

Leith Wheeler Canadian Dividend Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2018



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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 a source of monthly income with the potential for long term growth through capital appreciation and growth in dividends by investing primarily in a portfolio of common shares, convertible debentures and other equity related securities of Canadian issuers. The Fund 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 Canadian equity and equity related securities.

Our approach to stock picking is based on fundamental research with a strong “value” bias. Our test for value is viewing any investment we make as if we were “buying the whole business”. Therefore, the critical question becomes “what would be the price of the whole business that would make the purchase a profitable one?” Our experience has been that the price of a company in the stock market does not always reflect its real value. This discrepancy between price and value creates excellent investment opportunities.

As value investors, we tend to include companies in the portfolio when they are “out of favour” by the market and have declined in price. Companies can become undervalued when there is a lack of investor awareness; when an entire industry is out of favour with investors; or when a company experiences a short-term difficulty which, following careful analysis, we believe can be overcome. By purchasing these companies after a price decline, we find we are able to control risk in the portfolio as these investments often have less downside risk while offering a decent potential return.

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 1.2% in the first half of 2018 to \$113.2 million from \$111.9 million at the end of 2017. Of this change, \$0.3 million was attributable to investment loss and \$1.6 million to net inflows.

The S&P/TSX Composite Index got off to a rocky start in the first quarter of 2018 with nine of the 11 sectors delivering negative returns and the total index falling 4.5%. Despite ongoing uncertainty surrounding trade, the index recovered in the second quarter and rose 6.8%, lifting the year to date return to 2.0%. The index was led by Information Technology (+22.2%), Industrials (+6.6%), and Real Estate (+5.3%) sectors while Utilities (-6.2%), Telecommunication Services (-5.0%), and Consumer Staples (-2.6%) were the worst performing sectors.

The Canadian Dividend Fund underperformed the Index during the first six months of 2018. Series A of the fund decreased 0.2%, Series B of the Fund decreased 1.0% after fees and expenses, and Series F of the Fund decreased 0.8% after fees and expenses.

Among the top contributors to the Fund’s performance in the first half of 2018 were Constellation Software Inc. (+34.2%), Canadian Real Estate Investment Trust (+13.7%), and Cardinal Energy Ltd. (+13.5%). Constellation Software, a developer and distributor of software solutions, reported solid results entering 2018. Strong performance has been enhanced by better-than-expected organic growth and acquisition activity that continues to be robust. Canadian Real Estate Investment Trust received an offer of acquisition from Choice REIT early in the year. The name had strong performance following the announcement. Cardinal Energy benefited from the rise in oil prices in the first six months of the year. In contrast, CI Financial (-18.5%), Stingray Digital (-11.3%), and Canadian Western Bank (-10.5%) detracted from performance. CI Financial reported higher-than-expected redemptions in its asset management business. While the company has a strong management team, a solid balance sheet and generates a high-return on equity, we reduced our position early in the quarter as the business continues to face some headwinds. Stingray Digital underperformed after it announced that it would be acquiring radio broadcaster Newfoundland Capital, Canada’s fourth largest radio player. The acquisition provides Stingray with increased cash flows, but also exposure to a more mature industry. We continue to hold our position. Canadian Western Bank reported net interest margins over the first quarter that were below expectations. This should be transitory as the shortfall was largely the result of holding an elevated level of cash and securities to pay for its \$850 million acquisition of a leasing portfolio that closed on January 31st. On the positive side, the company’s loan losses continue to be low and its pipeline for loan growth looks strong. We have added to our position.

Management Discussion of Fund Performance (cont.)

Results of Operations (cont.)

There was one name added to the Fund in the first half of 2018. We added Rogers Communications to the portfolio after some short-term weakness created an opportunity to buy the stock at an attractive valuation. In the last several years, we have avoided companies in the Telecom sector due to their expensive valuations, high leverage, and high levels of capital spending. Rogers' valuation has come down to 14 times earnings from 18 times in 2016 and 2017, as the market overreacted to softer fourth quarter earnings. Reduced capex combined with improving margins in its wireless business translate into rising free cash flow, which we believe the market doesn't fully appreciate.

Bank of Montreal was eliminated from the Fund in the first half of 2018. The forward-looking return had narrowed for the bank and proceeds were used to fund more attractive opportunities.

Looking to the second half of 2018, we remain cautiously optimistic. We believe valuations remain at a reasonable level and market sentiment is still sensible. With that being said, we will continue to focus on allocating assets to the best risk-adjusted investments, applying our value investment principles to security selection, and focusing on identifying companies with attractive valuations, good business models, and solid management teams.

