$7.56

Series F (inception May 25, 2016)	2016	2015	2014	2013	2012
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$9.58	n/a	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.81	n/a	n/a	n/a	n/a
Total expenses	(0.20)	n/a	n/a	n/a	n/a
Realized gains (losses) for the year	0.76	n/a	n/a	n/a	n/a
Unrealized gains (losses) for the year	(0.40)	n/a	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.97	n/a	n/a	n/a	n/a
Distributions:					
From income (excluding dividends)	-	n/a	n/a	n/a	n/a
From dividends	(0.16)	n/a	n/a	n/a	n/a
From capital gains	(0.10)	n/a	n/a	n/a	n/a
Return of capital	-	n/a	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.26)	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.29	n/a	n/a	n/a	n/a

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

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

(3) From May 25, 2016, inception date of Series F units of the Fund. Series F initial net asset value per unit offering commenced at the closing net asset value per unit of Series B on May 25, 2016 of \$9.58.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A	2016	2015	2014	2013	2012
Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾	19,181	15,598	13,579	12,385	9,255
Number of units outstanding (000s) ⁽¹⁾	1,827	1,472	1,438	1,323	1,210
Management expense ratio(%) ⁽²⁾	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	0.14	0.12	0.12	0.17	0.22
Trading expense ratio (%) ⁽³⁾	0.04	0.04	0.01	0.07	0.14
Portfolio turnover rate (%) ⁽⁴⁾	119.28	142.99	79.40	42.21	29.29
Net assets attributable to holders of redeemable units per unit (\$)	10.50	10.59	9.44	9.36	7.65

Series B	2016	2015	2014	2013	2012
Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾	3,310	3,321	2,114	2,153	1,447
Number of units outstanding (000s) ⁽¹⁾	320	319	227	233	191
Management expense ratio(%) ⁽²⁾	1.59	1.60	1.59	1.59	1.67
Management expense ratio before waivers or absorptions (%)	1.73	1.72	1.71	1.77	1.90
Trading expense ratio (%) ⁽³⁾	0.04	0.04	0.01	0.07	0.14
Portfolio turnover rate (%) ⁽⁴⁾	119.28	142.99	79.40	42.21	29.29
Net assets attributable to holders of redeemable units per unit (\$)	10.36	10.41	9.33	9.24	7.58

Series F (inception May 25, 2016)	2016	2015	2014	2013	2012
Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾	11	n/a	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	1	n/a	n/a	n/a	n/a
Management expense ratio(%) ⁽²⁾	1.00	n/a	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	1.14	n/a	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.04	n/a	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	119.28	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units per unit (\$)	10.29	n/a	n/a	n/a	n/a

