

Leith Wheeler U.S. Dividend 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 a source of monthly income, with the potential for long term growth through capital appreciation and growth in dividends by investing primarily in common shares, convertible debentures and other equity related securities of U.S. issuers. The Fund will attempt to produce a total return (net of fees) from the combination of dividends, growth in dividends, and capital appreciation that is in excess of the return of the S&P 500 Index, and secondarily, the Russell 1000 Value Index over a full market cycle.

The strategy employs a value approach to the management of equities. The Fund will generally reflect the following value characteristics: price/earning and price/book ratios at, or below the market (S&P 500 Index); a dividend yield at, or above the market; and the majority of common shares held by the Fund will have a 25-year history of paying cash dividends. The Fund is sub-advised by Barrow, Hanley, Mewhinney & Strauss of Dallas, Texas.

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 U.S. Dividend Fund was launched on September 26, 2016, and is sub-advised by Barrow, Hanley, Mewhinney & Strauss in Dallas, Texas. At the end of 2016, the Fund's net assets were \$70.6 million (in US dollars).

The U.S. Dividend Fund performed well in the three months since its inception to December 31, 2016, as Series A units were up 6.8% in US dollars. Series B units returned 6.4% and Series F units advanced by 6.5% in US dollars, both after fees and expenses over the quarter.

The Fund outperformed the S&P 500 over the fourth quarter, helped by an overweight and security selection in Financials, underweight in the bond proxies and security selection in Consumer Discretionary. Conversely, stock selection within Health Care detracted most from relative performance.

In Financials, the Fund's holdings performed strongly after our disciplined approach and consistent belief that Financials were undervalued finally began to pay off in 2016. There was some level of dispersion among bank stocks as companies expected to benefit most from higher interest rates, such as Bank of America Corp. (+44.6%), outperformed their peers. Despite a continuation of negative headlines associated with its unauthorized account settlement in early September, Wells Fargo & Co. (+28.1%) also outperformed the broader market, as did JPMorgan Chase & Co. (+33.6%).

In the Industrials holdings two names are worth highlighting, one a good contributor and the other a detractor during the quarter. Southwest Airlines Co. (+31.1%) was one of the best performing stocks, outperforming the market by over 25%. We believe that the oligopolistic nature of airlines, Southwest's disciplined pricing, focused capital management and lower industry capacity will cause other investors to see value in this name. During the quarter Warren Buffet, a well-known long time bear on airlines, purchased shares in Southwest. This news drove the stock higher but there were other catalysts too. The company would be one of the bigger beneficiaries of any anticipated reduced tax rates in a Trump regime. In addition, Southwest continues to benefit from regulatory changes allowing it to access many more previously restricted airports in the US as well as adding international locations. While we have seen the stock rally, with the stock trading at 13.5x earnings, we still believe there is upside potential for the shares.

The Health Care sector was possibly the most controversial sector before and after the election. It was the worst performing sector in 2016. Merck & Co., Inc. (-5.0%) has been busy pursuing accretive deals and now has a healthy product pipeline. Other than general concerns about drug pricing, and specifically in the diabetes therapeutic area, there have not been tangible negatives associated with the stock, so the underperformance seems unwarranted. With strong performance of recently launched products and sound management execution, this underperformance trend should reverse.

Finally, the Fund had no exposure to the worst performing sector, Real Estate, which helped relative performance. As one of the "bond proxy" sectors, perceived to provide a stable dividend, real estate stocks ran up in the first half of the year only to finish the full year slightly negative when interest rates rose. We believe that the price of the bond proxy stocks including Consumer Staples, Real Estate and Utilities remains too high, being based largely on increased leverage and high payout ratios.

Management Discussion of Fund Performance (cont.)

One important way that we aim to achieve performance is through a consistently higher dividend yield than the overall market. Even in the face of higher rates and increased competition from fixed income alternatives, a sufficient number of companies we follow will continue to see above-average dividend growth. Dividends are a critical component of long-term overall returns, especially important should robust market returns moderate.

Recent Developments

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

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

Related Party Transactions

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

Management Fees

The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The annualized management fee for the Series B units of the Fund is 1.25%, Series F units of the Fund is 0.95% and Series FP1 units of the Fund is 0.45%. During the year, the Fund paid the Manager \$ 205 for Series B, \$25 for Series F and \$51,456 for Series FP1 (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 (inception September 26, 2016)	2016	2015	2014	2013	2012
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$10.00	n/a	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.07	n/a	n/a	n/a	n/a
Total expenses	-	n/a	n/a	n/a	n/a
Realized gains (losses) for the year	0.07	n/a	n/a	n/a	n/a
Unrealized gains (losses) for the year	0.59	n/a	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.73	n/a	n/a	n/a	n/a
Distributions:					
From income (excluding dividends)	-	n/a	n/a	n/a	n/a
From dividends	(0.05)	n/a	n/a	n/a	n/a
From capital gains	(0.07)	n/a	n/a	n/a	n/a
Return of capital	-	n/a	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.12)	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.67	n/a	n/a	n/a	n/a
Series B (inception September 26, 2016)	2016	2015	2014	2013	2012
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$10.00	n/a	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	(0.03)	n/a	n/a	n/a	n/a
Total expenses	-	n/a	n/a	n/a	n/a
Realized gains (losses) for the year	(0.03)	n/a	n/a	n/a	n/a
Unrealized gains (losses) for the year	(0.23)	n/a	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	(0.29)	n/a	n/a	n/a	n/a
Distributions:					
From income (excluding dividends)	-	n/a	n/a	n/a	n/a
From dividends	(0.05)	n/a	n/a	n/a	n/a
From capital gains	(0.07)	n/a	n/a	n/a	n/a
Return of capital	-	n/a	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.11)	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.64	n/a	n/a	n/a	n/a

