

Interim Financial Statements (unaudited)

LEITH WHEELER BALANCED FUND

Six months ended June 30, 2018 and 2017

Quiet Money.®

Unaudited Interim Financial Statements for the Six-Month Period Ended June 30, 2018

The accompanying unaudited interim financial statements 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 unaudited interim financial statements include statements of financial position, statements of comprehensive income, statements of changes in net assets, statements of cash flows, notes to financial statements and schedule of investment portfolio. These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

These unaudited interim financial statements do not contain the Interim Management Report of Fund Performance ("MRFP") of the investment fund. If you have not received a copy of the Interim MRFP, you may obtain a copy of the Interim MRFP at your request, and at no cost, by calling the toll-free number 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 by visiting the SEDAR website at www.sedar.com. Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.

Security holders 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.

Leith Wheeler Investment Counsel Ltd.

James F. Gilliland

President and Chief Executive Officer

Cecilia Wong

Chief Financial Officer

August 29, 2018

Disclosure of Auditor Review

The accompanying interim financial statements have not been reviewed by the external auditors of the Funds.

LEITH WHEELER BALANCED FUND

Statements of Financial Position (unaudited)
(Expressed in thousands except for per unit amounts)

| | Note | June 30, 2018 | December 31, 2017 |
|---|------|-------------------|----------------------|
| Assets | | | |
| Cash | | \$ 157 | \$ 155 |
| Amounts due from brokers | | 103 | 121 |
| Interest and dividends receivable | | 299 | 268 |
| Subscriptions receivable | | - | 125 |
| Investments | | 116,975 | 111,052 |
| | | <u>117,534</u> | <u>111,721</u> |
| Liabilities | | | |
| Amounts due to brokers | | 13 | 102 |
| Management fees payable | 1 | 217 | 202 |
| Redemptions payable | | 59 | 46 |
| | | <u>289</u> | <u>350</u> |
| Net assets attributable to holders of redeemable units | | \$ 117,245 | \$ 111,371 |
| Represented by: | | | |
| Series A | | \$ 14,187 | \$ 13,348 |
| Series B | | 99,708 | 96,402 |
| Series F | | 3,350 | 1,621 |
| | | <u>\$ 117,245</u> | <u>\$ 111,371</u> |
| Net assets attributable to holders of redeemable units per unit: | | | |
| Series A | | \$ 25.82 | \$ 25.81 |
| Series B | | 26.34 | 26.32 |
| Series F | | 25.18 | 25.22 |

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors of
Leith Wheeler Investment Counsel Ltd.,
in its capacity as Manager.

“James F. Gilliland” Director “Jonathon D. Palfrey” Director

LEITH WHEELER BALANCED FUND

Statements of Comprehensive Income (unaudited)

(Expressed in thousands except for per unit amounts)

Six months ended June 30, 2018 and 2017

| | Note | 2018 | 2017 |
|---|------|---------------|-----------------|
| Revenue: | | | |
| Interest income | | \$ 571 | \$ 534 |
| Dividend income | | 958 | 871 |
| Changes in fair value of investments: | | | |
| Net realized gain (loss) | | 697 | 1,163 |
| Net change in unrealized appreciation (depreciation) | | (552) | 1,000 |
| Total revenue | | 1,674 | 3,568 |
| Expenses: | | | |
| Management fees | 1 | 544 | 513 |
| Withholding taxes | 2 | 73 | 41 |
| GST/HST | | 35 | 29 |
| Commissions and transaction costs | | 14 | 15 |
| Total operating expenses | | 666 | 598 |
| Management fee distributions | 1 | (157) | (155) |
| Net operating expenses | | 509 | 443 |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions | | 1,165 | 3,125 |
| Distributions to holders of redeemable units: | | | |
| From net investment income | | (884) | (790) |
| Management fee distributions | 1 | (157) | (155) |
| | | (1,041) | (945) |
| Increase (decrease) in net assets attributable to holders of redeemable units | | \$ 124 | \$ 2,180 |
| Increase (decrease) in net assets attributable to holders of redeemable units: | | | |
| Series A | | \$ 14 | \$ 209 |
| Series B | | 104 | 1,938 |
| Series F | | 6 | 33 |
| | | \$ 124 | \$ 2,180 |
| Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions): | | | |
| Series A | | \$ 0.37 | \$ 0.76 |
| Series B | | 0.25 | 0.74 |
| Series F | | 0.35 | 0.70 |

The accompanying notes are an integral part of these financial statements.

LEITH WHEELER BALANCED FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (unaudited)
(Expressed in thousands)

Six months ended June 30, 2018 and 2017

| Series A | Note | 2018 | 2017 |
|---|------|-----------|-----------|
| Balance, beginning of period | | \$ 13,348 | \$ 11,434 |
| Increase (decrease) in net assets attributable to holders of redeemable units | | 14 | 209 |
| Redeemable unit transactions: | | | |
| Issue of redeemable units | | 1,110 | 2,897 |
| Reinvestment of distributions | | 182 | 165 |
| Redemption of redeemable units | | (467) | (1,128) |
| Net increase (decrease) from redeemable unit transactions | | 825 | 1,934 |
| Balance, end of period | | \$ 14,187 | \$ 13,577 |

| Series B | Note | 2018 | 2017 |
|---|------|-----------|-----------|
| Balance, beginning of period | | \$ 96,402 | \$ 89,486 |
| Increase (decrease) in net assets attributable to holders of redeemable units | | 104 | 1,938 |
| Redeemable unit transactions: | | | |
| Issue of redeemable units | | 7,412 | 8,429 |
| Reinvestment of distributions | | 670 | 611 |
| Redemption of redeemable units | | (4,880) | (6,990) |
| Net increase (decrease) from redeemable unit transactions | | 3,202 | 2,050 |
| Balance, end of period | | \$ 99,708 | \$ 93,474 |

| Series F | Note | 2018 | 2017 |
|---|------|----------|----------|
| Balance, beginning of period | | \$ 1,621 | \$ 1,374 |
| Increase (decrease) in net assets attributable to holders of redeemable units | | 6 | 33 |
| Redeemable unit transactions: | | | |
| Issue of redeemable units | | 1,833 | 270 |
| Reinvestment of distributions | | 25 | 12 |
| Redemption of redeemable units | | (135) | (81) |
| Net increase (decrease) from redeemable unit transactions | | 1,723 | 201 |
| Balance, end of period | | \$ 3,350 | \$ 1,608 |

The accompanying notes are an integral part of these financial statements.

LEITH WHEELER BALANCED FUND

Statements of Cash Flows (unaudited)

(Expressed in thousands)

Six months ended June 30, 2018 and 2017

| | Note | 2018 | 2017 |
|---|------|----------|----------|
| Cash provided by (used in): | | | |
| Operating activities: | | | |
| Increase (decrease) in net assets attributable to holders of redeemable units | | \$ 124 | \$ 2,180 |
| Adjustments for: | | | |
| Net realized (gain) loss from investments | | (697) | (1,163) |
| Net change in unrealized (appreciation) depreciation from investments | | 552 | (1,000) |
| Amounts due from brokers | | 18 | (584) |
| Interest income | | (571) | (534) |
| Dividend income | | (958) | (871) |
| Amounts due to brokers | | (89) | 628 |
| Management fees payable | | 15 | 13 |
| Redemptions payable | | 13 | (94) |
| Subscriptions receivable | | 125 | 19 |
| Proceeds from sale of investments | | 52,459 | 44,021 |
| Purchases of investments | | (58,237) | (48,359) |
| Interest received | | 539 | 533 |
| Dividends received | | 959 | 876 |
| | | (5,748) | (4,335) |
| Financing activities: | | | |
| Proceeds from issue of redeemable units | | 10,355 | 11,596 |
| Reinvestment of distributions | | 877 | 788 |
| Payments on redemption of redeemable units | | (5,482) | (8,199) |
| | | 5,750 | 4,185 |
| Net increase (decrease) in cash | | 2 | (150) |
| Cash, beginning of period | | 155 | 322 |
| Cash, end of period | | \$ 157 | \$ 172 |

The accompanying notes are an integral part of these financial statements.

