

Leith Wheeler Balanced Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
June 30, 2018



This interim management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or 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 proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

To provide investors with a relatively stable, superior long-term rate of return, through a balanced portfolio of common shares and fixed income securities. This Fund invests primarily in Canadian issuers and may invest in foreign securities. The Fund invests in a broad range of companies and is not restricted by capitalization or industry sectors although portfolio diversification is a consideration in the selection of securities for the Fund.

Although Leith Wheeler Investment Counsel Ltd. (the “Manager”) will change the investment mix between fixed income and equity securities as opportunities arise, a portion of the Fund will be maintained in each class. The allocation is determined by the Manager, as opportunities arise, although the Fund’s equity portion will range between 40% and 75% of its total assets. The maximum invested in foreign securities is not expected to exceed 40% of the net assets of the Fund at the time of investment. The fixed income securities provide lower risk income while the common shares provide an opportunity for capital gains. Investors participate in a professionally managed portfolio in which specific security selection and asset mix decisions will be made by experienced portfolio managers.

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 5.2% in the first half of 2018, rising to \$117.2 million from \$111.4 million at the end of 2017. Of this change, \$1.0 million was attributable to investment gain and \$4.8 million of net inflows from purchases.

The Leith Wheeler Balanced Fund has posted a gain thus far in 2018. As of June 30th, 2018, Series A of the Fund returned -1.3%, and Series B and Series F returned 0.8% and 0.9%, respectively, after fees and expenses. The asset mix of the Fund at June 30th, 2018 was 32.3% bonds, 2.7% high yield bonds and senior loans, 30.1% Canadian equities, 13.8% U.S. equities, 12.6% International equities, 0.9% Emerging Markets equities, and 7.6% cash and equivalents.

Following a volatile first quarter of 2018, equity markets broadly rebounded in the second quarter, and are now slightly up on the year.

Canadian equities outperformed most global markets, even after factoring in the positive benefit of a weaker Canadian dollar on foreign market returns. The outperformance in Canadian equities was the result of a rebound in the Energy sector as oil prices rose and sentiment improved on the back of pipeline project approvals. Elsewhere, almost all sectors in the S&P/TSX Composite Index were positive despite ongoing uncertainty surrounding NAFTA and trade tariffs with the United States. The Canadian equity portfolio delivered a solid result over the second quarter with several holdings experiencing double-digit returns – Cardinal Energy, NuVista Energy, and BRP to name a few. However, relative results were impacted by some stock-specific issues which led to weakness in Stingray Digital, CI Financial, Seven Generations, and Raging River.

This is a strong turnaround from the first quarter, where Canadian equities underperformed other regions in the quarter, falling 4.5% as the economy moderated from unusually strong growth in 2017 and investor uncertainty about the outcome of ongoing trade negotiations ticked up. Although the Canadian equity portfolio was also down, it outperformed the S&P/TSX Composite Index thanks to solid returns from Consumer Discretionary holdings BRP and Stingray Digital, and by avoiding some weak areas of the market such as the Utilities, Telecoms, and Pipelines sectors.

Global equity market performance was more modest during the second quarter, with the effect of US fiscal stimulus and tax reform beginning to fade. Emerging equity markets remained weak with escalating global trade tensions weighing on Chinese markets.

The International equity portfolio trailed the MSCI EAFE Index with emerging market stocks Banco Bradesco, COPA Holdings, and Tiger Brands among the weakest performers. On the positive side, a rise in energy prices and an improved outlook for the oil and gas sector helped TGS-NOPEC, a seismic survey company, to a 55% gain over the quarter.

The US portfolio also benefited from its holdings in the Energy sector, as both an overweight position and strong stock performances from Hess, Fairmount Santrol, and Kosmos Energy helped returns. However, our performance lagged the S&P 500 Index over the quarter as the “FAANG” (Facebook, Amazon, Apple, Netflix, Google) stocks extended their gains and influence on the overall market return. Year-to-date, Amazon has accounted for 36% of the gains in the S&P 500 Index, while 84% of the gains are attributed to four stocks - Amazon, Apple, Netflix, and Microsoft. With our value style resulting in no exposure to the FAANG stocks in the portfolio, it has been difficult to keep up with the market in this environment.