Recent Developments

The Canadian Equity market was slightly positive in July 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 Leith Wheeler Income Advantage Fund owned 2,354,705 Series A units of the Fund. This holding represents 26.3% of this 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 1.40% and 0.95%, respectively. During the year, the Fund paid the Manager \$55,786 for Series B and \$16,491 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	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$12.89	\$12.58	\$10.33	\$11.61	\$12.29	\$10.85
Increase (decrease) from operations:						
Total revenue	0.24	0.41	0.39	0.42	0.43	0.40
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the year	0.23	0.66	0.56	(0.22)	1.24	0.66
Unrealized gains (losses) for the year	(0.50)	0.25	2.28	(0.97)	(0.83)	1.52
Total increase (decrease) from operations ⁽¹⁾	(0.03)	1.32	3.23	(0.77)	0.84	2.58
Distributions:						
From income (excluding dividends)	-	(0.05)	(0.01)	(0.01)	(0.01)	(0.01)
From dividends	(0.23)	(0.32)	(0.37)	(0.41)	(0.42)	(0.38)
From capital gains	-	(0.61)	(0.56)	(0.04)	(1.10)	(0.59)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.23)	(0.98)	(0.95)	(0.46)	(1.53)	(0.98)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$12.63	\$12.89	\$12.58	\$10.33	\$11.61	\$12.29

Series B	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$12.79	\$12.56	\$10.32	\$11.62	\$12.34	\$10.87
Increase (decrease) from operations:						
Total revenue	(0.11)	0.43	0.38	0.39	0.30	0.39
Total expenses	(0.11)	(0.22)	(0.17)	(0.14)	(0.16)	(0.09)
Realized gains (losses) for the year	(0.09)	0.69	0.56	(0.21)	0.83	0.64
Unrealized gains (losses) for the year	0.22	0.26	2.24	(0.89)	(0.56)	1.48
Total increase (decrease) from operations ⁽¹⁾	(0.09)	1.16	3.01	(0.85)	0.41	2.42
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	(0.13)	(0.27)	(0.22)	(0.27)	(0.29)	(0.19)
From capital gains	-	(0.60)	(0.56)	(0.04)	(1.11)	(0.59)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.13)	(0.87)	(0.78)	(0.31)	(1.40)	(0.78)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$12.54	\$12.79	\$12.56	\$10.32	\$11.62	\$12.34

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)}	\$12.17	\$11.95	\$9.97	\$10.41	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.31	0.39	0.40	0.01	n/a	n/a
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	n/a	n/a
Realized gains (losses) for the year	0.29	0.62	0.58	-	n/a	n/a
Unrealized gains (losses) for the year	(0.65)	0.24	2.36	(0.02)	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	(0.06)	1.24	3.34	(0.02)	n/a	n/a
Distributions:						
From income (excluding dividends)	-	-	-	-	n/a	n/a
From dividends	(0.17)	(0.31)	(0.44)	(0.49)	n/a	n/a
From capital gains	-	(0.57)	(0.53)	(0.04)	n/a	n/a
Return of capital	-	-	-	-	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.17)	(0.88)	(0.97)	(0.53)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$11.91	\$12.17	\$11.95	\$9.97	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 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 September 10, 2015 of \$10.41.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A	June 30, 2018	2017	2016	2015	2014
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	100,850	100,905	83,520	64,368	63,377
Number of units outstanding (000s) ⁽¹⁾	7,982	7,826	6,639	6,231	5,458
Management expense ratio (%) ⁽²⁾	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	0.02	0.03	0.03	0.03	0.04
Trading expense ratio (%) ⁽³⁾	0.02	0.06	0.11	0.13	0.10
Portfolio turnover rate (%) ⁽⁴⁾	26.55	29.52	78.59	83.29	73.62
Net assets attributable to holders of redeemable units - per unit (\$)	12.63	12.89	12.58	10.33	11.61

Series B	June 30, 2018	2017	2016	2015	2014
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	8,265	7,964	3,495	2,706	2,604
Number of units outstanding (000s) ⁽¹⁾	659	623	278	262	224
Management expense ratio (%) ⁽²⁾	1.51	1.50	1.50	1.49	1.47
Management expense ratio before waivers or absorptions (%)	1.53	1.53	1.53	1.53	1.51
Trading expense ratio (%) ⁽³⁾	0.02	0.06	0.11	0.13	0.10
Portfolio turnover rate (%) ⁽⁴⁾	26.55	29.52	78.59	83.29	73.62
Net assets attributable to holders of redeemable units - per unit (\$)	12.54	12.79	12.56	10.32	11.62