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

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

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

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

Past Performance

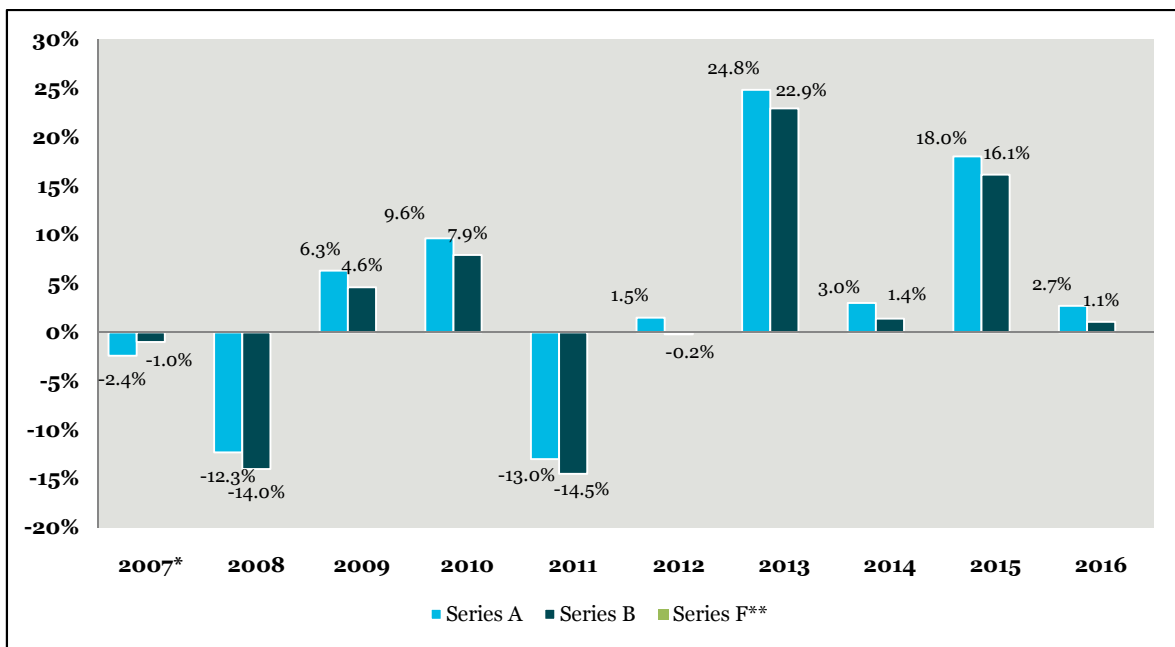
General

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

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

Year-by-Year Returns

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



* Series A return from October 31, 2007 to December 31, 2007, not annualized.

* Series B return from November 30, 2007 to December 31, 2007, not annualized.

** Series F units were created on May 25, 2016. Investment Performance in respect of Series F will not be available until such units have been offered under a simplified prospectus for at least 12 consecutive months.

Past Performance (cont.)

Annual Compound Returns

The following table compares the historical annual compound return of the Fund (before fees for Series A and after fees for Series B and F) with the MSCI EAFE Index (measured in Canadian dollars), in each case for the year ended December 31, 2016. The MSCI EAFE Index includes 1,000 companies representing the stock markets of Europe, Australia, New Zealand, and the Far East. A discussion of the performance of the Fund as compared to the benchmark is found in the Results of Operations section of this document.

For the Years ended December 31	1 Year	3 Years	5 Years	10 Years
Fund – Series A	2.7%	7.7%	9.6%	n/a*
Benchmark	-2.0%	6.3%	12.6%	n/a*
Fund – Series B	1.1%	6.0%	7.9%	n/a*
Benchmark	-2.0%	6.3%	12.6%	n/a*
Fund – Series F **	n/a	n/a	n/a	n/a
Benchmark	n/a	n/a	n/a	n/a

* Series A units were created October 31, 2007 and Series B units were created on November 13, 2007.

**Series F units were created on May 25, 2016. Investment Performance in respect of Series F will not be available until such units have been offered under a simplified prospectus for at least 12 consecutive months.

Summary of Investment Portfolio

As at December 31, 2016

Top 25 Positions

Issuer	% of Net Asset Value
Cash	3.6%
Novartis AG-REG	3.3%
Royal Dutch Shell - A	3.2%
BP PLC	3.0%
Sumitomo Mitsui Financial Group	3.0%
Roche Holding AG-genusschein	2.9%
Nomura Holdings Inc	2.8%
Galaxy Entertainment Group	2.8%
Astrazeneca PC	2.7%
Sumitomo Mitsui Trust Holding	2.6%
Yamaha Motor Co Ltd	2.6%
BNP Paribas	2.6%
Panasonic Corp	2.5%
DBS Group Holdings Ltd	2.4%
Mitsubishi Corp	2.4%
SK Hynix Inc	2.3%
Carnival PLC	2.3%
Adecco Group AG-Reg	2.3%
East Japan Railway Co	2.2%
Commerzbank AG	2.2%
Toyota Motor Corp	2.1%
Postnl NV	2.1%
Total SA	2.1%
HSBC Holdings PLC	2.1%
Sanofi	2.1%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Japan	31.3%
Europe - Ex. U.K.	29.9%
U.K.	16.9%
Pacific - Ex. Japan	12.2%
Emerging Markets	5.9%
Cash & Other Net Assets	3.8%

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

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