Leith Wheeler Income Advantage Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
June 30, 2018

Leith Wheeler INVESTMENT COUNSEL LTD. | Quiet Money.®

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 source of tax efficient monthly income, with some potential for long term growth through capital appreciation and growth in dividends. The Fund derives its income from allocating its investments primarily among fixed income securities, preferred shares, and dividend paying equities.

Of the total Fund, the investment in fixed income securities will range between 30% to 70%, Canadian equities from 15% to 50%, foreign equities between 0% to 25%, preferred shares between 0% to 25%, mortgages from 0% to 10%, and cash and cash equivalents between 0% to 5%. The fixed income securities and preferred shares will provide lower risk income and the common shares will provide an opportunity for dividends and capital gains. Investors will 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 decreased by 3.6% in the first half of 2018 to $84.2 million from $87.3 million at the end of 2017. Of this change, $0.2 million was attributable to investment gains and $3.3 million to net outflows.

The Leith Wheeler Income Advantage Fund was slightly positive in the first half of 2018 with Series A units advancing by 0.4%. Series B units returned 0.0% and Series F units advanced by 0.1%, both after fees and expenses.

The Fund's asset mix at the end of June 2018 was 48.6% investment grade bonds, 7.3% high yield bonds and senior loans, 35.0% Canadian equities, 8.2% preferred shares, and 0.9% cash and equivalents.

The investment grade corporate bond portfolio generated modestly positive returns in the first six months of 2018. Although corporate credit spreads widened for the first time in over two years during the first quarter, bonds posted a more modest net correction than was seen in other asset classes, such as equities. Corporate credit sold off slightly during the second quarter, with spreads on 5-year bank deposit notes roughly 0.1% wider. This was driven both by supply, which because of a large maturity schedule is expected to be heavier this year than last, and a widening in US short-dated credit, which forced Canadian cross-border issuers like the banks back into the Canadian bond market. However, credit curves continued to flatten, resulting in 10-year spreads being broadly unchanged across many issues.

The corporate bonds in the Fund are predominantly comprised of issues with maturities that are shorter than the FTSE TMX Canada Universe Bond Index. The corporate bonds selected for inclusion in the Fund are biased toward higher-quality issuers, or senior issues within the capital structure, making the portfolio even more resilient to a widening in credit spreads. Over the first six months of the year we reduced our exposure to Distribution issuers in the Utility sector (FortisAlberta Inc) and added to Oil & Gas issuers in the Resource sector (Canadian Natural Resources).

The Bank of Canada raised the overnight lending rate to 1.25% in January, as anticipated. We continue to believe, however, that the Bank of Canada will likely raise rates more slowly than what is currently anticipated due to lingering concerns over an already-weak export sector, compounded by an uncertain outlook for trade under a more protectionist US administration. Indeed, market expectations have converged over the past several quarters toward our view of just two to three rate increases in Canada during 2018.

The Leith Wheeler Preferred Share Fund replaced the segregated preferred share holdings in the Fund at the end of May 2018. The preferred shares in the portfolio performed well in the first six months of 2018, rising 1.6% while the S&P/TSX Preferred Share Index was up 0.7%. In the second quarter we saw fewer new issues in addition to reduced demand from institutions and exchange traded funds. We have slightly trimmed our tactical overweight now that preferreds are trading at higher valuations than last year, however we are still finding pockets of value in this space. The benefits of having an allocation to preferred shares include seniority to common equity shareholders, higher yields than bonds from the same issuer, and predictable, tax-efficient dividend income. We continue to overweight fixed rate-reset preferreds at almost 95% of the portfolio, as we expect interest rates to continue rising this year. Since interest rates bottomed in July 2017, investors in fixed rate-resets have now started seeing their income increase, with dividends resetting at higher rates.

Management Discussion of Fund Performance (cont.)

Results of Operation (cont.)

