

## Independent Review Committee

### **REPORT TO SECURITYHOLDERS OF LEITH WHEELER FUNDS**

March 26, 2018

Dear Investor,

The members of the Independent Review Committee (“IRC”) for the publicly offered investment funds (the “Funds”) managed by Leith Wheeler Investment Counsel Ltd. (the “Manager”) are pleased to provide you with the IRC’s annual report to securityholders of the Leith Wheeler Funds. The information contained in this report covers the period beginning January 1, 2017 and ended December 31, 2017.

The mandate of the IRC is to review conflict of interest matters identified and referred to the IRC by the Manager and to provide recommendations, or where required, an approval to the Manager relating to such matters.

The IRC must prepare, for each financial year of the Funds, a report to securityholders that describes the IRC and its activities for the preceding financial year. Included in these activities, the IRC conducts a self-assessment of its independence, compensation and effectiveness.

Sincerely,

*“Leon Getz”*

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Leon Getz  
Acting Chair of the Independent Review Committee

## **Members of the IRC**

<b>Name</b>	<b>Residence</b>	<b>Length of Service</b>
Michael Scott, Chair*	Vancouver	Since May 1, 2007
Leon Getz	Vancouver	Since May 1, 2007
Eric Watt	Vancouver	Since June 23, 2016

\* Subsequent event: Effective March 26, 2018, Mr. Scott resigned due to the possibility of a perceived material relationship with the Manager. Mr. Getz became acting Chair of the IRC.

## **Holdings of Securities**

### ***(a) Funds***

As at December 31, 2017, the percentage of securities of each series of the Funds beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10 per cent.

### ***(b) Manager***

As at December 31, 2017, no member of the IRC beneficially owned, directly or indirectly, any class or series of voting or equity securities of Leith Wheeler Investment Counsel Ltd. or its affiliates.

### ***(c) Service providers***

As at December 31, 2017, no members owned any of the securities of any service provider to the Leith Wheeler Funds.

## **Compensation and Indemnities**

The aggregate compensation paid to the members of the IRC for the year ended December 31, 2017 was \$16,800. The Manager has the discretion to reimburse the Funds for all or part of the IRC fees and expenses or may absorb these fees and expenses. For the year ended December 31, 2017, no amounts were paid by the Funds. IRC fees and expenses were paid directly by the Manager, Leith Wheeler Investment Counsel Ltd.

No indemnities were paid to the IRC by the Funds during the period.

At least annually, the IRC reviews the compensation giving consideration to the following:

1. the best interests of the Funds;
2. the number, nature and complexity of the Funds for which the IRC acts;
3. the nature and extent of the workload of each member of the IRC; and
4. industry averages for similar fund groups with similar complexity.

The Manager made no recommendation regarding IRC compensation.

### **Positive Recommendations and Standing Instructions**

1. Leith Wheeler received positive recommendations and standing instructions with respect to the conflict of interest matters addressed by the following policies. In each case, the standing instructions required Leith Wheeler to comply with its related policy and procedures and to report periodically to the IRC.
  - a) Policy on Pricing Errors
  - b) Policy on Proxy Voting
  - c) Policy on Employee Personal Trading
  - d) Policy on Allocation of Expenses Between Funds and Series
  - e) Policy on Payments, Gifts and Entertainment
  - f) Policy on Trading (Trade Allocations)
  - g) Policy on Trading (Soft Dollar Usage)
  - h) Policy on Large Unitholders
  - i) Policy on Inter-Fund Trading
  - j) Policy on In-Specie Transactions

### **Approvals**

1. None.

### **Conflict of Interest Matters**

The IRC is not aware of any instance in which Leith Wheeler acted in a conflict of interest matter referred to the IRC by the Manager for which the IRC did not give a positive recommendation.

The IRC is not aware of any material instance in which Leith Wheeler acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation or approval.

### **Mutual Funds Served by the IRC**

Leith Wheeler Money Market Fund  
Leith Wheeler Core Bond Fund  
Leith Wheeler Balanced Fund  
Leith Wheeler Canadian Equity Fund  
Leith Wheeler U.S. Equity Fund  
Leith Wheeler International Equity Plus Fund  
Leith Wheeler Income Advantage Fund  
Leith Wheeler Canadian Dividend Fund  
Leith Wheeler Corporate Advantage Fund  
Leith Wheeler High Yield Bond Fund  
Leith Wheeler U.S. Dividend Fund  
Leith Wheeler U.S. Small/Mid-Cap Equity Fund  
Leith Wheeler Emerging Markets Equity Fund  
Leith Wheeler Multi Credit Fund