

Leith Wheeler Balanced Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
June 30, 2016



This interim management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-888-292-1122, by writing to us at 1500 – 400 Burrard Street, Vancouver, BC V6C 3A6 or by visiting our website at www.leithwheeler.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

To provide investors with a relatively stable, superior long-term rate of return, through a balanced portfolio of common shares and fixed income securities. This Fund invests primarily in Canadian issuers and may invest in foreign securities. The Fund invests in a broad range of companies and is not restricted by capitalization or industry sectors although portfolio diversification is a consideration in the selection of securities for the Fund.

Although Leith Wheeler Investment Counsel Ltd. (the “Manager”) will change the investment mix between fixed income and equity securities as opportunities arise, a portion of the Fund will be maintained in each class. The allocation is determined by the Manager, as opportunities arise, although the Fund’s equity portion will range between 40% and 75% of its total assets. The maximum invested in foreign securities is not expected to exceed 40% of the net assets of the Fund at the time of investment. The fixed income securities provide lower risk income while the common shares provide an opportunity for capital gains. Investors participate in a professionally managed portfolio in which specific security selection and asset mix decisions will be made by experienced portfolio managers.

Risk

The overall risks of investing in the Fund are as described in the Simplified Prospectus. There were no material changes to the Fund during the year that affected the overall level of risk.

Results of Operations

The Fund’s net assets increased by 2.8% in the first half of 2016, rising to \$93.4 million from \$90.9 million at the end of 2015. Of this change, \$1.6 million was attributable to investment gains and \$0.9 million to net inflows/redemptions.

Bond markets began the year strongly as investors looked for safety in federal government bonds after equity markets globally began the year down sharply. Markets turned around quickly, however, in mid-February after stronger U.S. economic data reports emerged. The Canadian equity market was one of the strongest markets globally in the first half of 2016, as we saw commodity prices improve following a difficult 2015. In Canadian dollar terms, both the U.S. and international equity markets declined in the first six months of 2016, partly due to a strengthening Canadian dollar. Unfortunately these had the biggest negative impact on performance during the first half of the year. There was no change in central bank rates in Canada or the U.S. during the first half of 2016, but the expectations for a rate cut in Canada increased and for increased rates in the U.S. declined significantly after the UK referendum on June 23rd.

We changed the subadvisors of the foreign equity components of the Balanced Fund in the first half of 2016. Barrow Hanley Mewhinney and Strauss of Dallas took over the management of the U.S. equity component of the Fund on February 1st and Edinburgh Partners of Edinburgh, Scotland took over the management of the international equity component of the Balanced Fund on April 1st.

Despite the volatility in the markets, the Leith Wheeler Balanced Fund ended the first half of 2016 in positive territory with Series A units returning 2.3%. Series B returned 1.7% and Series F. returned 1.8%, both after fees and expenses. The asset mix of the Fund as of June 30th was 4.3% cash, 33.9%Bonds, 32.0% Canadian equities, 14.1% U.S. equities and 15.7% International equities.

The fixed income component of the Balanced Fund performed well in the first half of 2016 as federal government bonds rallied as investors searched for safety. Some provincial and corporate bonds declined at the start of the year as the interest rate differential between government and corporate bonds increased (known as credit spread widening). Fixed income markets continued to be positive in throughout the first six months of 2016. The fixed income component of the Balanced Fund began the year with a conservative positioning as we had maintained a modest corporate bond overweight position but had focused on higher-quality, shorter dated issues. We reduced our corporate bond exposure by ¼ during the first quarter which helped protect capital during volatility experienced in the first six weeks of the year. We trimmed our overweight position in senior bank deposit notes which were the most liquid, highest quality securities. We also reduced our position in BC bonds which had performed better than other provinces and added to Manitoba and Newfoundland bonds which had a significant yield advantage.

Federal government bonds continued to rally in the second quarter and we saw modestly lower credit spreads. Strong security selection in corporate bond holdings and having a modest overweight in corporate bonds helped performance. In the second quarter, we further reduced our overall exposure to corporate bonds and provincial bonds (we moved from a modest overweight in provincials at the beginning of the quarter to an underweight position). We also reduced our holdings in financials, infrastructure and pipelines during the quarter and to the Enbridge complex in particular.

Management Discussion of Fund Performance (cont.)

On the equity side, after a volatile start to the year, the TSX Composite Index finished the first half of 2016 strongly, increasing by 9.8%. The positive performance was driven by the Materials sector (+52.3%), which rebounded strongly after a weak year in 2015. Energy stocks also performed well (+19.3%) in the first half of 2016 as we saw oil prices recover some of the losses experienced in the previous 18 months. Demand for safe haven and yield-oriented sectors increased amid the uncertainty of “Brexit” and continuing declines in bond yields. In this environment, gold (+94.3%) and silver (+101.8%) both performed very strongly. The weakest sector in the first half of 2016 was Healthcare (-72.3%) as Valeant continued to have difficulty. Information Technology (-5.9%) was the only other sector in the S&P/TSX Index that declined as all other sectors generated a positive return in the first six months of 2016.