The Leith Wheeler Multi Credit Fund has the ability to opportunistically carry higher or lower exposures to loans, based on our view of relative valuations of loans to other asset classes, in particular high yield and investment grade bonds. The Multi Credit Fund increased by 1.0% in the first six months of 2018. We tactically increased the weighting to high yield bonds in the first quarter from 44% to 55% as market volatility led to weakness. This was an opportunity for us to add risk while fundamentals and the US economy were stable. We took profits in the second quarter and trimmed our high yield weight down to 40% of the total portfolio. With yields on senior loans currently similar to high yield bonds, along with lower price volatility for senior loans due to a higher position in the capital structure, we increased the senior loan weight from 50% to 60% on relative value.

High yield companies in aggregate have shown growth in both revenue and earnings before interest, taxes, depreciation, and amortization (EBITDA), and a strong ability to cover interest rate payments. Silversea Cruises (+3.8%), a privately-owned luxury cruise operator with 10 ships that offer ultra-luxury cruise experiences globally, traded upwards after Royal Caribbean offered to purchase a majority stake in the company. Other notable outperformers in high yield included Sprint Corporation (+7.0%) and CenturyLink (+4.0%). In senior secured loans, the top performing names year to date were McAfee (+4.1%) and Albertsons (+1.5%).

The Canadian equities in the portfolio underperformed the S&P/TSX Composite Index during the first six months of 2018, falling 0.2% with the index rising 2.0%. Among the top contributors to 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 distributer 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 since the beginning of the year.

In contrast, CI Financial (-18.5%), Stingray Digital (-11.3%), and Canadian Western Bank (-10.5%) detracted from performance in the Canadian equity portfolio. 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 in Canadian Western Bank.

There was one name added to the Canadian equity portfolio in the first half of 2018. We initiated a position in Rogers Communications 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 also 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.

In this environment, we continue to focus on allocating assets to the best risk-adjusted investments. We will continue to apply our value investment principles to security selection and remain focused on identifying companies with attractive valuations, good business models, and solid management teams.

Recent Developments

The Bank of Canada raised its key interest rate by 0.25% to 1.50% in July 2018.

The Canadian Equity market was slightly positive in July 2018.

Management Discussion of Fund Performance (cont.)

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 2,354,705 Series A units of the Leith Wheeler Canadian Dividend Fund, 630,499 Series A units of the Leith Wheeler Multi Credit Fund, and 698,531 Series A units of the Leith Wheeler Preferred Share Fund, which are funds under common management.

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 1.00%. The fee will be reduced to 0.80% per annum as long as the annualized yield on the Fund at quarter end is less than 4.50%. The annualized management fee for the Series F units of the Fund is 0.70%. During the year, the Fund paid the Manager $116,923 for Series B and $26,612 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)	$11.37	$11.22	$10.28	$10.90	$10.88	$10.48
Increase (decrease) from operations:						
Total revenue	0.18	0.56	0.55	0.40	0.77	0.61
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the year	0.04	0.16	0.05	0.09	0.04	0.03
Unrealized gains (losses) for the year	(0.18)	0.02	0.79	(0.62)	(0.12)	0.30
Total increase (decrease) from operations(1)	0.04	0.74	1.39	(0.13)	0.69	0.94
Distributions:						
From income (excluding dividends)	(0.09)	(0.19)	(0.21)	(0.16)	(0.19)	(0.20)
From dividends	(0.10)	(0.15)	(0.16)	(0.20)	(0.21)	(0.21)
From capital gains	-	(0.23)	(0.13)	(0.14)	(0.29)	(0.12)
Return of capital	-	-	-	-	-	-
Total Annual Distributions(2)	(0.19)	(0.56)	(0.50)	(0.50)	(0.69)	(0.53)
Net assets attributable to holders of redeemable units - per unit, end of year (1)	$11.23	$11.37	$11.22	$10.28	$10.90	$10.88

