Leith Wheeler U.S. Equity Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE
December 31, 2016

Leith Wheeler
INVESTMENT COUNSEL LTD.
Quiet Money.

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

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

Management Discussion of Fund Performance

Investment Objective and Strategies

To provide superior long-term investment returns by investing in equity securities trading on the major markets in the United States. The Fund may also invest in convertible securities of American issuers or equivalent equity securities. 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 decreased by 4.4% in 2016 to $336.6 million from $352.0 million at the end of 2015. Of this change, $30.8million was attributable to investment gains and ($46.2) million to net outflows.

In 2016, the S&P 500's positive performance was broadly based with nine of the eleven industry sectors posting positive returns for the year. The index was led by the Energy (23.0%), Telecommunications Services (19.3%), and Financials (17.4%) sectors. There were two negatively performing sectors in 2016, Health Care (-5.8%) and Real Estate (-0.2%). The Health Care sector faced a cloud over price hikes and possible intervention on government program pricing while the Real Estate sector was hurt as the expectation for interest rate increases rose.

The U.S. Equity Fund outperformed the S&P 500 Index in 2016 as Series A units of the Fund increased by 10.2%. Series B units increased by 8.8% after fees and expenses during the same period. We introduced an F-class series of the Fund in May of 2016 which increased by 19.8% since its inception after fees and expenses. We transitioned the management of the U.S. Equity Fund to a new subadvisor, Barrow Hanley, Mewhinney and Strauss, at the end of January, while remaining fully invested, Barrow Hanley took over the management of the Fund on February 1st.

Among the top contributors to the Fund's performance in 2016 were SLM Corp, Fairmount Santrol Holdings, and Navient Corp. SLM has more than 50% market share of private education loans. Concerns about Democratic reforms to student lending and government programs put a cloud over the shares prior to the election. As the election cloud lifted, SLM has been a top performer among financial companies. It should also benefit from corporate tax reform and higher interest rates as nearly all of its loans are floating rate. Fairmont Santrol Holdings continues to gain market share for oil fracking sand. They repaid $300 million in debt and the market is seeing raw sand price increases for early 2017. Higher oil prices and higher demand for frack sand bodes well for 2017. In contrast the Fund's performance in 2016 was hurt by Teva Pharmaceutical Industries Limited ADR, Hanesbrands Inc, and Norwegian Cruise Line Holdings Ltd. Teva Pharmaceutical, the largest generic pharmaceutical manufacturer in the world, fell due to a potential patent dispute. The company is well priced considering its broader businesses, is well run and we believe the valuation should be far more than the current seven times. Hanesbrands performed well, as the company posted solid quarterly results with growing revenue, expanding margins and earnings-per-share. However, the stock was down following the election as Trump is expected to increase domestic manufacturing and lower corporate tax rates. Hanesbrands is expected to be hurt by these policies given its global manufacturing base and low effective tax rates. We view the move as a market overreaction. Norwegian Cruise Line, declined due to American vacationers avoiding cruises in the Mediterranean, given the turmoil in the area. We see this as a temporary effect. Norwegian announced that their first new ship specifically designed for the Chinese market, "Norwegian Joy", will start sailing in summer 2017. Norwegian has a small fleet and one new ship in this higher margin growth region will have a significant impact on company results going forward.

Because we changed our subadvisor for the Fund in January, we turned over many of the fund's holdings in the first half of 2016. Some of the more noteworthy stocks added included Express Scripts Holdings Company, LyondellBasell Industries, Apple, Fidelity National Financial and Marathon Petroleum Corp. Express Scripts Holding Company underperformed the market and traded down to an attractive valuation on concerns surrounding the potential loss of its largest client, Anthem, as well as concerns that the environment for pharmacy benefit managers would become more difficult as generic dispensing rates plateau. We believe the pharmacy benefit manager business is solid, and bought the stock at an attractive valuation.

Management Discussion of Fund Performance (cont.)