The Canadian equity component of the Balanced Fund outperformed the S&P/TSX Composite during the first six months of 2016 despite holding fewer stocks than the overall market in the Materials sector, and specifically, having no exposure to gold stocks. We do not own any gold companies in the Fund because they trade at expensive valuations, and have not proven to be good long-term businesses. Among the top contributors to performance were Teck Resources (+219.6%), Capstone Mining (+93.2%) and First Quantum (+75.4%). The largest detractors from performance were contrast Redknee Solutions (-37.4%), Element Financial (-17.7%), and Cameco (-15.8%). We added two names to the Canadian equity component of the Balanced Fund in the first half of 2016: Boardwalk REIT and Onex Corporation and we eliminated Enbridge, CGI Group, Calfrac Well Services, and Bank of Montreal.

The U.S. Equity markets began the year with the S&P500 Index down almost 10% in local currency terms before mid-February. Investors’ nerves were settled by positive news on the U.S. economy and the markets rebounded strongly back into positive territory by the end of the first quarter in U.S. dollar terms. A strengthening Canadian dollar, however, resulted in negative returns for Canadian investors. The second quarter provided more market volatility as a result of “Brexit”, oil prices and changes in expectations for interest rate increases by the U.S. Federal Reserve (the Fed). At the start of the year, the market expected up to four interest rate hikes by the Fed in 2016, but by the end of the first half, this had fallen to zero.

Despite remaining historically low, U.S. interest rates are still at a premium to the rest of the world, so demand for U.S. securities remains very high. In the face of low, or even negative, yields around the world, investors are searching for the highest yields, sometimes at the expense of rich valuations. Investors have bid up those stocks perceived as “bond proxies”, such as those in the Telecom, Utilities, and REITS sectors. This has caused the valuations of these stocks to be at historically high levels, which in our view impairs their forward looking return potential and is why we have limited exposure to these areas.

Among the top contributors to performance in first half of 2016 were FMC Corporation, Johnson Controls, and Fairmount Santrol Holdings. In contrast Royal Caribbean Cruises, Hanesbrands, and Teva Pharmaceuticals detracted from performance in the first six months of 2016.

Because we transitioned the portfolio in January, we added a number of new names to the Fund in the first half of 2016. Some of the more noteworthy names included Express Scripts Holdings Company, LyondellBasell Industries, Apple, Fidelity National Financial and Marathon Petroleum Corp. Some of the stocks we eliminated in the Fund during the first half of the year included CVS Health Corporation, Delphi Automotive and Target.

On the international equity front, global equity markets also began 2016 poorly, as we saw the steepest drop in global stocks in a six week period since 2000.

During the first quarter, the international component of the Balanced Fund performed in line with the market during the downturn, but did not rebound as strongly when the market recovered so ended the quarter behind the benchmark. The best performing stocks were Materials stock Freeport-McMoRan, Consumer Discretionary stock Priceline Group and Industrials stock Vinci. The worst performing stocks in the Fund during the first quarter were Industrials stock AerCap Holdings, Telecommunications stock Telecom Italia and Financials stock Aviva.

During the second quarter, global stock markets performed reasonably well until the “Brexit” vote on June 23rd, which had an outcome that the market was not expecting. Reaction to the vote was quite significant initially with markets globally declining and Sterling depreciating sharply. The Yen appreciated strongly and financial stocks globally were impacted by uncertainty of the implications around Brexit and negative interest rates in Japan and in Europe. More defensive stocks performed well during the second quarter, including stocks in the Consumer Staples, Healthcare and Utilities sectors. Oil & Gas stocks also performed well on stronger commodity prices. The best performing stocks in the Fund during the quarter included Oil and Gas stocks Royal Dutch Shell and BP and Healthcare stock Novartis. The weakest sector in the second quarter was Financials. The stocks that detracted most from Fund performance included Consumer Discretionary stock Carnival, Financials stock Nomura Holdings and Information Technology stock Lenovo Group. More recent additions to the Fund after the transition include Sanofi and Adecco.

Management Discussion of Fund Performance (cont.)

The outlook for the global economy has become more uncertain following the UK referendum and we expect the trajectory for global growth to be moderately lower. We will continue to closely monitor political and economic developments for signs of any impact on global financial conditions and growth. We feel that our bottom-up approach flourishes in periods of uncertainty, where many stocks are unjustifiably discounted and can be acquired at attractive prices. Going forward, Leith Wheeler will continue to apply its value investment principles to security selection and remain focused on identifying companies with attractive valuations, good business models, and solid management teams.

Recent Developments

There has been no change in the Bank of Canada rate since the end of June 2016. Equity markets were up globally in the month of July.

Related Party Transactions

Leith Wheeler Investment Counsel Ltd. (the “Manager”) is the manager and portfolio advisor of the Fund and is responsible for the Fund’s day-to-day operations. The Fund pays the Manager a management fee as compensation for managing the investment portfolio of the Fund.

