Interim Financial Statements (unaudited)

LEITH WHEELER CARBON CONSTRAINED CANADIAN EQUITY FUND

Six months ended June 30, 2022 and 2021

Leith Wheeler
INVESTMENT COUNSEL LTD.

Quiet Money.®

Unaudited Interim Financial Statements for the Six-Month Period Ended June 30, 2022

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 26, 2022

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

LEITH WHEELER CARBON CONSTRAINED CANADIAN EQUITY FUND

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

	Note		June 30, 2022		December 31, 2021
Assets					
Cash		$	335	$	530
Balance due from brokers			-		13
Dividends receivable			101		138
Investments			90,968		89,628
			91,404		90,309
Liabilities					
Amounts due to brokers			-		110
Management fees payable	1		6		6
Redemptions payable			3		19
			9		135
Net assets attributable to holders of redeemable units		$	91,395	$	90,174
Represented by:					
Series A		$	89,408	$	88,157
Series B			383		475
Series F			1,604		1,542
		$	91,395	$	90,174
Net assets attributable to holders of redeemable units per unit:					
Series A		$	12.48	$	14.22
Series B			12.55		14.27
Series F			12.41		14.14

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 CARBON CONSTRAINED CANADIAN EQUITY FUND

Statements of Comprehensive Income (unaudited)
(Expressed in thousands of dollars except for per unit amounts)

Six months ended June 30, 2022 and 2021

	Note	2022	2021
Revenue:			
Dividend income		$ 1,156	$ 993
Other income		23	7
Changes in fair value of investments:			
Net realized gain (loss)		677	1,309
Net change in unrealized appreciation (depreciation)		(13,238)	9,591
Total revenue (loss)		(11,382)	11,900
Expenses:			
Management fees	1	11	8
Filing fees		4	4
Commissions and transaction costs		10	11
Audit fees		7	6
GST/HST		1	1
Custodial fees		1	2
Independent review committee fees		1	1
Total operating expenses		35	33
Management fee distributions	1	-	-
Expenses waived or absorbed by Manager		(13)	(13)
Net operating expenses		22	20
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		(11,404)	11,880
Distributions to holders of redeemable units:			
From net investment income		(1,167)	(936)
Management fee distributions	1	-	-
		(1,167)	(936)
Increase (decrease) in net assets attributable to holders of redeemable units		$ (12,571)	$ 10,944
Increase (decrease) in net assets attributable to holders of redeemable units:			
Series A		$ (12,293)	$ 10,737
Series B		(60)	54
Series F		(218)	153
		$ (12,571)	$ 10,944
Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions):			
Series A		$ (1.61)	$ 2.01
Series B		(1.71)	1.86
Series F		(1.64)	1.89

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

LEITH WHEELER CARBON CONSTRAINED CANADIAN EQUITY FUND

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

Six months ended June 30, 2022 and 2021

Series A	Note	2022	2021
Balance, beginning of period		$ 88,157	$ 69,111
Increase (decrease) in net assets attributable to holders of redeemable units		(12,293)	10,737
Redeemable unit transactions:			
Issue of redeemable units		14,059	2,156
Reinvestment of distributions		1,153	924
Redemption of redeemable units		(1,668)	(2,453)
Net increase (decrease) from redeemable unit transactions		13,544	627
Balance, end of period		$ 89,408	$ 80,475

Series B	Note	2022	2021
Balance, beginning of period		$ 475	$ 382
Increase (decrease) in net assets attributable to holders of redeemable units		(60)	54
Redeemable unit transactions:			
Issue of redeemable units		31	140
Reinvestment of distributions		1	3
Redemption of redeemable units		(64)	(99)
Net increase (decrease) from redeemable unit transactions		(32)	44
Balance, end of period		$ 383	$ 480

Series F	Note	2022	2021
Balance, beginning of period		$ 1,542	$ 913
Increase (decrease) in net assets attributable to holders of redeemable units		(218)	153
Redeemable unit transactions			
Issue of redeemable units		454	262
Reinvestment of distributions		9	6
Redemption of redeemable units		(183)	(26)
Net increase (decrease) from redeemable unit transactions		280	242
Balance, end of period		$ 1,604	$ 1,308

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

LEITH WHEELER CARBON CONSTRAINED CANADIAN EQUITY FUND

Statements of Cash Flows (unaudited)
(Expressed in thousands of dollars)