LyondellBasell Industries is a global petrochemical company whose main business involves converting natural gas-based feedstocks into ethylene-based products. With stable natural gas input costs and stable-to-rising oil prices, we expect LyondellBasell's margins to expand. Apple was added to the portfolio in the second quarter. Shares had sold off 30% from their 2015 highs as concerns around slowing iPhone growth weighed on sentiment. We believe this concern is overblown and the iPhone business remains healthy with innovative models in the pipeline and a loyal user base. Fidelity National Financial is the largest title insurer in the US and its 55% ownership in subsidiary Black Knight is a leading provider of mortgage servicing and origination software. We initiated a position in the second quarter, as the market was worried that potentially rising interest rates would negatively affect the title business. Marathon Petroleum Corp (MPC) is an independent refiner and marketer with a focus on the US Midwest (four refineries) and Gulf Coast (two refineries). Since being spun-out of Marathon Corp. in July 2011, MPC has retired US$7.3 billion of stock (28% of shares outstanding) and increased the dividend 5 times for a 28% compound growth rate. We expect the dividend to grow at double digit rates in 2016 and 2017 but share repurchases should be minimal until debt declines in 2018.

In the third quarter of 2016, we added Coca-Cola European Partners Plc, Hess Corporation, and CVS Health. After completing a merger with Coca-Cola's German and Iberian (Spain and Portugal) bottlers, new holding Coca-Cola European Partners Plc is, by revenues, the world's largest Coca-Cola bottler. The new company has excellent operating management and had a strong quarter returning over 16% on sentiment that the merger was going well. The company serves 300 million customers and was bought at a large discount to peer companies. Hess Corporation, a global independent energy company, was added to the portfolio in the third quarter. The company is very attractive as it has the best balance sheet in the exploration and production (E&P) industry, two development projects that will make a meaningful contribution to cash flow in the 2017-19 period, and a 30% interest in Exxon's one billion barrel oil discovery at the Liza field offshore Guyana, South America. Furthermore, Hess' premier position of 500,000 acres in the Bakken shale in North Dakota will also contribute to an oil production growth profile that is highly visible through the middle of the next decade. CVS Health is a hybrid health care/retail services company. The company has been focused on increasing traction in its Pharmacy Benefits Management (PBM) services, which affords customer loyalty and brings repeat business. Over the last ten years, CVS has gone from a tiny player in PBM, to a top player in this segment of health care.

In the fourth quarter of 2016 we added XL Group, Twenty-First Century Fox, Celanese, E.I. du Pont de Nemours, and Dow Chemical. The insurance industry is facing declining pricing and "lower for longer" interest rates, both of which are leading to contraction in company profitability. Following its 2015 acquisition of the Catlin Group, XL Group is one of the few insurance companies that will be able to grow its earnings-per-share and return-on-equity, due primarily to $400 million in cost synergies arising from the deal. XL CEO, Mike McGavick, is an experienced manager who previously turned around Safeco Insurance and is responsible for reversing XL's fortunes. Twenty-First Century Fox owns and operates a collection of top-tier media assets which include domestic and international cable networks, a broadcast network, and film and television libraries and studios. The company also moved forward with an offer to purchase the 61% portion of SKY Plc that they do not already own, potentially removing a perpetual overhang on the shares. Celanese is a chemical producer with a mix of specialty and commodity materials. Celanese is also a producer of acetic acid and derivatives. The company's low-cost position and supply chain flexibility allow it to earn a decent low-teen margin, despite tough industry conditions. Further, a rising spread between oil and China coal vs. US natural gas could meaningfully increase earnings power. We initiated positions in holding E.I. du Pont de Nemours (DuPont) and Dow Chemical during the fourth quarter. DuPont is a leading producer of materials used in a broad range of agriculture, industrial, and consumer applications, and Dow Chemical is a producer of commodity chemicals and derivatives (namely, ethylene), as well as a broad set of specialty materials. Dow and DuPont have announced an agreement to merge, and then break apart into an agriculture company, specialty materials company, and commodity chemicals company. If the merger is approved, we believe significant value will be created through cost synergies and improved focus from the subsequent split. If the merger isn't approved, we believe capable new CEOs at both companies will improve growth and margins. Versum Materials was spun-off from Air Products & Chemicals.