Management Discussion of Fund Performance (cont.)

Results of Operations (cont.)

In fixed income markets, the most notable shift has been the rise in short-term Canadian bond yields. These yields have been buoyed by stronger growth data following a softening in the first quarter, alongside a more hawkish rhetoric from the US Federal Reserve on its path for policy rates in 2018. However, the full impact of escalating trade tensions has yet to be reflected in business outlook surveys or economic data, and this has the potential to weigh on business investment and growth, particularly in Canada's export sectors.

The rise in bond yields has also been limited to shorter maturity bonds, whereas long bond yields declined in the second quarter. This was despite a rise in market-based measures of inflation expectations, which has supported our overweight position in real return bonds in the fixed income portfolio.

Elsewhere, both investment-grade corporate and high yield credit markets were marginally weaker in price. Provincial bonds, meanwhile, were broadly stable with notable outperformance in Alberta, where with the rise in energy prices, now trades at higher prices than the benchmark provincial issuer, Ontario.

Recent Developments

The Bank of Canada raised its key interest rate to 1.5% in July. The S&P 500 Index is having a strong year, up 10.5% as of July 31st, 2018. Canadian Equity & the MSCI EAFE (\$C) are both up slightly more than 3% on a year-to-date basis as of July 31st, 2018.

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 June 30, 2018, the Fund owned 1,438,658 Series A units of the Leith Wheeler International Equity Plus Fund, 291,280 Series A units of the Leith Wheeler U.S. Small/Mid-Cap Equity Fund, and 327,518 Series A units of the Leith Wheeler Multi Credit Fund, which are funds under common management.

On January 29, 2018, we sold our position in the Leith Wheeler High Yield Bond Fund (CAD Hedged) to establish a neutral allocation to the Leith Wheeler Multi Credit 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 1.10% and 0.85%, respectively. During the year, the Fund paid the Manager \$533,254 for Series B and \$10,726 for Series F (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 commissions, transaction 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 six months and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements.

Series A (inception September 10, 2015)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$25.81	\$24.34	\$23.15	\$24.03	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.34	0.77	0.73	0.87	n/a	n/a
Total expenses	-	-	-	-	n/a	n/a
Realized gains (losses) for the year	0.15	0.48	1.21	0.70	n/a	n/a
Unrealized gains (losses) for the year	(0.12)	0.88	0.86	(0.75)	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.37	2.12	2.80	0.82	n/a	n/a
Distributions:						
From income (excluding dividends)	(0.13)	(0.49)	(0.24)	(0.27)	n/a	n/a
From dividends	(0.20)	(0.16)	(0.46)	(0.39)	n/a	n/a
From capital gains	-	(0.03)	(0.89)	(0.67)	n/a	n/a
Return of capital	-	-	-	-	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.33)	(0.68)	(1.59)	(1.33)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$25.82	\$25.81	\$24.34	\$23.15	n/a	n/a

Series B ⁽⁴⁾	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$26.32	\$24.84	\$23.59	\$24.09	\$23.10	\$20.14
Increase (decrease) from operations:						
Total revenue	0.35	0.79	0.74	0.73	0.67	0.60
Total expenses	(0.13)	(0.21)	(0.22)	(0.20)	(0.21)	(0.19)
Realized gains (losses) for the year	0.15	0.51	1.25	0.58	0.88	0.49
Unrealized gains (losses) for the year	(0.12)	0.90	0.88	(0.62)	0.60	2.60
Total increase (decrease) from operations ⁽¹⁾	0.25	1.99	2.65	0.49	1.94	3.50
Distributions:						
From income (excluding dividends)	-	(0.23)	-	(0.10)	(0.02)	-
From dividends	(0.18)	(0.17)	(0.40)	(0.22)	(0.34)	(0.32)
From capital gains	-	(0.03)	(0.91)	(0.68)	(0.52)	(0.09)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.18)	(0.43)	(1.31)	(1.00)	(0.88)	(0.41)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$26.34	\$26.32	\$24.84	\$23.59	\$24.09	\$23.10

Financial Highlights (cont.)