LEITH WHEELER BALANCED FUND

Schedule of Investment Portfolio (unaudited)

(Expressed in thousands)

June 30, 2018

| Security | Coupon Rate % | Maturity | Par Value | Cost | Fair Value | % of Net Assets |
|--|------------------|-----------|-----------|-------|---------------|--------------------|
| BONDS AND GUARANTEES | | | | | | |
| Corporate Bonds and Guarantees: | | | | | | |
| 407 International Inc | 3.720 | 11-May-48 | \$ 92 | \$ 92 | \$ 95 | |
| 407 International Inc | 5.960 | 3-Dec-35 | 84 | 119 | 113 | |
| Aimco Realty Investors | 2.270 | 26-Jun-24 | 45 | 45 | 43 | |
| Alectra Inc | 3.960 | 30-Jul-42 | 68 | 71 | 73 | |
| Alliance Pipeline LP | 7.180 | 30-Jun-23 | 42 | 51 | 47 | |
| Allied Properties Real Estate Investment Trust | 3.640 | 21-Apr-25 | 13 | 13 | 13 | |
| AltaGas Ltd | 4.400 | 15-Mar-24 | 81 | 84 | 85 | |
| AltaLink LP | 4.920 | 17-Sep-43 | 86 | 108 | 106 | |
| Arrow Lakes Power | 5.520 | 5-Apr-41 | 59 | 59 | 69 | |
| Bank of Montreal | 1.610 | 28-Oct-21 | 435 | 424 | 419 | |
| Bank of Montreal | 1.880 | 31-Mar-21 | 750 | 742 | 734 | |
| Bank of Montreal | 2.100 | 6-Oct-20 | 140 | 139 | 138 | |
| Bank of Montreal | 2.890 | 20-Jun-23 | 175 | 175 | 175 | |
| Bank of Nova Scotia | 1.830 | 27-Apr-22 | 71 | 71 | 68 | |
| Bank of Nova Scotia | 1.900 | 2-Dec-21 | 181 | 177 | 176 | |
| Bank of Nova Scotia | 2.090 | 9-Sep-20 | 305 | 305 | 301 | |
| Bank of Nova Scotia | 2.270 | 13-Jan-20 | 76 | 77 | 76 | |
| Bank of Nova Scotia | 2.360 | 8-Nov-22 | 198 | 198 | 194 | |
| Bank of Nova Scotia | 2.980 | 17-Apr-23 | 112 | 112 | 112 | |
| Bell Canada | 2.900 | 12-Aug-26 | 40 | 40 | 38 | |
| Bell Canada | 3.350 | 22-Mar-23 | 76 | 79 | 77 | |
| Bell Canada | 3.550 | 2-Mar-26 | 200 | 203 | 201 | |
| Bell Canada | 4.950 | 19-May-21 | 223 | 249 | 236 | |
| Blackbird Infrastructure 407 GP | 1.710 | 8-Oct-21 | 84 | 84 | 83 | |
| BMW Canada Inc | 1.780 | 19-Oct-20 | 91 | 91 | 89 | |
| BMW Canada Inc | 1.880 | 11-Dec-20 | 45 | 45 | 44 | |
| BMW Canada Auto Trust | 2.140 | 20-Jan-20 | 320 | 320 | 320 | |
| Brookfield Infrastructure Finance ULC | 3.320 | 22-Feb-24 | 56 | 56 | 55 | |
| Brookfield Infrastructure Finance ULC | 3.540 | 30-Oct-20 | 155 | 155 | 157 | |
| Brookfield Renewable Energy Partners ULC | 5.250 | 5-Nov-18 | 42 | 45 | 42 | |
| Bruce Power LP | 2.840 | 23-Jun-21 | 334 | 338 | 333 | |
| Calloway Real Estate Investment Trust | 2.880 | 21-Mar-22 | 96 | 96 | 95 | |
| Canadian Imperial Bank of Commerce | 1.640 | 12-Jul-21 | 571 | 557 | 553 | |
| Canadian Imperial Bank of Commerce | 1.660 | 20-Jan-20 | 171 | 171 | 169 | |
| Canadian Natural Resources Ltd | 3.050 | 19-Jun-19 | 16 | 16 | 16 | |
| Canadian Real Estate Investment Trust | 2.950 | 18-Jan-23 | 90 | 89 | 89 | |
| CU Inc | 4.720 | 9-Sep-43 | 50 | 56 | 60 | |
| CU Inc | 5.900 | 20-Nov-34 | 139 | 174 | 180 | |
| Canadian Utilities Ltd | 9.920 | 1-Apr-22 | 213 | 310 | 265 | |
| Canadian Western Bank | 3.080 | 14-Jan-19 | 136 | 138 | 137 | |
| Capital Power Corp | 5.280 | 16-Nov-20 | 63 | 68 | 66 | |
| Choice Properties LP | 3.600 | 20-Apr-20 | 81 | 85 | 82 | |
| Choice Properties REIT | 3.010 | 21-Mar-22 | 275 | 275 | 274 | |
| CNH Capital Canada Receivables Trust | 1.350 | 15-Oct-19 | 24 | 24 | 24 | |
| CT Real Estate Investment Trust | 2.850 | 9-Jun-22 | 105 | 108 | 104 | |
| Daimler Canada Finance Inc | 1.780 | 19-Aug-19 | 94 | 95 | 93 | |
| Dollarama Inc | 2.200 | 10-Nov-22 | 117 | 115 | 113 | |
| Dollarama Inc | 2.340 | 22-Jul-21 | 158 | 158 | 156 | |
| Dollarama Inc | 3.100 | 5-Nov-18 | 188 | 191 | 189 | |
| Dollarama Inc | 2.210 | 1-Feb-21 | 40 | 40 | 40 | |
| Dollarama Inc | 2.349 | 16-Mar-20 | 136 | 136 | 137 | |
| Enbridge Gas Distribution Inc | 2.500 | 5-Aug-26 | 38 | 38 | 37 | |
| Enbridge Gas Distribution Inc | 4.000 | 22-Aug-44 | 45 | 47 | 48 | |
| Enbridge Inc | 3.940 | 30-Jun-23 | 65 | 70 | 67 | |
| Enbridge Inc | 4.240 | 27-Aug-42 | 18 | 17 | 17 | |
| Enbridge Inc | 4.260 | 1-Feb-21 | 57 | 61 | 59 | |
| Enbridge Inc | 4.530 | 9-Mar-20 | 55 | 58 | 57 | |
| Enbridge Income Fund Holdings Inc | 4.850 | 22-Feb-22 | 252 | 265 | 266 | |
| Enbridge Income Fund | 4.870 | 21-Nov-44 | 60 | 64 | 64 | |
| Enbridge Pipelines Inc | 3.450 | 29-Sep-25 | 145 | 145 | 146 | |
| Fair Hydro Trust | 3.360 | 15-May-33 | 47 | 48 | 48 | |
| Fair Hydro Trust | 3.520 | 15-May-38 | 52 | 52 | 54 | |
| Ford Auto Securitization Trust | 2.320 | 15-Oct-20 | 145 | 145 | 145 | |
| Ford Auto Securitization Trust | 1.910 | 15-Jun-19 | 56 | 56 | 56 | |
| Ford Auto Securitization Trust | 2.530 | 15-Feb-21 | 379 | 379 | 379 | |
| First Capital Realty Inc | 4.950 | 30-Nov-18 | 23 | 24 | 23 | |
| Ford Floorplan Auto Securitization Trust | 2.200 | 15-Jul-20 | 74 | 74 | 73 | |

LEITH WHEELER BALANCED FUND

Schedule of Investment Portfolio (continued) (unaudited)

(Expressed in thousands)