Six months ended June 30, 2022 and 2021

	Note	2022	2021
Cash provided by (used in):			
Operating activities:			
Increase (decrease) in net assets attributable to holders of redeemable units		$ (12,571)	$ 10,944
Adjustments for:			
Net realized (gain) loss from investments		(677)	(1,309)
Net change in unrealized (appreciation) depreciation from investments		13,238	(9,591)
Amounts due from brokers		13	53
Dividend income		(1,156)	(993)
Amounts due to brokers		(110)	(28)
Management fees payable		-	1
Redemptions payable		(16)	(7)
Proceeds from sale of investments		3,496	7,272
Purchases of investments		(17,397)	(8,684)
Dividends received		1,193	960
		(13,987)	(1,382)
Financing activities:			
Proceeds from issue of redeemable units		14,544	2,558
Reinvestment of distributions		1,163	933
Payments on redemption of redeemable units		(1,915)	(2,578)
		13,792	913
Net increase (decrease) in cash		(195)	(469)
Cash, beginning of period		530	568
Cash, end of period		$ 335	$ 99

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

LEITH WHEELER CARBON CONSTRAINED CANADIAN EQUITY FUND

Schedule of Investment Portfolio (unaudited)
(Expressed in thousands of dollars)

June 30, 2022

Security	Number of holdings	Cost	Fair value	% of Net assets
CANADIAN EQUITY				
Communication Services:				
Rogers Communications Inc	51,500	$ 3,202	$ 3,177	
Stingray Group Inc	41,650	282	258	
		3,484	3,435	**3.8**
Consumer Discretionary:				
Canadian Tire Corp Ltd	16,053	2,530	2,607	
Sleep Country Canada Holdings Inc	38,930	839	935	
		3,369	3,542	**3.9**
Consumer Staple:				
Metro Inc	35,200	2,187	2,432	
Saputo Inc	121,620	4,397	3,414	
		6,584	5,846	**6.4**
Financials:				
Bank of Montreal	31,240	3,085	3,867	
Bank of Nova Scotia	40,100	2,996	3,056	
Brookfield Asset Management Inc	114,910	5,990	6,580	
Canadian Imperial Bank of Commerce	44,720	2,829	2,795	
Canadian Western Bank	34,900	1,166	908	
Definity Financial Corp	15,450	342	514	
Great-West Lifeco Inc	52,060	1,797	1,636	
iA Financial Corp Inc	37,800	2,317	2,420	
Intact Financial Corp	3,300	455	599	
Manulife Financial Corp	125,110	3,045	2,792	
Onex Corp	9,290	719	595	
Royal Bank of Canada	62,850	7,119	7,834	
Toronto-Dominion Bank	67,125	5,321	5,666	
		37,181	39,262	**42.9**
Industrials:				
Canadian National Railway Co	41,050	5,263	5,944	
Finning International Inc	80,530	2,094	2,182	
NFI Group Inc	57,290	1,298	767	
Toromont Industries Ltd	70,010	5,290	7,286	
Waste Connections Inc	19,145	2,399	3,055	
		16,344	19,234	**21.0**
Information Technology:				
CGI Inc	32,830	3,231	3,367	
Constellation Software Inc	2,318	3,484	4,429	
Enghouse Systems Ltd	31,950	1,398	908	
Open Text Corp	69,713	3,928	3,394	
TELUS International CDA Inc	13,300	396	430	
		12,437	12,528	**13.7**
Materials:				
First Quantum Minerals Ltd	31,155	491	761	
Stella-Jones Inc	45,940	1,901	1,493	
Winpak Ltd	19,440	863	855	
		3,255	3,109	**3.4**
Real Estate:				
First Capital Real Estate Investment Trust	106,130	1,926	1,590	
		1,926	1,590	**1.7**

LEITH WHEELER CARBON CONSTRAINED CANADIAN EQUITY FUND

Schedule of Investment Portfolio (unaudited)
(Expressed in thousands of dollars)

June 30, 2022

Security	Number of holdings	Cost	Fair value	% of Net assets
CANADIAN EQUITY (continued)				
Utilities:				
Hydro One Ltd	69,980	$ 1,893	$ 2,422	
		1,893	2,422	**2.7**
TOTAL CANADIAN EQUITY		**$ 86,473**	**$ 90,968**	**99.5**
TRANSACTION COSTS		**(6)**		
TOTAL INVESTMENT PORTFOLIO		**$ 86,467**	**$ 90,968**	**99.5**
OTHER ASSETS LESS LIABILITIES			**427**	**0.5**
NET ASSETS			**$ 91,395**	**100.0**

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

LEITH WHEELER CARBON CONSTRAINED CANADIAN EQUITY FUND

Notes to Financial Statements - Fund Specific Information (unaudited)
(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2022 and 2021

The Fund Specific Information for the Leith Wheeler Carbon Constrained Canadian Equity Fund (the "Fund") 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 1.40% 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 0.95% per annum, before GST/HST, of the daily Net Asset Value of Series F. Management fee distributions for the period ended June 30, 2022 were nil (2021 – nil). 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 may be subject to withholding tax imposed in the country of origin. During the period, withholding tax rates were between 0% and 35% (December 31, 2021 - between 0% and 35%).