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

Series F (inception September 10, 2015)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$25.22	\$23.79	\$22.66	\$24.03	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.46	0.74	0.82	0.16	n/a	n/a
Total expenses	(0.15)	(0.17)	(0.21)	(0.04)	n/a	n/a
Realized gains (losses) for the year	0.21	0.45	1.36	0.13	n/a	n/a
Unrealized gains (losses) for the year	(0.17)	0.84	0.98	(0.14)	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.35	1.85	2.95	0.11	n/a	n/a
Distributions:						
From income (excluding dividends)	(0.04)	(0.26)	(0.03)	(0.42)	n/a	n/a
From dividends	(0.22)	(0.16)	(0.46)	(0.67)	n/a	n/a
From capital gains	-	(0.04)	(0.88)	(0.66)	n/a	n/a
Return of capital	-	-	-	-	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.26)	(0.45)	(1.37)	(1.75)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$25.18	\$25.22	\$23.79	\$22.66	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 10, 2015, inception date of Series A and Series F units of the Fund. Both Series A and Series F initial net asset value per unit offering commenced at the closing net asset value per unit of Series B on September 10, 2015 of \$24.03.

(4) This Series of the Fund was renamed Series B as of August 28, 2015.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A (inception September 10, 2015)	June 30, 2018	2017	2016	2015	2014
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	14,187	13,348	11,434	9,557	n/a
Number of units outstanding (000s) ⁽¹⁾	549	517	470	413	n/a
Management expense ratio (%) ⁽²⁾	-	-	-	-	n/a
Management expense ratio before waivers or absorptions (%)	-	-	-	-	n/a
Trading expense ratio (%) ⁽³⁾	0.01	0.02	0.04	0.03	n/a
Portfolio turnover rate (%) ⁽⁴⁾	75.43	68.15	75.62	39.65	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	25.82	25.81	24.34	23.15	n/a

Series B ⁽⁵⁾	June 30, 2018	2017	2016	2015	2014
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	99,708	96,402	89,486	80,636	84,799
Number of units outstanding (000s) ⁽¹⁾	3,786	3,663	3,603	3,418	3,521
Management expense ratio (%) ⁽²⁾	1.17	1.16	1.16	1.17	1.17
Management expense ratio before waivers or absorptions (%)	1.17	1.16	1.16	1.17	1.17
Trading expense ratio (%) ⁽³⁾	0.01	0.02	0.04	0.03	0.03
Portfolio turnover rate (%) ⁽⁴⁾	75.43	68.15	75.62	39.65	28.86
Net assets attributable to holders of redeemable units - per unit (\$)	26.34	26.32	24.84	23.59	24.09

Series F (inception September 10, 2015)	June 30, 2018	2017	2016	2015	2014
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾⁽⁵⁾	3,350	1,621	1,374	690	n/a
Number of units outstanding (000s) ⁽¹⁾	133	64	58	30	n/a
Management expense ratio (%) ⁽²⁾	0.94	0.95	0.95	0.89	n/a
Management expense ratio before waivers or absorptions (%)	0.94	0.95	0.95	0.89	n/a
Trading expense ratio (%) ⁽³⁾	0.01	0.02	0.04	0.03	n/a
Portfolio turnover rate (%) ⁽⁴⁾	75.43	68.15	75.62	39.65	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	25.18	25.22	23.79	22.66	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.
- (5) This Series of the Fund was renamed Series B as of August 28, 2015.