Financial Highlights (cont.)

The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit (cont.)

Series F (inception September 26, 2016)	2016	2015	2014	2013	2012
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$10.00	n/a	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.06	n/a	n/a	n/a	n/a
Total expenses	(0.01)	n/a	n/a	n/a	n/a
Realized gains (losses) for the year	0.07	n/a	n/a	n/a	n/a
Unrealized gains (losses) for the year	0.57	n/a	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.69	n/a	n/a	n/a	n/a
Distributions:					
From income (excluding dividends)	-	n/a	n/a	n/a	n/a
From dividends	(0.03)	n/a	n/a	n/a	n/a
From capital gains	(0.07)	n/a	n/a	n/a	n/a
Return of capital	-	n/a	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.10)	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.66	n/a	n/a	n/a	n/a

Series FP1 (inception September 26, 2016)	2016	2015	2014	2013	2012
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$10.00	n/a	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.10	n/a	n/a	n/a	n/a
Total expenses	(0.01)	n/a	n/a	n/a	n/a
Realized gains (losses) for the year	0.11	n/a	n/a	n/a	n/a
Unrealized gains (losses) for the year	0.88	n/a	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	1.07	n/a	n/a	n/a	n/a
Distributions:					
From income (excluding dividends)	-	n/a	n/a	n/a	n/a
From dividends	(0.04)	n/a	n/a	n/a	n/a
From capital gains	(0.07)	n/a	n/a	n/a	n/a
Return of capital	-	n/a	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.11)	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.66	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 September 26, 2016, inception date of Series A, B, F and FP1 units of the Fund.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A (inception September 26, 2016)	2016	2015	2014	2013	2012
Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾	6,904	n/a	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	651	n/a	n/a	n/a	n/a
Management expense ratio(%) ⁽²⁾	-	n/a	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.09	n/a	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.05	n/a	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	11.58	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units per unit (\$)	10.67	n/a	n/a	n/a	n/a

Series B (inception September 26, 2016)	2016	2015	2014	2013	2012
Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾	1,265	n/a	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	120	n/a	n/a	n/a	n/a
Management expense ratio(%) ⁽²⁾	1.31	n/a	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	1.40	n/a	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.05	n/a	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	11.58	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units per unit (\$)	10.64	n/a	n/a	n/a	n/a

Series F (inception September 26, 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 (%)	1.09	n/a	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.05	n/a	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	11.58	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units per unit (\$)	10.66	n/a	n/a	n/a	n/a

Series FP1 (inception September 26, 2016)	2016	2015	2014	2013	2012
Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾	62,400	n/a	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	5,889	n/a	n/a	n/a	n/a
Management expense ratio(%) ⁽²⁾	0.49	n/a	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.58	n/a	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.05	n/a	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	11.58	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units per unit (\$)	10.66	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

Past performance information 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
Bank of America Corp	4.4%
Pfizer Inc.	3.6%
Philip Morris International	3.5%
Merck & Co. Inc.	3.5%
Verizon Communications Inc.	3.4%
JPMorgan Chase & Co.	3.4%
Wal-Mart Stores Inc.	3.1%
Wells Fargo & Co.	3.1%
Johnson & Johnson	3.1%
Loews Corp	3.0%
AT & T Inc.	3.0%
American Express Co	2.8%
Qualcomm Inc.	2.8%
Southwest Airlines Co	2.8%
State Street Corp	2.5%
Occidental Petroleum Corporation	2.5%
Entergy Corp	2.5%
Medtronic plc	2.4%
Altria Group Inc.	2.4%
Du Pont (E.I.) De Nemours	2.3%
Phillips 66	2.3%
Stanley Black & Decker, Inc.	2.3%
ConocoPhillips	2.2%
Target Corp	2.1%
United Technologies Corp	2.1%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Financials	23.5%
Industrials	14.2%
Health Care	13.7%
Energy	9.5%
Information Technology	9.3%
Consumer Staple	8.9%
Telecommunications	6.4%
Materials	5.8%
Consumer Discretionary	5.2%
Utilities	2.5%
Cash & Other Net Assets	1.1%

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.