June 30, 2018

| Security | Coupon Rate % | Maturity | Par Value | Cost | Fair Value | % of Net Assets |
|--|------------------|-----------|-----------|--------|---------------|--------------------|
| BONDS AND GUARANTEES (continued) | | | | | | |
| Corporate Bonds and Guarantees (continued): | | | | | | |
| FortisBC Energy Inc | 3.380 | 13-Apr-45 | \$ 101 | \$ 101 | \$ 98 | |
| FortisBC Energy Inc | 5.800 | 13-May-38 | 88 | 109 | 116 | |
| Greater Toronto Airports Authority | 7.050 | 12-Jun-30 | 161 | 226 | 223 | |
| Great-West Lifeco Inc | 4.650 | 13-Aug-20 | 75 | 82 | 78 | |
| Great-West Lifeco Inc | 6.740 | 24-Nov-31 | 56 | 72 | 74 | |
| H&R Real Estate Investment Trust | 5.000 | 1-Dec-18 | 35 | 37 | 35 | |
| Hospital for Sick Children | 5.220 | 16-Dec-49 | 42 | 57 | 56 | |
| HSBC Bank Canada | 2.940 | 14-Jan-20 | 176 | 178 | 177 | |
| Hydro One Inc | 6.930 | 1-Jun-32 | 28 | 37 | 38 | |
| Hydro One Inc | 7.350 | 3-Jun-30 | 41 | 61 | 56 | |
| IGM Financial Inc | 7.350 | 8-Apr-19 | 300 | 315 | 311 | |
| Institutional Mortgage Securities Canada Inc | 2.340 | 12-Feb-25 | 110 | 110 | 106 | |
| Intact Financial Corp | 4.700 | 18-Aug-21 | 226 | 249 | 239 | |
| Intact Financial Corp | 5.410 | 3-Sep-19 | 78 | 83 | 81 | |
| Inter Pipeline Ltd | 3.480 | 16-Dec-26 | 87 | 84 | 85 | |
| Keyera Corp | 3.930 | 21-Jun-28 | 94 | 94 | 94 | |
| Manitoba Telecom Services Inc | 4.000 | 27-May-24 | 179 | 191 | 185 | |
| Maritimes & Northeast Pipeline LP | 4.340 | 30-Nov-19 | 10 | 10 | 10 | |
| Maritimes & Northeast Pipeline LP | 6.900 | 30-Nov-19 | 5 | 6 | 5 | |
| Mbarc Credit Canada Inc | 1.530 | 15-Sep-18 | 86 | 87 | 86 | |
| Mbarc Credit Canada Inc | 2.610 | 15-May-20 | 94 | 94 | 94 | |
| National Bank of Canada | 1.740 | 3-Mar-20 | 201 | 198 | 199 | |
| Nissan Canada Financial Services Inc | 1.580 | 7-Oct-19 | 658 | 650 | 650 | |
| North West Redwater Partnership / NWR Financing Co Ltd | 2.100 | 23-Feb-22 | 116 | 117 | 113 | |
| North West Redwater Partnership / NWR Financing Co Ltd | 2.800 | 1-Jun-27 | 148 | 144 | 142 | |
| North West Redwater Partnership / NWR Financing Co Ltd | 3.200 | 24-Apr-26 | 52 | 52 | 52 | |
| North West Redwater Partnership / NWR Financing Co Ltd | 3.200 | 22-Jul-24 | 54 | 57 | 54 | |
| North West Redwater Partnership / NWR Financing Co Ltd | 3.650 | 1-Jun-35 | 81 | 82 | 80 | |
| North West Redwater Partnership / NWR Financing Co Ltd | 4.250 | 1-Jun-29 | 85 | 95 | 90 | |
| OMERS Realty Corp | 2.470 | 12-Nov-19 | 113 | 117 | 113 | |
| OMERS Realty Corp | 3.240 | 4-Oct-27 | 74 | 74 | 74 | |
| Ontario School Boards Financing Corp | 5.380 | 25-Jun-32 | 50 | 58 | 56 | |
| Pembina Pipeline Corp | 3.430 | 10-Nov-21 | 52 | 55 | 53 | |
| Pembina Pipeline Corp | 3.770 | 24-Oct-22 | 100 | 104 | 102 | |
| Pembina Pipeline Corp | 4.750 | 26-Mar-48 | 41 | 40 | 42 | |
| Plenary Properties LTAP LP | 6.290 | 31-Jan-44 | 66 | 70 | 86 | |
| RioCan Real Estate Investment Trust | 2.830 | 3-Oct-22 | 218 | 218 | 215 | |
| Royal Bank of Canada | 1.580 | 13-Sep-21 | 446 | 430 | 430 | |
| Royal Bank of Canada | 1.650 | 15-Jul-21 | 260 | 258 | 252 | |
| Royal Bank of Canada | 2.030 | 15-Mar-21 | 111 | 110 | 109 | |
| Royal Bank of Canada | 2.350 | 9-Dec-19 | 300 | 302 | 300 | |
| Royal Bank of Canada | 2.360 | 5-Dec-22 | 182 | 182 | 178 | |
| Royal Bank of Canada | 2.980 | 7-May-19 | 350 | 362 | 352 | |
| Royal Bank of Canada | 3.310 | 20-Jan-26 | 194 | 198 | 195 | |
| Saputo Inc | 1.940 | 13-Jun-22 | 111 | 110 | 107 | |
| Shaw Communications Inc | 3.800 | 1-Mar-27 | 77 | 78 | 77 | |
| Shaw Communications Inc | 4.350 | 31-Jan-24 | 59 | 63 | 62 | |
| SSL Finance Inc / SSL Financement Inc | 4.100 | 31-Oct-45 | 28 | 28 | 29 | |
| Sun Life Financial Inc | 5.700 | 2-Jul-19 | 388 | 407 | 401 | |
| TELUS Corp | 3.750 | 17-Jan-25 | 141 | 141 | 144 | |
| TELUS Corp | 5.150 | 26-Nov-43 | 7 | 8 | 8 | |
| Toromont Industries Ltd | 3.840 | 27-Oct-27 | 166 | 166 | 168 | |
| Toronto-Dominion Bank | 1.680 | 8-Jun-21 | 136 | 133 | 133 | |
| Toronto-Dominion Bank | 1.690 | 2-Apr-20 | 600 | 595 | 592 | |
| Toronto-Dominion Bank | 2.040 | 8-Mar-21 | 175 | 173 | 172 | |
| Toronto-Dominion Bank | 2.620 | 22-Dec-21 | 258 | 257 | 257 | |
| Toronto-Dominion Bank | 2.980 | 30-Sep-25 | 111 | 112 | 111 | |
| Toronto-Dominion Bank | 2.400 | 28-Jun-23 | 188 | 188 | 188 | |
| Union Gas Ltd | 2.760 | 2-Jun-21 | 483 | 496 | 485 | |
| Union Gas Ltd | 8.650 | 19-Oct-18 | 149 | 165 | 152 | |
| University of Ontario Institute of Technology | 6.350 | 15-Oct-34 | 112 | 112 | 132 | |
| Wells Fargo Canada Corp | 2.780 | 15-Nov-18 | 269 | 280 | 270 | |
| Westcoast Energy Inc | 3.430 | 12-Sep-24 | 111 | 111 | 112 | |
| Westcoast Energy Inc | 3.880 | 28-Oct-21 | 78 | 81 | 80 | |
| | | | | 19,172 | 18,957 | 16.2 |
| Federal Bonds and Guarantees | | | | | | |
| Canadian Mortgage Pools | 1.250 | 15-Mar-21 | 879 | 860 | 860 | |
| Canadian Mortgage Pools | 1.550 | 1-Jun-21 | 182 | 183 | 179 | |
| Canadian Mortgage Pools | 1.370 | 1-Nov-21 | 247 | 244 | 241 | |

LEITH WHEELER BALANCED FUND

Schedule of Investment Portfolio (continued) (unaudited)

(Expressed in thousands)