Series F (inception September 10, 2015)	June 30, 2018	2017	2016	2015	2014
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	4,071	3,079	1,214	382	n/a
Number of units outstanding (000s) ⁽¹⁾	342	253	102	38	n/a
Management expense ratio (%) ⁽²⁾	1.02	1.03	1.03	1.00	n/a
Management expense ratio before waivers or absorptions (%)	1.04	1.06	1.05	1.03	n/a
Trading expense ratio (%) ⁽³⁾	0.02	0.06	0.11	0.13	n/a
Portfolio turnover rate (%) ⁽⁴⁾	26.55	29.52	78.59	83.29	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	11.91	12.17	11.95	9.97	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

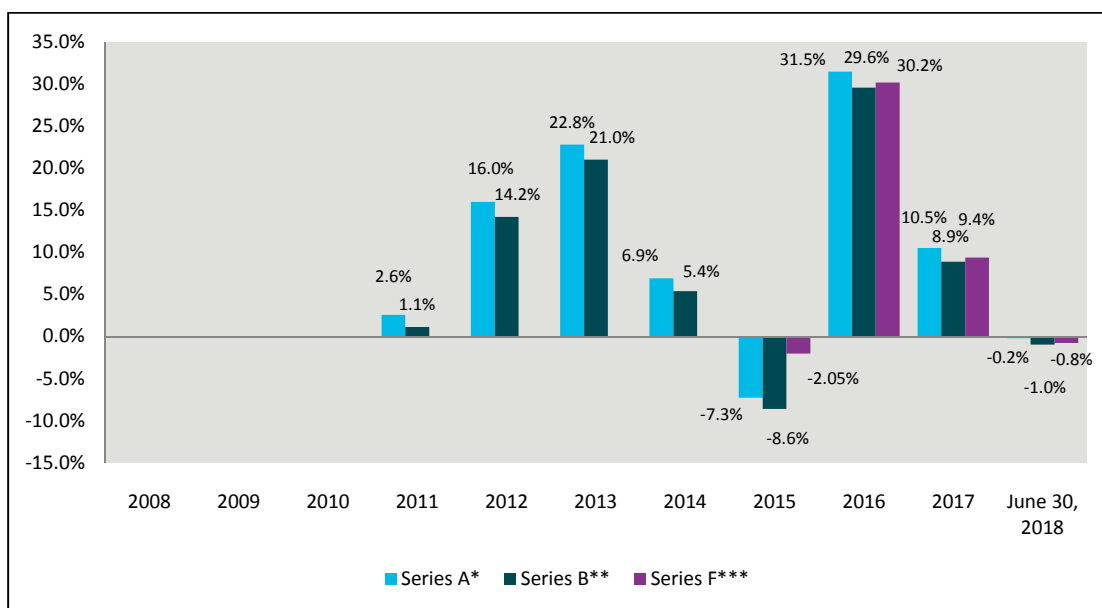
General

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 units were created December 21, 2010. Return from inception on December 21, 2010 to December 31, 2010, not annualized.

** Series B units were created on December 23, 2010. Return from inception on December 23, 2010 to December 31, 2010, not annualized.

*** Series F units were created on September 10, 2015. Return 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
Toronto-Dominion Bank	5.9%
Canadian Imperial Bank of Commerce	5.9%
Bank of Nova Scotia	5.4%
Royal Bank of Canada	4.8%
Canadian Natural Resources Ltd	4.8%
CI Financial Corp	4.7%
Great-West Lifeco Inc	4.6%
Manulife Financial Corp	4.5%
Saputo Inc	4.0%
Canadian National Railway Co	4.0%
Brookfield Infrastructure Partners LP	4.0%
Open Text Corp	3.7%
Hydro One Ltd	3.7%
Mullen Group Ltd	3.7%
Cardinal Energy Ltd	3.5%
Canadian Western Bank	2.9%
Russel Metals Inc	2.8%
Choice Properties REIT	2.6%
Toromont Industries Ltd	2.4%
Finning International Inc	2.3%
Slate Retail REIT	2.1%
Brookfield Asset Management Inc	1.9%
Nutrien Ltd	1.9%
Rogers Communications Inc	1.8%
Canadian Tire Corp Ltd	1.7%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Financials	40.9%
Industrials	14.3%
Energy	12.1%
Utilities	8.8%
Real Estate	6.3%
Information Technology	5.1%
Consumer Staple	4.0%
Consumer Discretionary	3.9%
Materials	1.9%
Telecommunication Services	1.8%
Cash & Other Net Assets	0.9%

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.