The Fund has capital losses of nil (December 31, 2021 – nil) available for utilization against capital gains in future years. The Fund has non-capital losses of nil (December 31, 2021 – 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 period ended June 30, 2022 and 2021 are as follows:

	Outstanding units at beginning of period	Issued during the period	Issued on reinvestment of distributions	Redeemed during the period	Outstanding units at end of period
Series A:					
2022	6,202	992	87	(116)	7,165
2021	5,761	173	68	(190)	5,812
Series B:					
2022	33	3	-	(5)	31
2021	32	11	-	(8)	35
Series F:					
2022	109	32	1	(13)	129
2021	76	21	-	(2)	95

4. Financial risk management:

The investment objective of the Fund is to provide superior long-term investment returns by investing primarily in a diversified portfolio of common shares and other equity related securities of Canadian issuers while excluding companies with significant activity in the fossil fuel industries. The Fund is not exposed to significant credit, currency or interest rate risks.

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) 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.

(b) Market risk:

(*i*) Other price risk:

For this Fund, the most significant exposure to other price risk arises from its investment in equity instruments. As at June 30, 2022 and December 31, 2021, 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 $4,548,000 and $4,481,000, respectively. In practice, actual results may differ from this sensitivity analysis and these differences could be material.

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, 2022	Level 1	Level 2	Level 3	Total
Equities - Long	$ 90,968	$ -	$ -	$ 90,968

December 31, 2021	Level 1	Level 2	Level 3	Total
Equities - Long	$ 89,628	$ -	$ -	$ 89,628

During the period, there were no transfers of financial instruments between the three levels (2021 - nil).

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 30, 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' current 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.

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.

1. **Reporting entity (continued):**

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 and Series F 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,

The information provided in these financial statements and notes thereto is for the periods ended June 30, 2022 and 2021. 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 Accounting 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 26, 2022.

(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.

2. Basis of preparation (continued):

(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.

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.

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

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 sell 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.

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 statements 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.

3. Significant accounting policies (continued):

(*ii*) Fair value through profit and loss (continued):

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

(*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, 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.

(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.

3. Significant accounting policies (continued):

(d) Foreign exchange:

The financial statements of the Funds are denominated in Canadian dollars, with the exception of the Leith Wheeler U.S. Dividend Fund, which is denominated in U.S. dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into functional currency 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.

(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) New standards and interpretations not yet adopted:

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.

4. Related party transactions (continued):

(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, independent review committee, 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.

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.

On March 11, 2020, the emergence and rapid spread of the coronavirus disease 2019 ("COVID-19") was officially declared a pandemic by the World Health Organization. As a result, there has been significant volatility in equity prices, interest rates, bond yields, and foreign exchange rates, which have impacted the market value of the net assets of the Fund(s). The effect of COVID-19 remains an emerging and rapidly evolving issue, leading to a high degree of volatility and uncertainty that will likely impact worldwide financial markets beyond 2020.

In February 2022, events concerning Russia and Ukraine resulted in sanctions being levied against Russian interests by numerous countries. As a result of this ongoing situation, the price and liquidity of securities of issuers connected to Russia have declined significantly. The duration and extent of the impact of this situation remain unclear at this time. As at December 31, 2021, Leith Wheeler Emerging Markets Equity Fund had direct exposure to Russian securities, which represented 2.9% of the net asset value of the fund. These securities have subsequently been written down to nil due to the inability to trade them. The Manager is actively monitoring the situation.

6. Financial risk management (continued):

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.

(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.

6. Financial risk management (continued):

(b) Liquidity risk (continued):

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 contacts to hedge foreign currency exposures.

6. Financial risk management (continued):

(c) Market risk (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

7. Fair value of financial instruments (continued):

(a) Valuation models (continued):

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.

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, amounts due from brokers, interest and dividends receivable, redemptions payable, amounts due to or from 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.