

Financial Statements of

LEITH WHEELER CANADIAN EQUITY FUND

Years ended December 31, 2010 and 2009

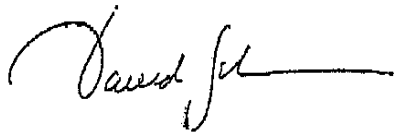
MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Leith Wheeler Canadian Equity Fund (the “Fund”) have been prepared by the Manager, Leith Wheeler Investment Counsel Ltd. The Manager is responsible for the preparation and presentation of the Fund’s financial statements and the development of internal controls over the financial reporting process.

The Board of Directors of the Manager is responsible for reviewing and approving the financial statements and for overseeing the Manager’s performance of its financial reporting responsibilities. The Board of Directors has approved the accompanying financial statements of the Fund.

KPMG LLP, the external auditors of the Fund, were appointed by the Manager, and the external auditors can only be changed with the prior approval of the unitholders of the Fund. As explained in their auditors’ report, KPMG LLP have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their auditors’ report is included in this Annual Report.

Leith Wheeler Investment Counsel Ltd.



David Schaffner
President and Chief Executive Officer



Cecilia Wong
Chief Financial Officer

March 29, 2011



KPMG LLP
Chartered Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Unitholders of Leith Wheeler Canadian Equity Fund

We have audited the accompanying financial statements of Leith Wheeler Canadian Equity Fund, which comprise the statement of investment portfolio as at December 31, 2010, the statements of net assets as at December 31, 2010 and December 31, 2009, the statements of operations and changes in net assets for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

The Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the statement of investment portfolio of Leith Wheeler Canadian Equity Fund as at December 31, 2010, its statements of net assets as at December 31, 2010 and December 31, 2009, and its statements of operations and changes in net assets for the years then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

March 29, 2011
Vancouver, Canada

LEITH WHEELER CANADIAN EQUITY FUND

Statement of Investment Portfolio

December 31, 2010

Number of shares	Cost	Fair value	Percentage of net assets
Canadian Equity			
Consumer Discretionary:			
432,700 Astral Media Inc.	\$ 15,110,279	\$ 18,151,765	
194,900 Canadian Tire A	11,448,996	13,288,282	
455,800 Cogeco Cable Inc.	16,311,964	18,692,358	
190,900 Corus Entertainment B Non-Voting	4,143,769	4,222,708	
439,000 Forzani Group Class A	6,760,055	8,033,700	
798,800 Great Canadian Gaming Corp.	6,013,644	5,871,180	
1,631,400 Shaw Communications B	33,386,686	34,748,820	
21,022 Tim Hortons Inc.	674,110	864,004	
546,200 Transat A.T. Inc. Class B	11,759,867	10,257,636	
	105,609,370	114,130,453	10.34%
Consumer Staples:			
989,900 Alimentation Couche-Tard Sub Voting	20,987,679	26,766,896	
1,816,500 Saputo Inc.	41,736,473	71,679,090	
	62,724,152	98,445,986	8.92%
Energy:			
3,798,000 Anderson Energy Ltd.	6,306,388	3,949,920	
510,100 Baytex Energy Trust	13,147,423	23,765,559	
1,236,202 Canadian Natural Resources Ltd.	45,526,790	54,726,663	
1,650,050 Encana Corporation	50,680,400	47,917,452	
1,265,900 Nuvista Energy Ltd.	11,750,174	11,709,575	
1,638,117 Pengrowth Energy Trust	17,587,114	20,902,373	
1,695,200 Progress Energy Resources Corp.	19,547,699	21,529,040	
819,900 Pulse Seismic Inc.	1,645,386	1,426,626	
447,226 Pure Energy Services Ltd.	1,608,277	2,584,966	
1,432,800 Savanna Energy Services Corp.	18,196,465	10,129,896	
2,868,700 Talisman Energy Inc.	45,856,311	63,426,957	
394,950 Trican Well Service Ltd.	6,135,263	7,942,445	
	237,987,690	270,011,472	24.47%
Financials:			
1,159,890 Bank of Nova Scotia	54,058,683	66,148,527	
1,084,400 Canadian Western Bank	24,841,970	30,753,584	
450,600 Canadian Imperial Bank of Commerce	32,874,161	35,241,426	
731,800 Genworth Mortgage Insurance Company Canada Inc.	16,027,200	20,146,454	
1,076,418 Great-West Lifeco Inc.	29,135,831	28,374,378	
264,800 Home Capital Group Inc.	12,479,191	13,695,456	
593,100 Industrial Alliance Insurance	17,710,143	21,790,494	
1,416,100 Manulife Financial Corp.	21,687,254	24,215,310	
175,400 National Bank of Canada	11,748,651	11,997,360	
949,550 Royal Bank of Canada	45,027,005	49,566,510	
984,300 Toronto Dominion Bank	61,385,441	72,936,630	
	326,975,530	374,866,129	33.97%
Industrials:			
3,923,075 CAE Inc.	36,500,327	44,879,978	
618,800 Canadian National Railway Co.	30,175,952	40,995,500	
1,316,100 Finning International Inc.	24,139,373	35,561,022	
300,000 Richelieu Hardware Ltd.	7,143,592	9,186,000	
1,780,850 Toromont Industries Ltd.	37,582,127	54,778,946	
79,800 Wajax Income Fund	2,227,389	2,927,862	
492,100 Westjet Airlines Ltd.	6,989,221	6,904,163	
	144,757,981	195,233,471	17.69%