June 30, 2018

| Security | Coupon Rate % | Maturity | Par Value | Cost | Fair Value | % of Net Assets |
|---|------------------|-----------|-----------|---------------|---------------|--------------------|
| BONDS AND GUARANTEES (continued) | | | | | | |
| Federal Bonds and Guarantees (continued) | | | | | | |
| Canadian Mortgage Pools | 1.420 | 1-Jun-22 | \$ 783 | \$ 772 | \$ 760 | |
| Canadian Mortgage Pools | 1.880 | 1-Sep-22 | 416 | 411 | 409 | |
| Canadian Mortgage Pools | 5.440 | 1-Mar-28 | 324 | 391 | 364 | |
| Canadian Mortgage Pools | 2.040 | 1-Dec-22 | 226 | 234 | 222 | |
| Canada Housing Trust No 1 | 2.350 | 15-Jun-23 | 1,911 | 1,913 | 1,908 | |
| Canada Housing Trust No 1 | 1.709 | 15-Sep-18 | 432 | 432 | 432 | |
| Canadian Government Bond | 1.500 | 1-Mar-20 | 666 | 662 | 662 | |
| Canadian Government Bond | 2.000 | 1-Dec-51 | 1,238 | 1,127 | 1,179 | |
| Canadian Government Bond | 2.750 | 1-Dec-64 | 130 | 143 | 152 | |
| Canadian Government Bond | 2.750 | 1-Jun-22 | 94 | 97 | 97 | |
| Canadian Government Bond | 5.000 | 1-Jun-37 | 430 | 618 | 615 | |
| | | | | 8,087 | 8,080 | 6.9 |
| Provincial/Municipal Bonds and Guarantees: | | | | | | |
| City of Montreal | 3.500 | 1-Sep-23 | 134 | 143 | 139 | |
| City of Montreal | 3.500 | 1-Sep-24 | 185 | 195 | 192 | |
| City of Toronto | 5.340 | 18-Jul-27 | 31 | 36 | 34 | |
| City of Vancouver | 2.900 | 20-Nov-25 | 48 | 48 | 47 | |
| First Nations Finance Authority | 3.050 | 1-Jun-28 | 209 | 209 | 205 | |
| First Nations Finance Authority | 3.400 | 26-Jun-24 | 41 | 44 | 41 | |
| Hydro Quebec | 4.000 | 15-Feb-55 | 248 | 296 | 305 | |
| Province of Alberta | 2.550 | 1-Jun-27 | 585 | 579 | 574 | |
| Province of Alberta | 3.050 | 1-Dec-48 | 827 | 815 | 838 | |
| Province of Alberta | 3.500 | 1-Jun-31 | 267 | 271 | 283 | |
| Province of Manitoba | 3.000 | 2-Jun-28 | 570 | 569 | 574 | |
| Province of Manitoba | 3.400 | 5-Sep-48 | 339 | 346 | 360 | |
| Province of Manitoba | 5.700 | 5-Mar-37 | 138 | 193 | 189 | |
| Province of Manitoba | 6.300 | 5-Mar-31 | 395 | 508 | 531 | |
| Province of New Brunswick | 2.350 | 14-Aug-27 | 335 | 321 | 321 | |
| Province of New Brunswick | 3.100 | 14-Aug-28 | 83 | 83 | 84 | |
| Province of New Brunswick | 3.100 | 14-Aug-48 | 28 | 28 | 28 | |
| Province of New Brunswick | 3.650 | 3-Jun-24 | 123 | 138 | 129 | |
| Province of Newfoundland | 2.850 | 2-Jun-28 | 240 | 239 | 238 | |
| Province of Newfoundland | 3.000 | 2-Jun-26 | 83 | 83 | 84 | |
| Province of Nova Scotia | 2.100 | 1-Jun-27 | 230 | 225 | 217 | |
| Province of Nova Scotia | 4.400 | 1-Jun-42 | 139 | 162 | 170 | |
| Province of Nova Scotia | 4.500 | 1-Jun-37 | 12 | 15 | 15 | |
| Province of Nova Scotia | 6.600 | 1-Dec-31 | 53 | 74 | 75 | |
| Province of Ontario | | 2-Dec-28 | 378 | 259 | 276 | |
| Province of Ontario | 2.900 | 2-Dec-46 | 471 | 447 | 460 | |
| Province of Ontario | 2.900 | 2-Jun-49 | 1,030 | 997 | 1,009 | |
| Province of Ontario | 5.600 | 2-Jun-35 | 583 | 793 | 784 | |
| Province of Quebec | 3.500 | 1-Dec-48 | 286 | 312 | 317 | |
| Province of Quebec | 8.500 | 1-Apr-26 | 432 | 642 | 603 | |
| Province of Saskatchewan | 2.650 | 2-Jun-27 | 274 | 267 | 271 | |
| Province of Saskatchewan | 3.300 | 2-Jun-48 | 12 | 12 | 13 | |
| Province of Saskatchewan | 5.000 | 5-Mar-37 | 27 | 33 | 35 | |
| | | | | 9,382 | 9,441 | 8.0 |
| Maples: | | | | | | |
| Anheuser-Busch InBev Finance Inc | 2.600 | 15-May-24 | 35 | 35 | 34 | |
| Apple Inc | 2.510 | 19-Aug-24 | 89 | 89 | 87 | |
| BHP Billiton Finance Ltd | 3.230 | 15-May-23 | 150 | 151 | 151 | |
| United Parcel Service Inc | 2.120 | 21-May-24 | 151 | 151 | 143 | |
| Wells Fargo & Co | 2.090 | 25-Apr-22 | 180 | 180 | 174 | |
| | | | | 606 | 589 | 0.5 |
| Real Return Bonds: | | | | | | |
| Canadian Government RRB | 0.500 | 1-Dec-50 | 808 | 767 | 818 | |
| | | | | 767 | 818 | 0.7 |
| Mutual Fund: | | | | | | |
| Leith Wheeler Multi Credit Fund Series A | | | 328 | 3,297 | 3,260 | |
| | | | | 3,297 | 3,260 | 2.8 |
| TOTAL BONDS AND GUARANTEES | | | | 41,311 | 41,145 | 35.1 |

LEITH WHEELER BALANCED FUND

Schedule of Investment Portfolio (continued) (unaudited)

(Expressed in thousands)

June 30, 2018

| Security | Number of Holdings | Cost | Fair Value | % of Net Assets |
|--|--------------------|---------------|---------------|-----------------|
| CANADIAN EQUITY | | | | |
| Consumer Discretionary: | | | | |
| BRP Inc/CA | 5,614 | \$ 158 | \$ 356 | |
| Canadian Tire Corp Ltd | 4,700 | 380 | 807 | |
| Stingray Digital Group Inc | 16,600 | 127 | 144 | |
| | | 665 | 1,307 | 1.1 |
| Consumer Staple: | | | | |
| Saputo Inc | 38,900 | 665 | 1,698 | |
| | | 665 | 1,698 | 1.4 |
| Energy: | | | | |
| Cameco Corp | 43,900 | 764 | 649 | |
| Canadian Natural Resources Ltd | 30,100 | 1,206 | 1,428 | |
| Cardinal Energy Ltd | 37,300 | 382 | 206 | |
| Mullen Group Ltd | 42,800 | 840 | 663 | |
| NuVista Energy Ltd | 68,900 | 458 | 628 | |
| Raging River Exploration Inc | 87,800 | 729 | 501 | |
| Seven Generations Energy Ltd | 33,800 | 820 | 490 | |
| Tourmaline Oil Corp | 52,900 | 1,564 | 1,243 | |
| Western Energy Services Corp | 26,000 | 90 | 28 | |
| | | 6,853 | 5,836 | 5.0 |
| Financials: | | | | |
| Bank of Nova Scotia | 25,900 | 1,437 | 1,928 | |
| Brookfield Asset Management Inc | 25,400 | 1,149 | 1,354 | |
| Canadian Imperial Bank of Commerce | 11,500 | 1,124 | 1,315 | |
| Canadian Western Bank | 20,100 | 660 | 696 | |
| CI Financial Corp | 32,000 | 1,009 | 756 | |
| Industrial Alliance Insurance & Financial Services Inc | 6,800 | 346 | 345 | |
| Manulife Financial Corp | 56,300 | 1,071 | 1,331 | |
| Onex Corp | 2,100 | 173 | 202 | |
| Royal Bank of Canada | 22,800 | 1,326 | 2,257 | |
| Toronto-Dominion Bank | 30,300 | 1,111 | 2,306 | |
| | | 9,406 | 12,490 | 10.6 |
| Industrials: | | | | |
| Canadian National Railway Co | 16,500 | 663 | 1,774 | |
| Finning International Inc | 32,100 | 700 | 1,041 | |
| Progressive Waste Solutions Ltd | 11,297 | 660 | 1,119 | |
| Stantec Inc | 12,600 | 426 | 426 | |
| Toromont Industries Ltd | 37,929 | 271 | 2,157 | |
| | | 2,720 | 6,517 | 5.5 |
| Information Technology: | | | | |
| CGI Group Inc | 4,650 | 346 | 387 | |
| Constellation Software Inc | 1,297 | 327 | 1,322 | |
| Open Text Corp | 32,860 | 982 | 1,521 | |
| | | 1,655 | 3,230 | 2.8 |
| Materials: | | | | |
| First Quantum Minerals Ltd | 45,900 | 606 | 889 | |
| Nutrien Ltd | 6,359 | 413 | 455 | |
| Wipak Ltd | 1,600 | 70 | 70 | |
| | | 1,089 | 1,414 | 1.2 |
| Real Estate: | | | | |
| Slate Retail REIT | 16,238 | 207 | 209 | |
| | | 207 | 209 | 0.2 |
| Telecommunication Services | | | | |
| Rogers Communications Inc | 6,800 | 403 | 425 | |
| | | 403 | 425 | 0.4 |
| Utilities: | | | | |
| Brookfield Infrastructure Partners LP | 36,363 | 896 | 1,834 | |
| Hydro One Ltd | 17,700 | 400 | 355 | |
| | | 1,296 | 2,189 | 1.9 |
| TOTAL CANADIAN EQUITY | | 24,959 | 35,315 | 30.1 |

LEITH WHEELER BALANCED FUND

Schedule of Investment Portfolio (continued) (unaudited)

(Expressed in thousands)