Series B	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year (1)	$11.54	$11.37	$10.41	$11.00	$10.98	$10.53
Increase (decrease) from operations:						
Total revenue	0.19	0.56	0.59	0.36	0.76	0.60
Total expenses	(0.05)	(0.10)	(0.09)	(0.09)	(0.09)	(0.08)
Realized gains (losses) for the year	0.05	0.16	0.06	0.09	0.04	0.03
Unrealized gains (losses) for the year	(0.20)	0.02	0.86	(0.57)	(0.12)	0.30
Total increase (decrease) from operations(1)	(0.01)	0.63	1.42	(0.21)	0.59	0.85
Distributions:						
From income (excluding dividends)	(0.03)	(0.10)	(0.15)	(0.06)	(0.10)	(0.08)
From dividends	(0.11)	(0.12)	(0.13)	(0.18)	(0.21)	(0.19)
From capital gains	-	(0.23)	(0.13)	(0.14)	(0.29)	(0.12)
Return of capital	-	-	-	-	-	-
Total Annual Distributions(2)	(0.14)	(0.45)	(0.42)	(0.38)	(0.60)	(0.39)
Net assets attributable to holders of redeemable units - per unit, end of year (1)	$11.41	$11.54	$11.37	$10.41	$11.00	$10.98

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)	$10.61	$10.59	$9.83	$10.57	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.13	0.48	0.87	0.44	n/a	n/a
Total expenses	(0.01)	(0.04)	(0.06)	(0.05)	n/a	n/a
Realized gains (losses) for the year	0.03	0.14	0.08	0.10	n/a	n/a
Unrealized gains (losses) for the year	(0.13)	0.01	1.25	(0.68)	n/a	n/a
Total increase (decrease) from operations(1)	0.02	0.60	2.15	(0.19)	n/a	n/a
Distributions:						
From income (excluding dividends)	(0.05)	(0.19)	(0.24)	(0.15)	n/a	n/a
From dividends	(0.10)	(0.17)	(0.19)	(0.38)	n/a	n/a
From capital gains	-	(0.21)	(0.12)	(0.13)	n/a	n/a
Return of capital	-	-	-	-	n/a	n/a
Total Annual Distributions(2)	(0.15)	(0.56)	(0.54)	(0.66)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year (1)	$10.46	$10.61	$10.59	$9.83	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 $10.57.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units ($000s) (1)	47,407	49,919	41,469	35,954	39,385	33,084
Number of units outstanding (000s) (1)	4,221	4,390	3,695	3,498	3,615	3,042
Management expense ratio (%)(2)	-	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	0.02	0.03	0.03	0.04	0.03	0.05
Trading expense ratio (%)(3)	0.01	0.03	0.04	0.04	0.02	0.03
Portfolio turnover rate (%)(4)	82.22	74.22	77.40	115.65	53.07	50.08
Net assets attributable to holders of redeemable units - per unit ($)	11.23	11.37	11.22	10.28	10.90	10.88

Series B	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units ($000s) (1)	28,449	30,852	27,532	24,747	28,182	22,848
Number of units outstanding (000s)(1)	2,494	2,673	2,421	2,376	2,562	2,081
Management expense ratio (%)(2)	0.85	0.85	0.85	0.85	0.85	0.85
Management expense ratio before waivers or absorptions (%)	0.87	0.89	0.89	0.89	0.89	0.90
Trading expense ratio (%)(3)	0.01	0.03	0.04	0.04	0.02	0.03
Portfolio turnover rate (%)(4)	82.22	74.22	77.40	115.65	53.07	50.08
Net assets attributable to holders of redeemable units - per unit ($)	11.41	11.54	11.37	10.41	11.00	10.98

Series F *(inception September 10, 2015)*	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units ($000s) (1)	8,347	6,486	1,562	661	n/a	n/a
Number of units outstanding (000s)(1)	798	612	148	67	n/a	n/a
Management expense ratio (%)(2)	0.75	0.77	0.79	0.74	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.77	0.81	0.82	0.77	n/a	n/a
Trading expense ratio (%)(3)	0.01	0.03	0.04	0.04	n/a	n/a
Portfolio turnover rate (%)(4)	82.22	74.22	77.40	115.65	n/a	n/a
Net assets attributable to holders of redeemable units - per unit ($)	10.46	10.61	10.59	9.83	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