Some of the stocks we eliminated in the Fund during the first half of the year included Delphi Automotive and Target. Our original thesis on Delphi Automotive was based on our expectation that accelerating revenue growth, tied to a product portfolio focused on improving automotive fuel efficiency, safety, and connectivity, would drive significant earnings growth and multiple expansion. Delphi executed well, and our investment thesis played out. We sold the stock during the period, taking profits when – despite a mature automobile cycle in the U.S. and China – the company became the most highly-valued auto supplier. Target reported March first quarter sales and earnings above general consensus in mid-May, but surprised investors by reporting below-consensus April sales. The slowdown was attributed to a pressured consumer and store disruption during its shift to more organic, gluten-free, healthy products. Management reported that traffic resumed, but the announcement was quickly followed by Target's announcement of its transgender bathroom policy - press reports indicate that more than one million consumers boycotted Target in the wake of this policy. The stock fell sharply due both to the disappointing results and the negative press, and we decided to exit the stock.

In the third quarter of 2016, we eliminated our positions in Intel and Vodafone Group Plc (ADR). Intel was sold as the stock's risk/reward profile became less compelling. The stock performed well on the back of improving PC data, which has been stronger than many expected. Intel's valuation has been rising and we took our profits. We eliminated our position in Vodafone

Management Discussion of Fund Performance (cont.)

Group Plc (ADR) primarily due to concerns over the regulatory environment in Europe. Initially, indications had pointed to an environment in which the European Commission would be favourable to consolidation in markets with four to five participants, a move which would lessen price competition. Recently, however, that possibility has abated and the risk of pricing pressure in mobile has increased.

In the fourth quarter we eliminated Marathon Petroleum, KBR, and Eaton from the Fund. Marathon Petroleum's experienced strong relative performance driven by a new plan to accelerate the drop-down of assets to the company's mid-stream master limited partnership. We exited KBR as the stock recovered nearly 50% from a 52-week low set in February. The market became optimistic on infrastructure spending, which could benefit KBR's backlog. We saw this as an opportunity to exit. Eaton was also eliminated on optimism for a short-cycle industrial rally after the election pushed the stock to our estimate of fair value. We believe unproven management creates a capital allocation risk. The company's low tax rate means it won't be a meaningful beneficiary of tax reform. Further, there is long-term risk to the truck transmission business, as original equipment manufacturers are increasingly offering in-house alternatives.

U.S. stocks have rallied post-U.S. election, and we are cautious of uncertainties not priced into the markets moving forward. We are very mindful of balancing our exposures to both cyclical and secular-driven fundamentals to drive the likelihood of longer term outperformance for our unitholders. As always, bottom-up, fundamental analysis is key to our investment decision-making process, and we continue to seek out companies with sustainable advantages and reasonable business valuations.

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 and Series F units of the Fund are 1.25% and 0.95%, respectively. During the year, the Fund paid the Manager $ 640,562 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)	$4.64	$4.32	$3.72	$2.66	$2.50
Increase (decrease) from operations:					
Total revenue	0.14	0.13	0.08	0.07	0.07
Total expenses	-	-	-	-	-
Realized gains (losses) for the year	0.94	0.48	0.19	0.09	0.06
Unrealized gains (losses) for the year	(0.63)	0.12	0.40	0.96	0.10
Total increase (decrease) from operations(1)	0.45	0.73	0.67	1.12	0.23
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.12)	(0.12)	(0.07)	(0.06)	(0.07)
From capital gains	(0.68)	(0.28)	-	-	-
Return of capital	-	-	-	-	-
Total Annual Distributions(2)	(0.80)	(0.40)	(0.07)	(0.06)	(0.07)
Net assets attributable to holders of redeemable units - per unit, end of year (1)	$4.30	$4.64	$4.32	$3.72	$2.66