June 30, 2018

| Security | Number of Holdings | Cost | Fair Value | % of Net Assets |
|------------------------------------|--------------------|--------|------------|-----------------|
| FOREIGN EQUITY | | | | |
| Consumer Discretionary: | | | | |
| Advance Auto Parts Inc | 900 | \$ 130 | \$ 161 | |
| Carnival Corp | 1,520 | 63 | 115 | |
| Comcast Corp | 3,800 | 172 | 164 | |
| Dollar General Corp | 1,900 | 177 | 246 | |
| Hanesbrands Inc | 3,100 | 131 | 90 | |
| Lowe's Cos Inc | 2,000 | 200 | 252 | |
| Norwegian Cruise Line Holdings Ltd | 2,790 | 172 | 174 | |
| O'Reilly Automotive Inc | 287 | 99 | 103 | |
| Royal Caribbean Cruises Ltd | 1,350 | 167 | 184 | |
| SeaWorld Entertainment Inc | 2,500 | 67 | 72 | |
| Twenty-First Century Fox Inc | 1,000 | 33 | 65 | |
| | | 1,411 | 1,626 | 1.4 |
| Consumer Staple: | | | | |
| Altria Group Inc | 1,850 | 150 | 138 | |
| Coca-Cola European Partners PLC | 4,100 | 194 | 220 | |
| Philip Morris International Inc | 1,300 | 163 | 138 | |
| | | 507 | 496 | 0.4 |
| Energy: | | | | |
| BP PLC | 3,700 | 160 | 222 | |
| Chevron Corp | 1,250 | 148 | 208 | |
| ConocoPhillips | 2,900 | 140 | 266 | |
| Hess Corp | 2,600 | 170 | 229 | |
| Kosmos Energy Ltd | 11,200 | 92 | 122 | |
| Occidental Petroleum Corp | 1,900 | 173 | 209 | |
| Phillips 66 | 1,400 | 151 | 207 | |
| Unimin Corp | 1,460 | 53 | 36 | |
| Vermilion Energy Inc | 4,300 | 186 | 204 | |
| | | 1,273 | 1,703 | 1.5 |
| Financials: | | | | |
| American Express Co | 1,850 | 152 | 239 | |
| American International Group Inc | 1,800 | 139 | 126 | |
| Bank of America Corp | 5,900 | 111 | 219 | |
| Bank of New York Mellon Corp | 2,700 | 194 | 192 | |
| Berkshire Hathaway Inc | 800 | 147 | 197 | |
| Citigroup Inc | 3,000 | 172 | 264 | |
| E*TRADE Financial Corp | 2,700 | 90 | 217 | |
| FNF Group | 2,400 | 102 | 119 | |
| JPMorgan Chase & Co | 1,850 | 149 | 254 | |
| KeyCorp | 5,500 | 103 | 141 | |
| Leucadia National Corp | 5,400 | 166 | 162 | |
| Navient Corp | 6,400 | 85 | 110 | |
| New York Community Bancorp Inc | 9,500 | 193 | 138 | |
| PNC Financial Services Group Inc | 1,000 | 119 | 178 | |
| SLM Corp | 17,100 | 166 | 258 | |
| State Street Corp | 1,600 | 122 | 196 | |
| Wells Fargo & Co | 2,900 | 91 | 212 | |
| Willis Towers Watson PLC | 1,000 | 169 | 199 | |
| | | 2,470 | 3,421 | 2.9 |
| Health Care: | | | | |
| Cardinal Health Inc | 1,600 | 168 | 103 | |
| Cigna Corp | 900 | 175 | 201 | |
| CVS Caremark Corp | 2,300 | 236 | 195 | |
| Express Scripts Holding Co | 1,600 | 145 | 163 | |
| Johnson & Johnson | 850 | 59 | 136 | |
| Medtronic PLC | 1,886 | 187 | 213 | |
| Merck & Co Inc | 1,700 | 98 | 136 | |
| Pfizer Inc | 4,500 | 126 | 215 | |
| Teva Pharmaceutical Industries Ltd | 2,700 | 209 | 86 | |
| UnitedHealth Group Inc | 830 | 132 | 268 | |
| WellPoint Inc | 800 | 155 | 251 | |
| | | 1,690 | 1,967 | 1.7 |

LEITH WHEELER BALANCED FUND

Schedule of Investment Portfolio (continued) (unaudited)

(Expressed in thousands)

June 30, 2018

| Security | Number of Holdings | Cost | Fair Value | % of Net Assets |
|---|--------------------|--------------------------|--------------------------|---------------------|
| FOREIGN EQUITY (continued) | | | | |
| Industrials: | | | | |
| AMERCO | 290 | \$ 140 | \$ 136 | |
| General Electric Co | 9,800 | 260 | 176 | |
| Nielsen Holdings PLC | 2,800 | 171 | 114 | |
| Owens Corning | 1,900 | 125 | 158 | |
| Spirit AeroSystems Holdings Inc | 1,990 | 122 | 225 | |
| Stanley Black & Decker Inc | 1,000 | 133 | 175 | |
| Tyco International Plc | 3,121 | 192 | 138 | |
| United Technologies Corp | 1,250 | 129 | 206 | |
| | | <u>1,272</u> | <u>1,328</u> | <u>1.1</u> |
| Information Technology: | | | | |
| Broadcom Inc | 590 | 203 | 189 | |
| Hewlett Packard Enterprise Co | 9,500 | 180 | 183 | |
| Microchip Technology Inc | 1,500 | 92 | 180 | |
| Microsoft Corp | 1,900 | 53 | 247 | |
| Oracle Corp | 3,215 | 161 | 186 | |
| Qualcomm Inc | 2,000 | 149 | 148 | |
| Texas Instruments Inc | 1,600 | 115 | 232 | |
| Versum Materials Inc | 4,240 | 162 | 207 | |
| | | <u>1,115</u> | <u>1,572</u> | <u>1.3</u> |
| Mutual Funds: | | | | |
| Leith Wheeler U.S. Small/Mid-Cap Equity Fund Series A | 291,280 | 3,273 | 3,622 | |
| Leith Wheeler International Equity Plus Fund Series A | 1,438,658 | 13,811 | 16,895 | |
| | | <u>17,084</u> | <u>20,517</u> | <u>17.50</u> |
| Materials: | | | | |
| Air Products & Chemicals Inc | 900 | 152 | 185 | |
| Celanese Corp | 1,150 | 106 | 168 | |
| Dowdupont Inc | 2,292 | 174 | 199 | |
| LyondellBasell Industries NV | 1,200 | 135 | 173 | |
| Praxair Inc | 582 | 120 | 121 | |
| | | <u>687</u> | <u>846</u> | <u>0.8</u> |
| Utilities: | | | | |
| Dominion Resources Inc/VA | 1,600 | 142 | 144 | |
| Exelon Corp | 2,500 | 129 | 140 | |
| | | <u>271</u> | <u>284</u> | <u>0.2</u> |
| TOTAL FOREIGN EQUITY | | <u>27,780</u> | <u>33,760</u> | <u>28.8</u> |
| MONEY MARKET SECURITIES | | <u>6,755</u> | <u>6,755</u> | <u>5.8</u> |
| TRANSACTION COSTS | | <u>(5)</u> | | |
| TOTAL INVESTMENT PORTFOLIO | | <u>\$ 100,800</u> | <u>\$ 116,975</u> | <u>99.8</u> |
| OTHER ASSETS LESS LIABILITIES | | | <u>270</u> | <u>0.2</u> |
| NET ASSETS | | | <u>\$ 117,245</u> | <u>100.0</u> |

The accompanying notes are an integral part of these financial statements.

LEITH WHEELER BALANCED FUND

Notes to Financial Statements - Fund Specific Information (unaudited)

(Tabular amounts expressed in thousands)

Six months ended June 30, 2018 and 2017

The Fund Specific Information contained herein should be read in conjunction with the "Notes to Financial Statements - General Information Related to all Leith Wheeler Investment Funds" beginning after the "Notes to Financial Statements - Fund Specific Information".

1. Management fees and expenses:

Management fees in respect of Series B are calculated at a maximum of 1.10% per annum, before GST/HST, of the daily Net Asset Value of Series B. Management fees in respect of Series F are calculated at a maximum of 0.85% per annum, before GST/HST, of the daily Net Asset Value of Series F. Management fee distributions for the six months ended June 30, 2018 were approximately \$157,000 (2017 - \$155,000). No management fees were paid with respect to Series A units.

2. Withholding tax and other income taxes:

Certain dividends and interest income received by the Fund are subject to withholding tax imposed in the country of origin. During the period, withholding tax rates were between 0% and 35% (December 31, 2017 - between 0% and 35%).

The Fund has capital losses of nil (2017 - nil) available for utilization against capital gains in future years. The Fund has non-capital losses of nil (2017 - nil) available for utilization against net realized capital gains or non-capital gains in future years.

3. Redeemable units:

The redeemable unit transactions for the Fund during the six months ended June 30, 2018 and 2017 are as follows:

| | Outstanding units at beginning of period | Purchased during the period | Reinvested distributions | Redeemed during the period | Outstanding units at end of period |
|-----------|--|-----------------------------------|-----------------------------|----------------------------------|--|
| Series A: | | | | | |
| 2018 | 517 | 43 | 7 | (18) | 549 |
| 2017 | 470 | 115 | 7 | (46) | 546 |
| Series B: | | | | | |
| 2018 | 3,663 | 283 | 26 | (186) | 3,786 |
| 2017 | 3,603 | 332 | 24 | (275) | 3,684 |
| Series F: | | | | | |
| 2018 | 64 | 73 | 1 | (5) | 133 |
| 2017 | 58 | 11 | - | (3) | 66 |

LEITH WHEELER BALANCED FUND

Notes to Financial Statements - Fund Specific Information (unaudited)

(Tabular amounts expressed in thousands)

Six months ended June 30, 2018 and 2017

4. Financial risk management:

The investment objective of the Fund is to provide investors with a relatively stable, superior long-term rate of return, through a balanced portfolio of common shares and fixed income securities.