LEITH WHEELER CANADIAN EQUITY FUND

Statement of Investment Portfolio (continued)

December 31, 2010

Number of shares	Cost	Fair value	Percentage of net assets
Canadian Equity			
Information Technologies:			
220,400 Constellation Software Inc.	\$ 5,632,058	\$ 10,925,228	
528,400 Miranda Technologies Inc.	6,258,215	2,879,780	
	11,890,273	13,805,008	1.25%
Telecom Services:			
909,450 Rogers Communications Inc. Class B	30,698,826	31,385,120	2.84%
Total Canadian Equity	920,643,822	1,097,877,639	99.48%
Money Market Securities	4,606,788	4,606,788	0.42%
Total Investment Portfolio	\$ 925,250,610	1,102,484,427	99.90%
Other Assets less Liabilities		1,086,267	0.10%
Net Assets		\$1,103,570,694	100.00%

See accompanying notes to financial statements.

LEITH WHEELER CANADIAN EQUITY FUND

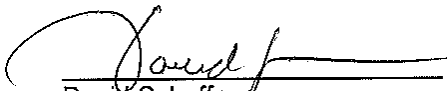
Statements of Net Assets

December 31, 2010 and 2009

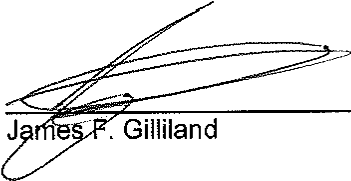
	2010	2009
Assets		
Investment portfolio, at fair value	\$ 1,102,484,427	\$ 832,083,467
Cash	3,580,335	203,536
Subscriptions receivable	702,464	582,632
Accrued income receivable	2,504,937	2,006,479
Receivable from brokers	963,678	960,375
	<u>1,110,235,841</u>	<u>835,836,489</u>
Liabilities		
Redemptions payable	626,246	64,587
Payable to brokers	5,514,848	3,943,578
Management fees payable	524,053	416,714
	<u>6,665,147</u>	<u>4,424,879</u>
Net assets representing unitholders' equity	\$ 1,103,570,694	\$ 831,411,610
Unitholders' equity allocation by series:		
Series A	\$ 899,368,506	\$ 666,843,065
Series B	204,202,188	164,568,545
	<u>\$ 1,103,570,694</u>	<u>\$ 831,411,610</u>
Number of units outstanding (note 8):		
Series A	27,078,591	22,962,937
Series B	5,926,122	5,478,520
Net asset per unit (note 3):		
Series A	\$ 33.21	\$ 29.04
Series B	34.46	30.04

See accompanying notes to financial statements.

