

# Leith Wheeler Money Market Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2018



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](http://www.leithwheeler.com) or SEDAR at [www.sedar.com](http://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 an improved rate of return for short-term investments, while preserving the value of your investment. The Fund invests in high quality government and corporate securities maturing within one year and rated R1 or higher by the Dominion Bond Rating Service.

The Fund is designed for investors who desire safety of capital with a high degree of liquidity. Typical investments in the Fund would be Government of Canada and Provincial Treasury Bills ("T-Bills"), Bankers' Acceptances, and Corporate Paper.

### 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 30.3% in the first half of 2018 to \$196.3 million from \$150.7 million at the end of 2017. Of this change, \$1.0 million was attributed to investment gains and \$44.6 million to net inflows.

After fees and expenses, the Money Market Fund has returned 0.5% since the beginning of 2018. This compares to a return of 0.6% for the DEX 91-day T-bill Index.

Our strategy for the Fund is to buy and own a range of securities with term-to-maturity of 5 months or less. Often the securities will be held until maturity.

In order to establish a core strategic view for the Fund, we examine key economic indicators and seek to determine what stage we are at in the business cycle in order to forecast the likely direction and ranges of interest rates. Within each sector our individual decisions on credit are based on a bottom-up analysis of the fundamentals of the business and industry in which the company operates.

The Fund has the capacity to invest in both corporate and provincial issues. At the end of the period, the Fund held 43% of its securities in Government of Canada T-Bills, 33% in Provincial T-Bills, and 24% in Bankers' Acceptance (financial companies). The Fund continues to provide high liquidity and preservation of capital.

### Recent Developments

The Bank of Canada raised its key interest rate to 1.5% in July.

### 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 units of the Fund is 0.60%. During the year, the Fund paid the Manager \$39,177 (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.

In response to several interest rate cuts by the Bank of Canada, Leith Wheeler temporarily reduced the fee on its Money Market Fund from 0.60% to 0.30% to help maintain a positive yield for investors. This reduction was effective August 1, 2015. The amount of this waiver is determined by us, in our discretion, and the full fees may be restored by us at any time.

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.

<b>Series A (inception June 28, 2016)</b>	<b>2018 YTD</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Net assets attributable to holders of redeemable units - per unit, beginning of year <sup>(1) (3)</sup>	\$10.00	\$10.00	\$10.00	n/a	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.06	0.08	0.05	n/a	n/a	n/a
Total expenses	-	-	-	n/a	n/a	n/a
Realized gains (losses) for the year/period	-	-	-	n/a	n/a	n/a
Unrealized gains (losses) for the year/period	-	-	-	n/a	n/a	n/a
Total increase (decrease) from operations <sup>(1)</sup>	0.06	0.08	0.05	n/a	n/a	n/a
Distributions:						
From income (excluding dividends)	(0.07)	(0.08)	(0.03)	n/a	n/a	n/a
From dividends	-	-	-	n/a	n/a	n/a
From capital gains	-	-	-	n/a	n/a	n/a
Return of capital	-	-	-	n/a	n/a	n/a
Total Annual Distributions <sup>(2)</sup>	(0.07)	(0.08)	(0.03)	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year <sup>(1)</sup>	\$10.00	\$10.00	\$10.00	n/a	n/a	n/a

<b>Series B</b>	<b>2018 YTD</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Net assets attributable to holders of redeemable units - per unit, beginning of year <sup>(1)</sup>	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Increase (decrease) from operations:						
Total revenue	0.06	0.08	0.05	0.07	0.11	0.11
Total expenses	(0.01)	(0.02)	(0.03)	(0.05)	(0.07)	(0.07)
Realized gains (losses) for the year/period	-	-	-	-	-	-
Unrealized gains (losses) for the year/period	-	-	-	-	-	-
Total increase (decrease) from operations <sup>(1)</sup>	0.05	0.06	0.02	0.02	0.04	0.04
Distributions:						
From income (excluding dividends)	(0.05)	(0.05)	(0.03)	(0.02)	(0.04)	(0.04)
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total Annual Distributions <sup>(2)</sup>	(0.05)	(0.05)	(0.03)	(0.02)	(0.04)	(0.04)
Net assets attributable to holders of redeemable units - per unit, end of year <sup>(1)</sup>	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00

(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 June 28, 2016, inception date of Series A units of the Fund. Series A initial net asset value per unit offering commenced at the \$10.00.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A (inception June 28, 2016)	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) <sup>(1)</sup>	173,432	125,275	54,134	n/a	n/a	n/a
Number of units outstanding (000s) <sup>(1)</sup>	17,343	12,527	5,413	n/a	n/a	n/a
Management expense ratio (%) <sup>(2)</sup>	-	-	-	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	-	-	-	n/a	n/a	n/a
Trading expense ratio (%) <sup>(3)</sup>	-	-	-	n/a	n/a	n/a
Portfolio turnover rate (%) <sup>(4)</sup>	-	-	-	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	10.00	10.00	10.00	n/a	n/a	n/a

Series B	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) <sup>(1)</sup>	22,842	25,446	29,080	57,215	49,522	28,896
Number of units outstanding (000s) <sup>(1)</sup>	2,284	2,545	2,908	5,721	4,952	2,890
Management expense ratio (%) <sup>(2)</sup>	0.32	0.32	0.32	0.64	0.64	0.64
Management expense ratio before waivers or absorptions (%)	0.64	0.64	0.64	0.64	0.64	0.64
Trading expense ratio (%) <sup>(3)</sup>	-	-	-	0.01	0.01	0.01
Portfolio turnover rate (%) <sup>(4)</sup>	-	-	-	-	-	-
Net assets attributable to holders of redeemable units - per unit (\$)	10.00	10.00	10.00	10.00	10.00	10.00

(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. The portfolio turnover rate is not applicable to money market funds.