For a comprehensive discussion of the risks applicable to the Fund refer to note 6 under the "General Information related to all Leith Wheeler Investment Funds". Financial risks applicable to the Fund are discussed in more detail below.

(a) Credit risk:

The majority of the credit risk to which the Fund is exposed is concentrated in debt securities. Credit risk arising from other financial instruments is not considered significant. At June 30, 2018 and December 31, 2017, the Fund was invested in debt securities with the following credit quality:

| | June 30, 2018 | December 31, 2017 |
|----------------|------------------|----------------------|
| Rating: | | |
| AAA | 25.6% | 26.6% |
| AA | 24.7% | 21.5% |
| A | 28.7% | 31.5% |
| BBB | 13.3% | 13.3% |
| BB | 3.0% | 7.1% |
| B | 4.7% | - |
| Total | 100.0% | 100.0% |

Credit ratings are obtained from Standard & Poor's, Moody's, Fitch and/or Dominion Bond Rating Services. Where one or more rating is obtained for a security, the most common rating has been used.

(b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining liabilities are due within twelve months of the period-end of the Fund.

(c) Market risk:

(i) Interest rate risk:

The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

| | June 30, 2018 | December 31, 2017 |
|------------------------------|-------------------------------|-------------------------------|
| Term to maturity | % of total debt securities | % of total debt securities |
| Less than 1 period | 5.1% | 11.0% |
| 1 - 5 periods | 46.7% | 35.9% |
| 5 - 10 periods | 22.1% | 25.3% |
| > 10 periods | 26.1% | 27.8% |
| Total debt securities | 100.0% | 100.0% |

LEITH WHEELER BALANCED FUND

Notes to Financial Statements - Fund Specific Information (unaudited)

(Tabular amounts expressed in thousands)

Six months ended June 30, 2018 and 2017

4. Financial risk management (continued):

(c) Market risk (continued):

(i) Interest rate risk (continued):

The Manager has determined that a fluctuation in interest rates of 100 basis points is reasonably possible, considering the economic environment in which the Fund operates. As at June 30, 2018 and December 31, 2017, had interest rates increased or decreased by 100 basis points, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$2,864,000 and \$2,833,000 respectively. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Currency risk:

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows:

| | Currency Exposure | | Percentage of Net Assets | |
|-------------------|-------------------|----------------------|--------------------------|----------------------|
| | June 30, 2018 | December 31, 2017 | June 30, 2018 | December 31, 2017 |
| US Dollar | \$ 20,233 | \$ 17,044 | 17.3% | 15.3% |
| Euro | 4,593 | 3,700 | 3.9% | 3.3% |
| Japanese Yen | 3,810 | 4,878 | 3.2% | 4.4% |
| British Pound | 2,205 | 2,711 | 1.9% | 2.4% |
| Hong Kong Dollar | 2,150 | 2,460 | 1.8% | 2.2% |
| Swiss Franc | 1,257 | 1,382 | 1.1% | 1.2% |
| Singapore Dollar | 718 | 336 | 0.6% | 0.3% |
| Norwegian Krone | 407 | 343 | 0.3% | 0.3% |
| Thailand Baht | 327 | 346 | 0.3% | 0.3% |
| Indonesian Rupiah | 237 | 415 | 0.2% | 0.4% |
| Korean Won | 121 | - | 0.1% | - |
| TOTAL | \$ 36,058 | \$ 33,615 | 30.7% | 30.1% |

As at June 30, 2018 and December 31, 2017, had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$361,000 and \$336,000 respectively. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other price risk:

For this Fund, the most significant exposure to other price risk arises from its investment in equity securities, both directly and indirectly through holdings in underlying investment funds. As at June 30, 2018 and December 31, 2017, had the relevant benchmark/broad-based indices increased or decreased by 5%, with all other variables held constant, the net assets attributable to holders of redeemable units would have increased or decreased by approximately \$3,617,000 and \$3,553,000 respectively. In practice, actual results may differ from this sensitivity analysis and these differences could be material.

LEITH WHEELER BALANCED FUND

Notes to Financial Statements - Fund Specific Information (unaudited)

(Tabular amounts expressed in thousands)

Six months ended June 30, 2018 and 2017

5. Fair value of financial instruments:

For a general discussion of the Fund's fair value measurements, refer to note 7 under the "General Information related to all Leith Wheeler Investment Funds".

(a) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

| June 30, 2018 | Level 1 | Level 2 | Level 3 | Total |
|---|------------------|------------------|-------------|-------------------|
| Short Term Notes | \$ - | \$ 6,755 | \$ - | \$ 6,755 |
| Bonds (including Mortgage Backed Securities) | - | 37,885 | - | 37,885 |
| Equities - Long | 48,558 | - | - | 48,558 |
| Investment Fund Units | 23,777 | - | - | 23,777 |
| | \$ 72,335 | \$ 44,640 | \$ - | \$ 116,975 |

| December 31, 2017 | Level 1 | Level 2 | Level 3 | Total |
|---|------------------|------------------|-------------|-------------------|
| Short Term Notes | \$ - | \$ 4,079 | \$ - | \$ 4,079 |
| Bonds (including Mortgage Backed Securities) | - | 35,903 | - | 35,903 |
| Equities - Long | 48,344 | - | - | 48,344 |
| Investment Fund Units | 22,726 | - | - | 22,726 |
| | \$ 71,070 | \$ 39,982 | \$ - | \$ 111,052 |

During the period, there were no transfers of financial instruments between the three levels (2017 - nil).

LEITH WHEELER BALANCED FUND

Notes to Financial Statements - Fund Specific Information (unaudited)

(Tabular amounts expressed in thousands)

Six months ended June 30, 2018 and 2017

6. Involvement with structured entities:

The table below describes the types of structured entities that in which the Fund holds an interest.

| Entity | Nature and purpose | Interest held by the Fund |
|------------------|---|--|
| Investment Funds | To manage assets on behalf of third party investors and generate fees for the investment manager. These vehicles are financed through the issue of units to investors. | Investment in units issued by the underlying investment funds. |

The table below sets out interests held by the Fund in structured entities. The maximum exposure to loss is the carrying amount of the investment in the underlying funds held.

| June 30, 2018 | | | | |
|-------------------------|-------------------------------|------------------------------------|---|--|
| | Number of investee funds held | Total net assets of investee funds | Carrying amount included in investments | |
| Investment fund holding | 3 | \$ 121,131 | \$ 23,777 | |

| Underlying Fund | Principal place of business | Country of domicile | Ownership interest | Carrying amount included in investments in statement of financial position |
|---|-----------------------------|---------------------|--------------------|--|
| Leith Wheeler International Equity Plus Fund, Series A | Canada | Canada | 63.1% | \$ 16,895 |
| Leith Wheeler U.S. Small/Mid- Cap Equity Fund, Series A | Canada | Canada | 66.8% | 3,622 |
| Leith Wheeler Multi Credit Fund, Series A | Canada | Canada | 3.7% | 3,260 |

LEITH WHEELER BALANCED FUND

Notes to Financial Statements - Fund Specific Information (unaudited)

(Tabular amounts expressed in thousands)

Six months ended June 30, 2018 and 2017

6. Involvement with structured entities (continued):

| December 31, 2017 | | | |
|--------------------------|-------------------------------|------------------------------------|---|
| | Number of investee funds held | Total net assets of investee funds | Carrying amount included in investments |
| Investment fund holding | 3 | \$ 73,912 | \$ 22,726 |

| Underlying Fund | Principal place of business | Country of domicile | Ownership interest | Carrying amount included in investments in statement of financial position |
|--|-----------------------------|---------------------|--------------------|--|
| Leith Wheeler International Equity Plus Fund, Series A | Canada | Canada | 67.0% | \$ 17,116 |
| Leith Wheeler U.S. Small/Mid-Cap Equity Fund, Series A | Canada | Canada | 63.6% | 2,852 |
| Leith Wheeler High Yield Fund Series A (CAD Hedged) | Canada | Canada | 6.3% | 2,758 |

During 2018, the Fund did not provide financial support to this structured entity and has no intention of providing financial or other support. The Fund can redeem its units in the above investment fund at any time, subject to their being sufficient liquidity in the underlying fund.