On behalf of the Manager, Leith Wheeler Investment Counsel Ltd.:



David Schaffner Director



James P. Gilliland Director

LEITH WHEELER CANADIAN EQUITY FUND

Statements of Operations

Years ended December 31, 2010 and 2009

	2010	2009
Investment income:		
Dividends	\$ 21,564,703	\$ 20,056,901
Interest	23,689	38,465
Other	3,871,838	3,167,512
	<u>25,460,230</u>	<u>23,262,878</u>
Expenses:		
Management fees (note 6)	2,491,585	1,874,791
Harmonized Sales Tax (note 7)	213,662	93,740
	<u>2,705,247</u>	<u>1,968,531</u>
Net investment income	22,754,983	21,294,348
Net gain (loss) from investing activities:		
Proceeds from sale of investments	621,189,545	482,259,711
Investment portfolio at cost, beginning of year	767,582,423	784,364,973
Cost of investments purchased	755,668,642	510,136,657
Investment portfolio at cost, end of year	<u>(925,250,610)</u>	<u>(767,582,423)</u>
Cost of investments sold	598,000,455	526,919,207
Net realized gain (loss) on sale of investments	23,189,090	(44,659,496)
Change in unrealized appreciation in value of investments	113,741,087	218,625,992
Transaction costs	<u>(1,023,255)</u>	<u>(648,730)</u>
Net gain from investing activities	135,906,922	173,317,766
Increase in net assets from operations	\$ 158,661,905	\$ 194,612,114
Increase in net assets from operations per series:		
Series A	\$ 131,372,051	\$ 160,298,855
Series B	27,289,854	34,313,259
Increase in net assets from operations per unit:		
Series A	\$ 5.16	\$ 6.99
Series B	4.76	6.61

See accompanying notes to financial statements.

LEITH WHEELER CANADIAN EQUITY FUND

Statements of Changes in Net Assets

Years ended December 31, 2010 and 2009

	2010	2009
Series A		
Increase in net assets from operations	\$ 131,372,051	\$ 160,298,855
Distributions to unitholders of taxable income:		
Out of net investment income	(20,104,143)	(18,270,056)
Unit transactions (note 8):		
Subscription of units	205,991,355	165,107,963
Reinvestment of distributions	20,102,675	18,256,214
Redemption of units	(104,836,497)	(170,891,315)
	121,257,533	12,472,862
Increase in net assets	232,525,441	154,501,661
Net assets, beginning of year	666,843,065	512,341,404
Net assets, end of year	\$ 899,368,506	\$ 666,843,065
Series B		
Increase in net assets from operations	\$ 27,289,854	\$ 34,313,259
Distributions to unitholders of taxable income:		
Out of net investment income	(1,281,634)	(2,011,410)
Unit transactions (note 8):		
Subscription of units	30,471,099	32,090,395
Reinvestment of distributions	1,275,146	2,003,472
Redemption of units	(18,120,822)	(19,590,254)
	13,625,423	14,503,613
Increase in net assets	39,633,643	46,805,462
Net assets, beginning of year	164,568,545	117,763,083
Net assets, end of year	\$ 204,202,188	\$ 164,568,545

See accompanying notes to financial statements.

LEITH WHEELER CANADIAN EQUITY FUND

Notes to Financial Statements

Years ended December 31, 2010 and 2009

1. Operations:

The Leith Wheeler Canadian Equity Fund (the "Fund") was established under the laws of British Columbia pursuant to various trust indentures between Leith Wheeler Investment Counsel Ltd., as manager (the "Manager"), and Canada Trust Company, as trustee. Effective June 30, 1999, the Fund's trustee was changed to CIBC Mellon Trust Company and the Fund's custodian was changed to the Canadian Imperial Bank of Commerce.

The Fund commenced operations on April 27, 1994. Effective September 20, 2004, the trust indenture for the Canadian Equity Fund was amended to allow for an unlimited number of series and an unlimited number of units of each series. Currently authorized series of units are as follows: Series A units do not carry any management fees and are available to investors that satisfy certain criteria related to the nature of the investors and certain other matters as established by the Manager; Series B units are available to all other investors. Units outstanding prior to September 20, 2004 were reclassified as Series B units. The Fund has Series A and Series B units outstanding.

2. Significant accounting policies:

(a) Valuation of investments:

Investments are deemed to be held for trading in accordance with Canadian Institute of Chartered Accountants (CICA) Section 3855, *Financial Instruments - Recognition and Measurement* ("Section 3855") and therefore are recorded at fair value in accordance with CICA Accounting Guideline 18, *Investment Companies*.