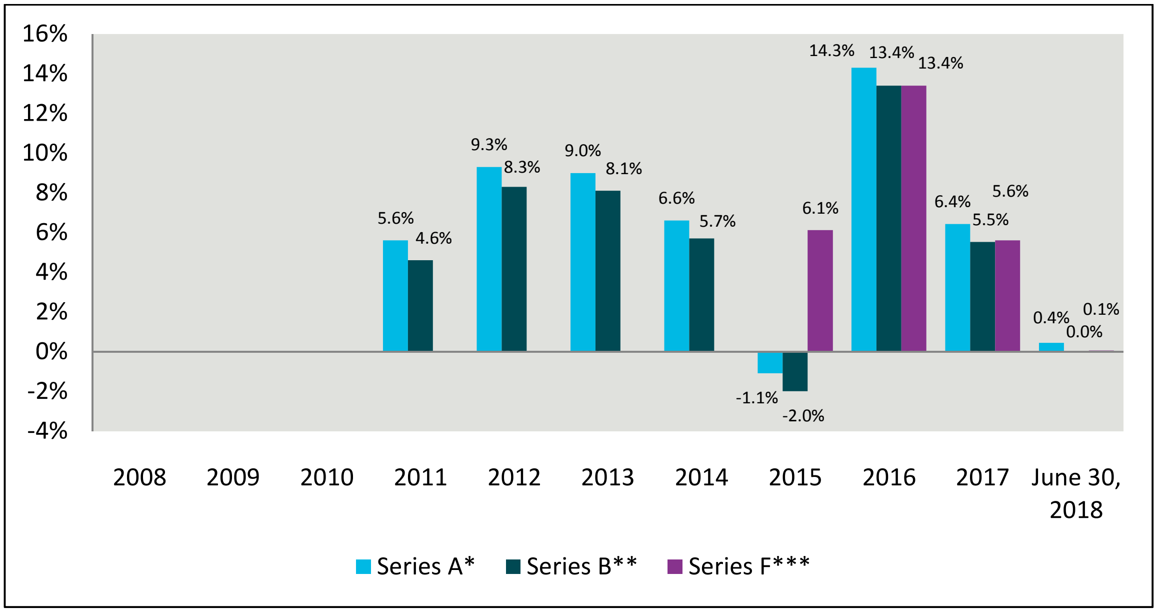
General

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 A units were created December 21, 2010. Return from December 21, 2010 to December 31, 2010, not annualized.*

***Series B units were created on December 23, 2010. Return from 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
Leith Wheeler Canadian Dividend Fund Series A	35.3%
Leith Wheeler Preferred Share Fund Series A	8.3%
Leith Wheeler Multi Credit Fund Series A	7.5%
Toronto-Dominion Bank 2.982% September 30, 2025	1.5%
Bank of Montreal 2.27% July 11, 2022	1.4%
Bank of Nova Scotia 1.9% December 02, 2021	1.3%
Royal Bank of Canada 3.31% January 20, 2026	1.1%
Bank of Nova Scotia 2.29% June 28, 2024	1.0%
Toronto-Dominion Bank 3.005% May 30, 2023	1.0%
Cash & Other Net Assets	0.9%
Royal Bank of Canada 1.65% July 15, 2021	0.9%
BHP Billiton Finance Ltd 3.23% May 15, 2023	0.8%
Enbridge Pipelines Inc 3.45% September 29, 2025	0.8%
AltaGas Ltd 4.4% March 15, 2024	0.8%
Union Gas Ltd 2.76% June 02, 2021	0.7%
Bank of Nova Scotia 2.36% November 08, 2022	0.7%
Bell Canada 2.9% August 12, 2026	0.7%
Canadian Imperial Bank of Commerce 3.3% May 26, 2025	0.7%
Canadian Western Bank 2.377% January 23, 2020	0.7%
First Nations Finance Authority 3.4% June 26, 2024	0.6%
Enbridge Inc 6.625% April 12, 2078	0.6%
North West Redwater Partnership / NWR Financing Co Ltd 3.2% July 22, 2024	0.6%
Bank of Nova Scotia 3.1% February 02, 2028	0.6%
Allied Properties Real Estate Investment Trust 3.636% April 21, 2025	0.6%
TELUS Corp 3.75% January 17, 2025	0.6%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Bonds	51.4%
Canadian Equities	35.0%
Preferred Shares	8.2%
Loans	4.5%
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