7. Related party transactions:

At June 30, 2018, the Fund owned 1,438,658 (December 31, 2017 - 1,427,038) Series A units of Leith Wheeler International Equity Plus Fund, 291,280 (December 31, 2017 – 242,327) Series A units of Leith Wheeler U.S. Small/Mid-Cap Equity Fund, 327,518 (December 31, 2017 – nil) Series A units of Leith Wheeler Multi Credit Fund and nil (December 31, 2017 – 301,454) Series A (CAD Hedged) units of Leith Wheeler High Yield Bond Fund), which are funds under common management.

During the period, the Fund earned approximately \$407,000 in dividend income (2017 - \$325,000), 32,000 in interest income (2017 - \$54,000) and \$8,000 in other income (2017 - \$13,000) on those investments. No additional management fees are paid by the Fund to the Manager in respect of holding units of this underlying investment pool.

On January 29, 2018, the Fund sold its position in the Leith Wheeler High Yield Bond Fund (CAD Hedged) to establish a neutral allocation to the Leith Wheeler Multi Credit Fund.

LEITH WHEELER BALANCED FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
(Tabular amounts expressed in thousands of United States dollars)

Six months ended June 30, 2018 and 2017

1. Reporting entity:

The Leith Wheeler Investment Funds (individually, a “Fund” and collectively, the “Funds”) consist of:

| Fund | Inception |
|---|--------------------|
| Leith Wheeler Balanced Fund | September 22, 1987 |
| Leith Wheeler Canadian Dividend Fund | December 21, 2010 |
| Leith Wheeler Canadian Equity Fund | April 27, 1994 |
| Leith Wheeler Carbon Constrained Canadian Equity Fund | September 27, 2017 |
| Leith Wheeler Core Bond Fund | April 27, 1994 |
| Leith Wheeler Corporate Advantage Fund | May 29, 2015 |
| Leith Wheeler Emerging Markets Equity Fund | May 19, 2017 |
| Leith Wheeler High Yield Bond Fund | May 27, 2015 |
| Leith Wheeler Income Advantage Fund | December 21, 2010 |
| Leith Wheeler International Equity Plus Fund | October 31, 2007 |
| Leith Wheeler Money Market Fund | April 27, 1994 |
| Leith Wheeler Multi Credit Fund | May 29, 2017 |
| Leith Wheeler Preferred Share Fund | May 22, 2018 |
| Leith Wheeler Short Term Income Fund | December 15, 2016 |
| Leith Wheeler U.S. Dividend Fund | September 26, 2016 |
| Leith Wheeler U.S. Equity Fund | April 27, 1994 |
| Leith Wheeler U.S. Small/Mid-Cap Equity Fund | October 27, 2016 |

The Funds were 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. The Funds’ trustee is CIBC Mellon Trust Company and the Funds’ custodian is CIBC Mellon.

The trust indentures for all the above Funds 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 and Series A (CAD Hedged), Series B and Series B (CAD Hedged), Series F and Series F (CAD Hedged), Series FP1 and Series I1.

Series A and Series A (CAD Hedged) units have no management fees. Unitholders of Series A and Series A (CAD Hedged) units pay a negotiated fee directly to the Manager 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 and Series B (CAD Hedged) units carry management fees and are available to all investors. Series F, Series F (CAD Hedged), Series FP1 and Series I1 units carry reduced management fees and are available to investors who have accounts with dealers who have signed a fee-based agreement with the Manager.

The Leith Wheeler High Yield Bond Fund has Series A, Series A (CAD Hedged), Series B and Series B (CAD Hedged) and Series F and Series F (CAD Hedged) units outstanding. The Leith Wheeler U.S. Dividend Fund has Series A, Series B, Series F and Series FP1 units outstanding. The Leith Wheeler Short Term Income Fund has Series A, Series B, Series F and Series I1 units outstanding. The Leith Wheeler Balanced Fund, Leith Wheeler Canadian Dividend Fund, Leith Wheeler Carbon Constrained Canadian Equity Fund, Leith Wheeler Corporate Advantage Fund, Leith Wheeler Emerging Markets Equity Fund, Leith Wheeler Income Advantage Fund, Leith Wheeler International Equity Plus Fund, Leith Wheeler Multi Credit Fund, Leith Wheeler Preferred Share Fund, Leith Wheeler U.S. Equity Fund and Leith Wheeler U.S. Small/Mid-Cap Equity Fund have Series A, Series B and Series F units outstanding. All other remaining Funds have Series A and Series B units outstanding.

LEITH WHEELER BALANCED FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
(Tabular amounts expressed in thousands of United States dollars)

Six months ended June 30, 2018 and 2017

1. Reporting entity (continued):

The information provided in these financial statements and notes thereto is for the periods ended June 30, 2018 and 2017. In the period a Fund or series is established, "period" represents the time period from inception to June 30 of that fiscal period.

The general information related to all Funds presented here should be read in conjunction with each respective Fund's "Notes to Financial Statements - Fund Specific Information".

The Funds are unit trusts domiciled in Canada. The address of the Funds' registered office is at 1500 - 400 Burrard Street, Vancouver B.C., V6C 3A6.

2. Basis of preparation:

(a) Statement of compliance:

The financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Account Standards Board ("IASB"). These condensed interim financial statements of the Funds have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information required for full annual financial statements. The financial statements were authorized for issue by the Manager on August 29, 2018.

(b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments and derivatives, which are measured at fair value.

(c) Functional and presentation currency:

The Funds', with the exception of the Leith Wheeler U.S. Dividend Fund, have their subscriptions, redemptions, price and performance denominated in Canadian dollars, which is their functional and presentation currency. The Leith Wheeler U.S. Dividend Fund has its subscriptions, redemptions, price and performance denominated in U.S. dollars, which is the functional and presentation currency of that respective Fund.

(d) Use of estimates and judgment:

The preparation of financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

LEITH WHEELER BALANCED FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
(Tabular amounts expressed in thousands of United States dollars)

Six months ended June 30, 2018 and 2017

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments:

(i) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. The Fund derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Fund may irrevocably elect to measure financial assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

LEITH WHEELER BALANCED FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
(Tabular amounts expressed in thousands of United States dollars)

Six months ended June 30, 2018 and 2017

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(i) Recognition and measurement (continued):

Financial assets are not reclassified subsequent to their initial recognition, unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Fund has not classified any of its financial assets as FVOCI.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Fund may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

(ii) Fair value through profit and loss:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur. The Fund's derivative financial assets and derivative financial liabilities and investments in securities and investments sold short are classified as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

LEITH WHEELER BALANCED FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
(Tabular amounts expressed in thousands of United States dollars)

Six months ended June 30, 2018 and 2017

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(iii) Amortized Cost:

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Fund classifies cash and cash equivalents, dividends receivable, interest receivable, subscriptions receivable, balances due from brokers, daily variation margins, other receivables, bank indebtedness, management fees payable, performance fees payable, redemptions payable, balances due to brokers and other accrued liabilities as amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(b) Redeemable units:

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The redeemable units are designated as financial liabilities at FVTPL because they are managed and their performance evaluated on a fair value basis. The redeemable units provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Funds' valuation policies at each redemption date. Distributions to holders of redeemable units are recognized in comprehensive income when they are authorized and no longer at the discretion of the Manager.

(c) Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions):

The increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions) is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units, prior to the deduction of distributions recognized in comprehensive income, by the weighted average number of units outstanding during the period.

(d) Foreign exchange:

The financial statements of the Funds are denominated in Canadian dollars, with the exception of the Leith Wheeler US Dividend Fund, which is denominated in U.S. dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the statement of comprehensive income.

LEITH WHEELER BALANCED FUND

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(Tabular amounts expressed in thousands of United States dollars)

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3. Significant accounting policies (continued):

(e) Income recognition:

Interest income is recognized on an accrual basis. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Income and capital gains distributions from pooled fund investments are recorded at the distribution date and maintain the same classification. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments and unrealized appreciation/depreciation in investments are determined on the average cost basis of the respective investments.

(f) Income taxes:

The Funds qualify as unit trusts under the Income Tax Act (Canada). All of the Funds' net income for tax purposes and net capital gains realized in any year are required to be distributed to unitholders such that no income tax is payable by the Funds. As a result, the Funds do not record income taxes.

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income

(g) Future accounting changes:

The Manager has determined there are no material implications to the Funds' financial statements arising from IFRS issued but not yet effective.

4. Related party transactions:

(a) Management fees:

The Manager is paid a management fee by the Funds, calculated daily and paid quarterly, as compensation for its services. No management fees are paid by the Funds with respect to Series A and Series A (CAD Hedged) units. Series A and Series A (CAD Hedged) unitholders pay a negotiated fee directly to the Manager outside of the Fund for investment management services.