Series B	2016	2015	2014	2013	2012
Net assets attributable to holders of redeemable units - per unit, beginning of year (1)	$4.69	$4.36	$3.75	$2.68	$2.52
Increase (decrease) from operations:					
Total revenue	0.16	0.15	0.09	0.07	0.07
Total expenses	(0.19)	(0.17)	(0.11)	(0.08)	(0.04)
Realized gains (losses) for the year	1.13	0.57	0.21	0.09	0.06
Unrealized gains (losses) for the year	(0.75)	0.13	0.44	1.01	0.10
Total increase (decrease) from operations(1)	0.36	0.68	0.63	1.09	0.19
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.05)	(0.05)	(0.02)	(0.02)	(0.03)
From capital gains	(0.69)	(0.29)	-	-	-
Return of capital	-	-	-	-	-
Total Annual Distributions(2)	(0.74)	(0.34)	(0.02)	(0.02)	(0.03)
Net assets attributable to holders of redeemable units - per unit, end of year(1)	$4.36	$4.69	$4.36	$3.75	$2.68

Financial Highlights (cont.)

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)	$4.49	n/a	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.20	n/a	n/a	n/a	n/a
Total expenses	(0.04)	n/a	n/a	n/a	n/a
Realized gains (losses) for the year	1.35	n/a	n/a	n/a	n/a
Unrealized gains (losses) for the year	(0.90)	n/a	n/a	n/a	n/a
Total increase (decrease) from operations(1)	0.61	n/a	n/a	n/a	n/a
Distributions:					
From income (excluding dividends)	-	n/a	n/a	n/a	n/a
From dividends	(0.10)	n/a	n/a	n/a	n/a
From capital gains	(0.68)	n/a	n/a	n/a	n/a
Return of capital	-	n/a	n/a	n/a	n/a
Total Annual Distributions(2)	(0.78)	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year(1)	$4.31	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 $4.49.*

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A	**2016**	**2015**	**2014**	**2013**	**2012**
Total net assets attributable to holders of redeemable units - ($000s) [1]	285,569	293,471	258,185	190,436	121,696
Number of units outstanding (000s) [1]	66,423	63,230	59,717	51,195	45,810
Management expense ratio(%)[2]	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	-	-	-	-	-
Trading expense ratio (%)[3]	0.06	0.03	0.03	0.04	0.03
Portfolio turnover rate (%)[4]	111.24	22.36	12.38	16.74	17.09
Net assets attributable to holders of redeemable units per unit ($)	4.30	4.64	4.32	3.72	2.66

Series B	**2016**	**2015**	**2014**	**2013**	**2012**
Total net assets attributable to holders of redeemable units - ($000s) [1]	50,982	58,528	56,144	47,647	29,789
Number of units outstanding (000s)[1]	11,701	12,474	12,867	12,701	11,114
Management expense ratio(%)[2]	1.33	1.33	1.33	1.33	1.40
Management expense ratio before waivers or absorptions (%)	1.33	1.33	1.33	1.33	1.40
Trading expense ratio (%)[3]	0.06	0.03	0.03	0.04	0.03
Portfolio turnover rate (%)[4]	111.24	22.36	12.38	16.74	17.09
Net assets attributable to holders of redeemable units per unit ($)	4.36	4.69	4.36	3.75	2.68

Series F *(inception May 25, 2016)*	**2016**	**2015**	**2014**	**2013**	**2012**
Total net assets attributable to holders of redeemable units - ($000s) [1]	11	n/a	n/a	n/a	n/a
Number of units outstanding (000s)[1]	3	n/a	n/a	n/a	n/a
Management expense ratio(%)[2]	1	n/a	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	1	n/a	n/a	n/a	n/a
Trading expense ratio (%)[3]	0.06	n/a	n/a	n/a	n/a
Portfolio turnover rate (%)[4]	111.24	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units per unit ($)	4.31	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