Financial instruments carried at fair value are categorized in accordance with CICA Section 3862, *Financial Instruments – Disclosures* ("Section 3862"). Section 3862 establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The three levels of the fair value hierarchy are as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The fair value of investments as at the financial reporting date is determined as follows:

The fair value of equity securities is generally the closing bid price for a security on the recognized exchange on which it is principally traded.

Bonds and other debt securities are recorded at fair value, usually established using the closing bid price on the over-the-counter market.

LEITH WHEELER CANADIAN EQUITY FUND

Notes to Financial Statements

Years ended December 31, 2010 and 2009

2. Significant accounting policies (continued):

(a) Valuation of investments (continued):

Money market securities are valued at amortized cost, which approximates their fair value.

Should the quoted value for a security, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value of the security is estimated by using appropriate valuation techniques. Fair value is determined by the Manager on the basis of the most recently reported information for the security, similar securities and the markets in which the security is active.

Investments in securities of another investment fund are valued on a business day at the net asset value per security calculated in accordance with the offering documents of such a investment fund.

(c) Income recognition:

Income from investments is recognized on an accrual basis, with dividends recorded as of the ex-dividend date. Other income includes income from income trusts. Distributions received from income trusts are recognized based on the nature of the underlying components such as income, capital gains, and return of capital.

(d) Foreign exchange:

Foreign currency amounts are translated into Canadian dollars on the following bases:

- (i) Fair value of portfolio investments, other assets and liabilities at the rate of exchange prevailing on each valuation day.
- (ii) Purchases and sales of portfolio investments, income and expenses at the rate of exchange prevailing on the respective dates of such transactions.

Realized and unrealized gains and losses from foreign exchange are included in realized gain (loss) on sale of investments and change in unrealized appreciation (depreciation) of investments, respectively.

(e) Valuation of each series of units:

A different net asset value is calculated for each series of the Fund. The net asset value of a particular series of units is computed by calculating the value of that series' proportionate share of the assets less liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative net assets of each series. Expenses are accrued daily.

LEITH WHEELER CANADIAN EQUITY FUND

Notes to Financial Statements

Years ended December 31, 2010 and 2009

2. Significant accounting policies (continued):

(f) Per unit value:

Per unit values for each series of the Fund are calculated as follows:

- (i) Net asset value per unit is calculated by dividing the net assets attributable to the series, determined in accordance with Generally Accepted Accounting Principles (GAAP), by the total number of units of the series outstanding at year end.
- (ii) Net increase (decrease) in net assets from operations per unit, represents the net increase (decrease) in net assets of the series from operations for the year divided by the daily weighted average units outstanding for the series during the year.

(g) Other assets and liabilities:

For the purpose of categorization in accordance with Section 3855, accrued interest and dividends, receivables for securities issued, amounts due from brokers, the Manager, and other net assets are designated as receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, accounts payable for securities redeemed, accrued expenses and other liabilities (including market fees payable) are designated as other financial liabilities and reported at cost or amortized cost. Cost or amortized cost approximates fair value for these assets and liabilities.

(h) Income taxes:

The Fund qualifies as an open-ended mutual fund trust under the *Income Tax Act (Canada)*. The Fund distributes to unitholders the following amounts which would otherwise attract tax in the Fund.

- Quarterly, net investment income;
- Annually, net realized gain on sale of investment, net of loss carryforwards and other applicable deductions allowed by the taxation authorities.

Accordingly, no provision for income taxes is reflected in the financial statements of the Fund.

(i) Future accounting change

The CICA will transition publicly accountable entities from Canadian generally accepted accounting principles (GAAP) to International Financial Reporting Standards (IFRS). The Fund's financial statements will be prepared in accordance with IFRS for the fiscal year commencing on January 1, 2013 and will include comparative information prepared on the same basis. The impact of adopting IFRS is expected to be mainly in presentation and additional disclosures in the Financial Statements of the Fund.

LEITH WHEELER CANADIAN EQUITY FUND

Notes to Financial Statements

Years ended December 31, 2010 and 2009

3. Reconciliation of Net Asset Value to Net Assets:

The calculation of net assets of an investment fund for financial reporting (“Net Assets”) differs from the calculation of the net asset value (“Net Asset Value”) of an investment fund because Section 3855 requires the fair values of marketable securities to be based on the closing bid quotations, while for trading purposes, these are generally determined at either the last sale price or the midpoint between the closing bid and asked quotations.