(b) Operating expenses:

The Manager is also entitled to reimbursement of reasonable operating expenses incurred on behalf of the Fund in connection with charges made for registry and transfer agency services, dividend and distribution crediting services, services required in connection with the provision of information and reports to unitholders and holding unitholders' meetings, interest expense, accounting, audit, recordkeeping and legal fees, and custodian and safekeeping charges. The Funds pay brokerage commissions, transaction costs and taxes.

The Manager has at times absorbed certain expenses incurred on behalf of the Funds, in which case such amounts are shown as a deduction from expenses in the respective Fund's statement of comprehensive income. The Manager is under no legal obligation to continue these arrangements, and may terminate them at any time.

LEITH WHEELER BALANCED FUND

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5. Capital management:

The redeemable units issued by the Funds represent the capital of the Funds. The Funds are not subject to any internally or externally imposed restrictions on its capital. The Funds' objectives in managing the redeemable units are to ensure a stable base to maximize returns to all investors and to manage liquidity risk arising from redemptions.

6. Financial risk management:

The following is a general discussion of the financial risks to which the Funds are exposed. Refer to the discussion on financial risk management (note 4) in the Fund Specific Information following each Fund's financial statements for information specific to the respective Fund.

Risk management framework:

The Funds use financial instruments in order to achieve their respective investment objectives. The Funds' investments are presented in each Fund's respective schedule of investment portfolio, which groups securities by asset type, geographic region and/or market segment.

The use of financial instruments subjects the Funds to a variety of financial instrument risks. The Funds' risk management practices include setting investment policies to limit exposures to financial instrument risks and employing experienced and professional investment advisors to invest the Funds' capital in securities within the constraints of investment policies. The Manager regularly monitors the Funds' performance and compliance with the investment policies.

The significant financial instrument risks, to which the Funds are exposed, along with the specific risk management practices related to those risks, are discussed below.

(a) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held, derivative financial assets, cash, and other receivables due to the Fund. The carrying value of these financial instruments as recorded in the statements of financial position reflects the Fund's maximum exposure to credit risk.

The risk management strategy for the Funds is to invest primarily in debt obligations of high credit quality issuers and to limit the amount of credit exposure with respect to any one corporate issuer.

Credit risk is mitigated by investing primarily in rated instruments. The Funds receive daily rating updates, which are reviewed accordingly. Credit risk is monitored on a daily basis by the Manager in accordance with the Funds' investment policies. If the credit risk is not in accordance with the investment policy or guidelines of the Fund, then the Manager is obliged to rebalance the portfolio as soon as practicable.

The Funds' activities may give rise to settlement risk. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities, or other assets as contractually agreed. For the majority of transactions, the Funds mitigate this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

LEITH WHEELER BALANCED FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
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6. Financial risk management (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Funds will encounter difficulty in meeting the obligations associated with their financial liabilities that are settled by delivering cash or another financial asset.

The Funds' policy and the Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, including estimated redemptions of units, without incurring unacceptable losses or risking damage to the Funds' reputation.

The Funds' prospectus provides for the daily cash redemptions of redeemable units and the Funds are therefore exposed to the liquidity risk of meeting unitholder redemptions at any time.

Liquidity risk is managed by investing the majority of a Funds' assets in investments that are traded in an active market and can be readily disposed. In addition, the Funds retain sufficient cash positions to maintain liquidity. The Funds are also subject to the requirements of NI 81-102, where each respective Fund shall not purchase an illiquid asset if, immediately after the purchase, more than 10 percent of the net assets of that particular Fund, taken at market value at the time of purchase, would consist of illiquid assets.

(c) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Funds' income or the fair value of their holdings of financial instruments.

The Funds' market risk is managed on a daily basis by the Manager in accordance with the policies and procedures in place.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of interest-bearing financial instruments will fluctuate as a result of changes in market interest rates. In general, as interest rates rise, the fair value of interest bearing financial instruments will fall. Financial instruments with a longer term to maturity will generally have a higher interest rate risk.

Interest rate risk management practices include setting target durations based on the appropriate benchmark indices and monitoring the Funds' durations relative to the benchmarks. If interest rates are anticipated to rise, the Funds' durations can be shortened to limit potential losses. Conversely, if interest rates are anticipated to fall, the durations can be lengthened to increase potential gains.

(ii) Currency risk:

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. Equities in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to a Fund's functional currency in determining fair value.

Currency risk may be moderated by the Manager through the use of foreign currency contracts to hedge foreign currency exposures.

LEITH WHEELER BALANCED FUND

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6. Financial risk management (continued):

(iii) Other price risk:

Other price risk is the risk that the fair 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 or its issuer, or factors affecting all instruments traded in the market.

Other price risk is moderated by the Manager through a careful selection of securities within specified limits and the Funds' price risk is managed through diversification of the respective Fund. The Manager monitors the Funds' overall market positions on a daily basis and positions are maintained within established ranges.

7. Fair value of financial instruments:

(a) Valuation models:

The Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs that are unobservable.

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. Observable prices and model inputs are usually available in the market for listed debt and equity securities, and exchange-traded derivatives, such as futures. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values. Where observable market prices and model inputs are not available, the Funds determine fair values using other valuation techniques. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Funds equity and futures positions are classified as Level 1 when the security is actively traded and a reliable quoted market price is observable.

Investments in securities of another investment fund are classified as Level 1 when the investment fund is actively traded and a reliable price is observable.

Bonds and other debt securities are valued based on a matrix pricing process using multiple dealer quotations or alternative pricing sources supported by observable inputs and are classified within Level 2.

Forward foreign currency contracts are valued using present value techniques and market observable input data and accordingly are classified as Level 2.

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7. Fair value of financial instruments (continued):

(a) Valuation models (continued):

Short-term investments and money market securities are classified as Level 2 as these instruments are valued at amortized cost, which approximates their fair value.

The Funds' net assets attributable to holders of redeemable units are classified as Level 2 since the carrying amount approximates fair value as the units are measured at the redemption amount.

Refer to the fair value of financial instruments (note 5) in the Fund Specific Information following each Fund's respective financial statements for further discussion of the respective Fund's fair value measurements.

(b) Financial instruments not measured at fair value:

The carrying value of cash, subscriptions receivable, balances due from brokers, interest and dividends receivable, redemptions payable, balances due to brokers, management fees payable, due to Manager, accounts payable, and distributions payable, approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

8. Change in accounting policy:

The Funds adopted IFRS 9 *Financial Instruments* ("IFRS 9") with a date of initial application of 1 January 2018. The requirements of IFRS 9 represent a significant change from IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 specifies the accounting for financial instruments, including: classification and measurement, impairment and hedge accounting. The adoption of IFRS 9 have been applied retrospectively. The nature and effects of the key changes to the Fund's accounting policy are summarized below.

(i) Classification and measurement of financial assets and liabilities:

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Fund may also, at initial recognition, irrevocably designate a financial asset as measured at FVTPL when doing so results in more relevant information. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available-for-sale.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Fund may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

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8. Change in accounting policy: (continued)

(i) Classification and measurement of financial assets and liabilities: (continued)

The adoption of IFRS 9 did not result in any measurement differences in the Fund's financial assets and liabilities as at the transition date. The following table shows the original classification and measurement categories under IAS 39 and the new classification and measurement categories under IFRS 9 for each class of the Fund's financial assets and financial liabilities as at January 1, 2018.

| | Original Classification under IAS 39 | New Classification under IFRS 9 |
|------------------------------|---|--|
| Financial assets | | |
| Cash and cash equivalents | Loans and receivables | Amortized cost |
| Balances due from brokers | Loans and receivables | Amortized cost |
| Subscriptions receivable | Loans and receivables | Amortized cost |
| Daily variation margin | Loans and receivables | Amortized cost |
| Dividend receivable | Loans and receivables | Amortized cost |
| Interest receivable | Loans and receivables | Amortized cost |
| Other receivables | Loans and receivables | Amortized cost |
| Derivative assets | Held-for-trading | FVTPL |
| Investments | FVTPL | FVTPL |
| Financial liabilities | | |
| Bank indebtedness | Other financial liabilities | Amortized cost |
| Balances due to brokers | Other financial liabilities | Amortized cost |
| Redemptions payable | Other financial liabilities | Amortized cost |
| Management fees payable | Other financial liabilities | Amortized cost |
| Other accrued liabilities | Other financial liabilities | Amortized cost |
| Derivative liabilities | Held-for-trading | FVTPL |
| Investments sold short | FVTPL | FVTPL |

(ii) Impairment of financial assets:

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. As the Fund measures its financial assets at FVTPL or holds only short-term financial assets at amortized cost, the impairment requirements under the new standard do not impact these financial statements.

(iii) Hedge accounting

As permitted by IFRS 9, an election is available to continue to apply the hedge accounting requirements of IAS 39. However, the Fund has not applied hedge accounting under either standard. Therefore, the hedge accounting requirements under the new standard do not impact these financial statements.