Past Performance

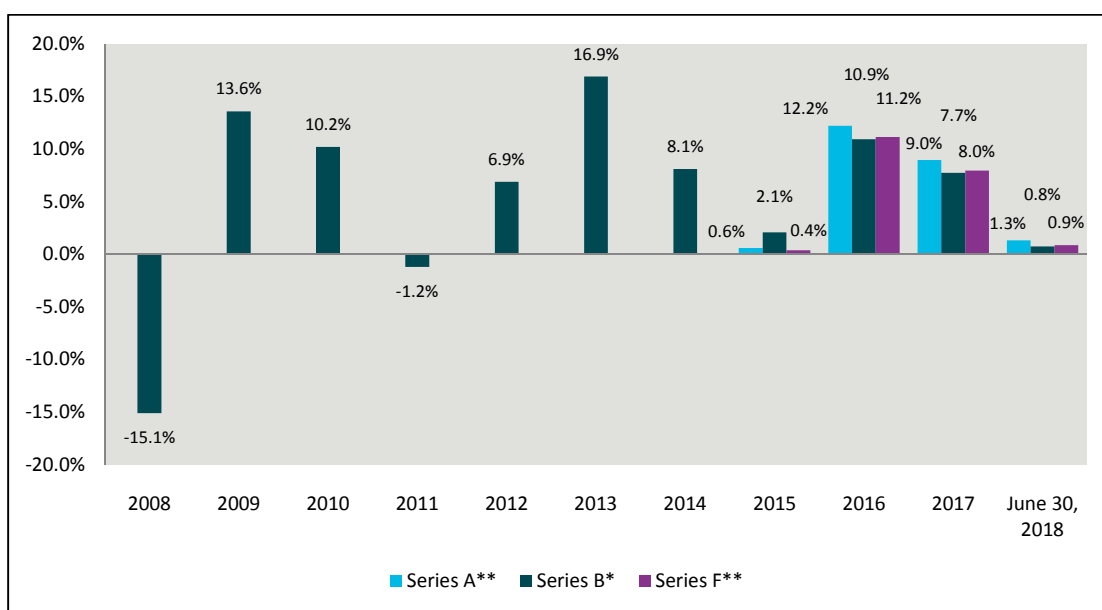
General

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.



* This Series of the Fund was renamed Series B as of August 28, 2015.

** Series A and Series F units were created on September 10, 2015. Return for Series A and Series F from September 10, 2015 to December 31, 2015, not annualized.

Summary of Investment Portfolio

As at June 30, 2018

Top 25 Positions

Issuer	% of Net Asset Value
Leith Wheeler International Equity Plus Fund Series A	14.4%
Cash & Other Net Assets	7.6%
Leith Wheeler Multi Credit Fund Series A	2.8%
Leith Wheeler U.S. Small/Mid-Cap Equity Fund Series A	3.1%
Toronto-Dominion Bank	2.0%
Royal Bank of Canada	1.9%
Toromont Industries Ltd	1.8%
Bank of Nova Scotia	1.6%
Canada Housing Trust No 1 2.35% June 15, 2023	1.6%
Brookfield Infrastructure Partners LP	1.6%
Canadian National Railway Co	1.5%
Saputo Inc	1.4%
Open Text Corp	1.3%
Canadian Natural Resources Ltd	1.2%
Brookfield Asset Management Inc	1.2%
Manulife Financial Corp	1.1%
Constellation Software Inc	1.1%
Canadian Imperial Bank of Commerce	1.1%
Tourmaline Oil Corp	1.1%
Canadian Government Bond 2% December 01, 2051	1.0%
Progressive Waste Solutions Ltd	1.0%
Finning International Inc	0.9%
Province of Ontario 2.9% June 02, 2049	0.9%
First Quantum Minerals Ltd	0.8%
Canadian Mortgage Pools 1.247% March 15, 2021	0.7%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Bonds	33.3%
Canadian Equities	30.1%
U.S. Equities	13.8%
International Equities	13.5%
Cash & Other Net Assets	7.6%
Loans	1.7%

The Fund held no short positions as at June 30, 2018.

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