Section 14.2 of National Instrument 81-106 (“NI 81-106”) issued by the Canadian Securities Administrators requires an investment fund to calculate its daily Net Asset Value for the purchase and redemption of units based on the fair value of the investment fund’s assets and liabilities. The Fund has not changed the methodology in this respect. In accordance with NI 81-106, the Net Asset Value per unit compared to the Net Assets per unit and an explanation of the differences between such amounts, are required in the notes to the financial statements.

The impact of applying Section 3855 on the Net Asset Value of the Fund is as follows:

	As at December 31, 2010			Amounts per Unit as at December 31, 2010	
	Net Asset Value (Closing sale/ mid price)	Section 3855 adjustment	Net Assets (Closing bid price)	Net Asset Value (Closing sale/ mid price)	Net Assets (Closing bid price)
Series A	\$ 901,029,023	\$ (1,660,517)	\$ 899,368,506	\$ 33.28	\$ 33.21
Series B	204,579,209	(377,021)	204,202,188	34.52	34.46

	As at December 31, 2009			Amounts per Unit as at December 31, 2009	
	Net Asset Value (Closing sale/ mid price)	Section 3855 adjustment	Net Assets (Closing bid price)	Net Asset Value (Closing sale/ mid price)	Net Assets (Closing bid price)
Series A	\$ 668,733,304	\$ (1,890,239)	\$ 666,843,065	\$ 29.12	\$ 29.04
Series B	165,035,033	(466,488)	164,568,545	30.12	30.04

4. Fair value of Financial Instruments:

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Fund’s financial instruments are recorded at fair value or at amounts that approximates fair value in the financial statements.

The following table presents information regarding the classification of the Fund’s financial instruments within the fair value hierarchy as at December 31, 2010 and 2009:

	Assets at fair value as at December 31, 2010			
	Level 1	Level 2	Level 3	Total
Short Term Notes	\$ -	\$ 4,606,788	\$ -	\$ 4,606,788
Equities – Long	1,097,877,639	-	-	1,097,877,639
	\$ 1,097,877,639	\$ 4,606,788	\$ -	\$ 1,102,484,427

LEITH WHEELER CANADIAN EQUITY FUND

Notes to Financial Statements

Years ended December 31, 2010 and 2009

4. Fair value of Financial Instruments (continued):

	Assets at fair value as at December 31, 2009			
	Level 1	Level 2	Level 3	Total
Short Term Notes	\$ -	\$ 4,616,606	\$ -	\$ 4,616,606
Equities – Long	827,466,861	-	-	827,466,861
	\$ 827,466,861	\$ 4,616,606	\$ -	\$ 832,083,467

There were no transfers between the three levels from December 31, 2009 to December 31, 2010 (December 31, 2008 to December 31, 2009 – nil).

5. Financial instrument risk and risk management:

The investment objective of the Fund is to provide superior long-term investment returns by investing in a diversified portfolio of Canadian common shares, convertible debentures and other equity related securities.

The Fund's investment activities expose it to a variety of financial risks. The Statement of Investments presents the securities held by the Fund as at December 31, 2010, and groups the securities by asset type, geographic region and/or market segment. Significant risks arising from the financial instruments held by the Fund are discussed below.

No changes affecting the overall level of risk of investing in the Fund were made during the period. The risks of the Fund will remain as discussed in the most recent Simplified Prospectus.

(a) Other market risk:

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital.

The Manager moderates this risk through a careful selection of securities and other financial instruments within the parameter of the investment strategy. The statement of investment groups securities by asset type, geographic region and/or market segment.

For this Fund, the most significant exposure to other market risk arises from its investment in equity securities. As at December 31, 2010, had the prices on the respective stock exchanges for these securities raised or lowered by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$109,787,764 (2009 - \$83,208,347) respectively. In practice, the actual trading results may differ and the difference could be material.

LEITH WHEELER CANADIAN EQUITY FUND

Notes to Financial Statements

Years ended December 31, 2010 and 2009

5. Financial instrument risk and risk management (continued):

(b) Liquidity risk:

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund's exposure to liquidity risk is concentrated in the daily cash redemptions of units. Therefore, the Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity. The Fund is also subject to the requirements of NI 81-102, where the Fund shall not purchase an illiquid asset if, immediately after the purchase, more than 10 percent of the net assets of the fund, taken at market value at the time of purchase, would consist of illiquid assets.