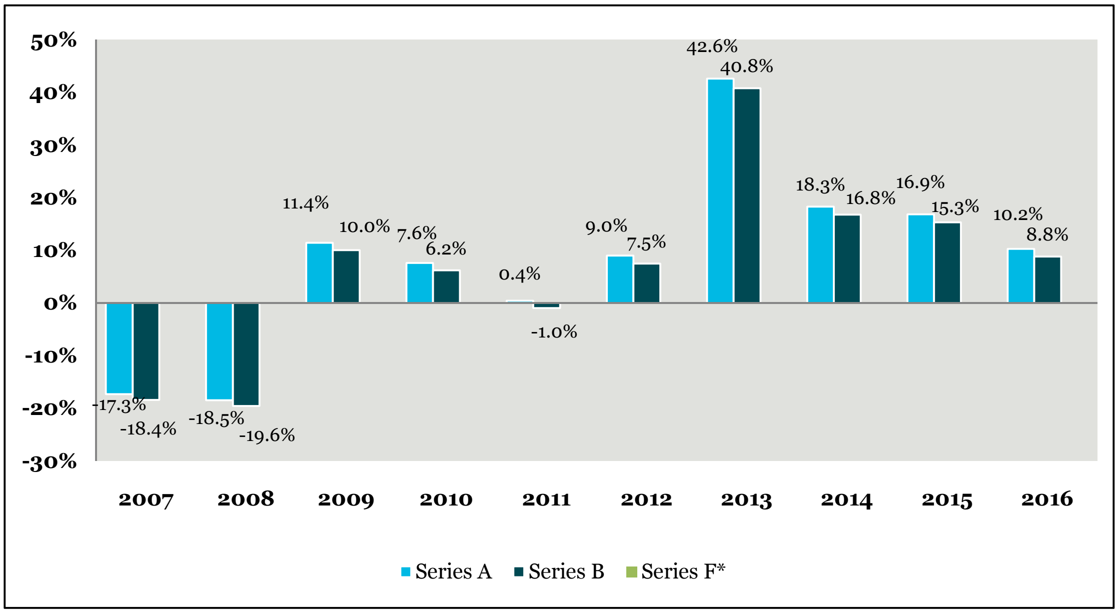
General

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 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 S&P 500 Total Return Index (measured in Canadian dollars), in each case for the year ended December 31, 2016. The S&P 500 Total Return Index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities, it is a good proxy for the total market. 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	10.2%	15.1%	18.8%	6.8%
Benchmark	8.6%	17.7%	21.2%	8.5%
Fund – Series B	8.81%	13.6%	17.3%	5.3%
Benchmark	8.6%	17.7%	21.2%	8.5%
Fund – Series F *	n/a	n/a	n/a	n/a
Benchmark	n/a	n/a	n/a	n/a

**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
Citigroup Inc.	2.5%
JPMorgan Chase & Co.	2.4%
Wells Fargo & Co.	1.9%
ConocoPhillips	1.7%
Carnival Corp	1.7%
SLM Corp	1.7%
UnitedHealth Group Incorporated	1.7%
Hess Corp	1.7%
Chevron Corp	1.7%
Bank of America Corp	1.7%
United Technologies Corp	1.7%
American International Group, Inc.	1.7%
Deere & Co	1.6%
American Express Co	1.6%
Royal Caribbean Cruises Ltd.	1.6%
Occidental Petroleum Corporation	1.6%
Apple Inc	1.6%
BP p.l.c.	1.6%
Johnson Controls International	1.6%
CVS Health Corp	1.6%
Cardinal Health Inc	1.5%
State Street Corp	1.5%
Norwegian Cruise Line Holdings Ltd.	1.5%
Spirit Aerosystems Hold-CL A	1.5%
Discover Financial Services	1.5%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Financials	29.90%
Health Care	14.10%
Industrials	13.20%
Energy	10.70%
Consumer Discretionary	8.80%
Information Technology	8.10%
Materials	7.20%
Consumer Staple	6.70%
Telecommunications	1.20%
Cash & Cash Equivalents	0.10%

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.