Past Performance

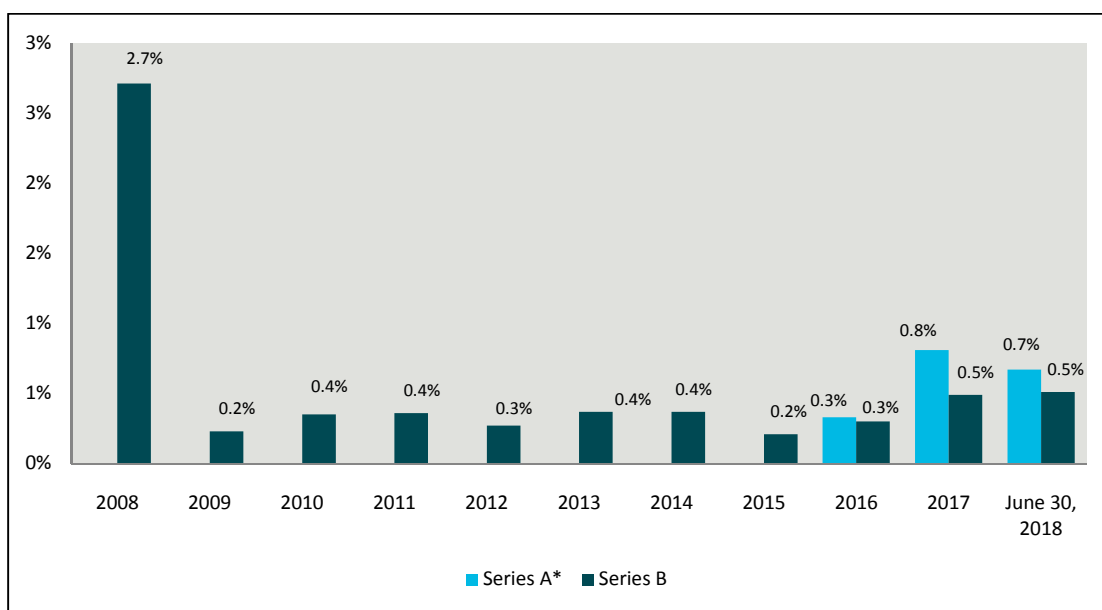
General

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 June 28, 2016. Return from June 28, 2016 to December 31, 2016, not annualized.

## Summary of Investment Portfolio

As at June 30, 2018

### Top 25 Positions

Issuer	% of Net Asset Value
Canada T-Bills 1.4% November 29, 2018	19.2%
Canada T-Bills 1.27% September 20, 2018	7.8%
Canada T-Bills 1.3% October 18, 2018	7.4%
Canada T-Bills 1.27% October 18, 2018	7.3%
Province of Alberta 1.45% August 08, 2018	7.2%
Province of Quebec 1.42% July 27, 2018	6.4%
Province of Saskatchewan 1.5% October 29, 2018	4.8%
TD Bankers' Acceptance 1.62% September 25, 2018	4.7%
CIBC Bankers' Acceptance 1.71% July 23, 2018	4.3%
Province of Ontario 1.36% July 04, 2018	3.5%
Province of British Columbia 1.63% December 03, 2018	3.3%
Honda Canada Finance Inc. 1.65% September 27, 2018	2.8%
Bank of Nova Scotia Bankers' Acceptance 1.67% July 03, 2018	2.7%
Bank of Montreal Bankers' Acceptance 1.64% September 04, 2018	2.7%
National Bank of Canada Bankers' Acceptance 1.63% August 16, 2018	2.5%
Province of Ontario 1.6% November 28, 2018	2.3%
TD Bankers' Acceptance 1.63% August 20, 2018	2.2%
Province of British Columbia 1.48% September 06, 2018	1.8%
Province of Saskatchewan 1.43% August 27, 2018	1.5%
Canada T-Bills 1.22% August 23, 2018	1.2%
Bank of Nova Scotia Bankers' Acceptance 1.62% August 31, 2018	0.8%
Province of British Columbia 1.37% July 10, 2018	0.8%
Bank of Nova Scotia Bankers' Acceptance 1.63% July 26, 2018	0.5%
Province of British Columbia 1.43% September 04, 2018	0.5%
Province of Ontario 1.47% September 26, 2018	0.3%

### Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Discount Notes	56.6%
T-Bills	43.0%
Cash & Other Net Assets	0.4%

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](http://www.leithwheeler.com).*