6. Management fees and expenses:

In respect of Series A units, the unitholder pays the Manager a negotiated management fee outside the Fund. In respect of Series B units, the Manager is entitled to receive a management fee, calculated daily and paid quarterly, equal to 1.40% per annum applied to the Net Asset Value of the respective series.

Amounts payable to the Manager by a Series A unitholder, including Harmonized Sales Tax thereon (see note 7), in respect of management fees, are paid directly by unitholders and therefore not included as an expense of the Fund in the Statement of Operations.

The Manager is also entitled to reimbursement of reasonable expenses incurred on behalf of the Fund in connection with charges made for registry and transfer agency services, interest expense, and costs and expenses associated with holding unitholders' meetings.

The Manager has at times absorbed certain expenses incurred on behalf of the Fund, in which case such amounts are shown as a deduction from expenses in the statements of operations. The Manager is under no legal obligation to continue this arrangement, and may terminate it at any time.

Management fees and subscriptions for units include distributions that may be made to particular unitholders by the Manager in respect of fee reductions agreed between the respective unitholder and the Manager. Such management fee distributions for the year were \$817,846 (2009 - \$514,913).

LEITH WHEELER CANADIAN EQUITY FUND

Notes to Financial Statements

Years ended December 31, 2010 and 2009

7. Harmonized sales tax:

Effective July 1, 2010, certain provinces have harmonized their provincial sales tax (PST) with the federal goods and services tax (GST). This resulted in an increase in the management expense ratio of the Series B units of the Fund. "Harmonized sales tax" (HST) on the Statement of Operations represents the total HST (including GST up to June 30, 2010) calculated on all expenses.

Investment funds in Canada are required to calculate the HST rate using specific rules. The specific rules and guidance require HST to be calculated using the residency of unitholders and the current value of their interests, rather than the physical location of the fund manager. This results in a blended HST rate that is applied to the management fees and expenses of the Fund.

8. Unitholders' equity:

Pursuant to its trust indenture, the Fund has authorized an unlimited number of units, which are redeemable at the option of the unitholders. Issued units are summarized as follows:

	Outstanding units at beginning of year	Purchased during the year	Reinvested distributions	Redeemed during the year	Outstanding units at end of year
Series A					
2010	22,962,937	6,867,090	657,933	(3,409,369)	27,078,591
2009	22,135,407	7,168,860	724,754	(7,066,084)	22,962,937
Series B					
2010	5,478,520	988,175	41,246	(581,819)	5,926,122
2009	4,926,416	1,249,305	80,003	(777,204)	5,478,520

9. Income taxes:

The Fund has non tax effected net realized capital losses available of \$34,431,000 (2009 - \$39,685,000) for utilization against net realized capital gains in future years. Capital losses have no expiry. The Fund has no non-capital loss carryforwards.

10. Brokerage commissions:

The total brokerage commissions paid by the Fund for the year were \$1,008,314 (2009 - \$638,121).

A statement of portfolio transactions for the year ended December 31, 2010 will be provided for the Fund, without charge, on request to the Manager:

Leith Wheeler Investment Counsel Ltd.
400 Burrard Street, Suite #1500
Vancouver, BC V6C 3A6

Distributions of each Fund are automatically reinvested in units. Unitholders of the Fund are reminded that you can elect to receive your distributions in cash by giving us written notice at least 10 business days before a distribution date. There is no deferred (or contingent) sales or redemption fee payable on redemptions of units.

You can obtain a copy of the current simplified prospectus of the Leith Wheeler Canadian Equity Fund by calling (604) 683-3391 or toll-free at 1 (888) 292-1122 and asking for the Investment Funds department, by e-mail at info@leithwheeler.com or by writing to the Investment Funds Department of Leith Wheeler Investment Counsel Ltd. at 1500 - 400 Burrard Street, Vancouver, BC V6C 3A6.

Our clients are entitled to obtain specific information about Leith Wheeler Investment Counsel Ltd. Our most recent Statement of Financial Condition, a list of our directors and senior officers, and any information about administration proceedings that may relate to the firm or our staff are available upon request.