As at June 30, 2016, the Leith Wheeler Balanced Fund owns 1,487,103 units of the Leith Wheeler International Equity Plus Fund Series A, a fund under common management.

Management Fees

The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The annualized management fee for the Series B and Series F units of the Fund are 1.10% and 0.85%, respectively. During the year, the Fund paid the Manager \$437,119 for Series B and \$4,232 for Series F (exclusive of GST/HST) of its net assets as management fees. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund. The Manager paid all operating expenses except brokerage charges and taxes.

We do not directly or indirectly pay fees, sales commissions or trailing commissions, nor do we provide any non-monetary benefits to registered dealers for distributions of units of the Fund. If a broker charges you a commission or fee, that is a matter between you and the dealer.

Financial Highlights

The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. The financial information for periods beginning on or after January 1, 2013 is derived from the financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For all prior periods, the financial information is presented in accordance with Canadian generally accepted accounting principles "GAAP". The net assets attributable to holders of redeemable units and the net assets attributable to holders of redeemable units per unit may differ from the Net Assets and Net Assets per Unit due to the valuation methodology previously used in determining fair values. An explanation of these differences can be found in the notes to the financial statements.

| Series A (inception September 10, 2015) | 2016 YTD | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---------------------|-------------|-------------|-------------|-------------|-------------|
| Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾ | \$23.15 | \$24.03 | n/a | n/a | n/a | n/a |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.36 | 0.87 | n/a | n/a | n/a | n/a |
| Total expenses | - | - | n/a | n/a | n/a | n/a |
| Realized gains (losses) for the year | 0.82 | 0.70 | n/a | n/a | n/a | n/a |
| Unrealized gains (losses) for the year | (0.66) | (0.75) | n/a | n/a | n/a | n/a |
| Total increase (decrease) from operations ⁽¹⁾ | 0.52 | 0.82 | n/a | n/a | n/a | n/a |
| Distributions: | | | | | | |
| From income (excluding dividends) | (0.11) | (0.27) | n/a | n/a | n/a | n/a |
| From dividends | (0.25) | (0.39) | n/a | n/a | n/a | n/a |
| From capital gains | - | (0.67) | n/a | n/a | n/a | n/a |
| Return of capital | - | - | n/a | n/a | n/a | n/a |
| Total Annual Distributions ⁽²⁾ | (0.36) | (1.33) | n/a | n/a | n/a | n/a |
| Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾ | \$23.30 | \$23.15 | n/a | n/a | n/a | n/a |

| Series B | 2016 YTD | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---------------------|-------------|-------------|-------------|-------------|-------------|
| Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾ | \$23.59 | \$24.09 | \$23.10 | \$20.14 | \$19.21 | \$19.83 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.39 | 0.73 | 0.67 | 0.60 | 0.58 | 0.62 |
| Total expenses | (0.12) | (0.20) | (0.21) | (0.19) | (0.24) | (0.24) |
| Realized gains (losses) for the year | 0.86 | 0.58 | 0.88 | 0.49 | 0.45 | 0.60 |
| Unrealized gains (losses) for the year | (0.69) | (0.62) | 0.60 | 2.60 | 0.46 | (1.25) |
| Total increase (decrease) from operations ⁽¹⁾ | 0.44 | 0.49 | 1.94 | 3.50 | 1.25 | (0.27) |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | (0.10) | (0.02) | - | - | (0.04) |
| From dividends | (0.24) | (0.22) | (0.34) | (0.32) | (0.35) | (0.34) |
| From capital gains | - | (0.68) | (0.52) | (0.09) | (0.05) | - |
| Return of capital | - | - | - | - | - | - |
| Total Annual Distributions ⁽²⁾ | (0.24) | (1.00) | (0.88) | (0.41) | (0.40) | (0.38) |
| Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾ | \$23.75 | \$23.59 | \$24.09 | \$23.10 | \$20.12 | \$19.21 |

Financial Highlights (cont.)

The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit (cont.)

| Series F (inception September 10, 2015) | 2016 YTD | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|-------------|---------|------|------|------|------|
| Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾ | \$22.66 | \$24.03 | n/a | n/a | n/a | n/a |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.64 | 0.16 | n/a | n/a | n/a | n/a |
| Total expenses | (0.17) | (0.04) | n/a | n/a | n/a | n/a |
| Realized gains (losses) for the year | 1.44 | 0.13 | n/a | n/a | n/a | n/a |
| Unrealized gains (losses) for the year | (1.16) | (0.14) | n/a | n/a | n/a | n/a |
| Total increase (decrease) from operations ⁽¹⁾ | 0.75 | 0.11 | n/a | n/a | n/a | n/a |
| Distributions: | | | | | | |
| From income (excluding dividends) | (0.03) | (0.42) | n/a | n/a | n/a | n/a |
| From dividends | (0.24) | (0.67) | n/a | n/a | n/a | n/a |
| From capital gains | - | (0.66) | n/a | n/a | n/a | n/a |
| Return of capital | - | - | n/a | n/a | n/a | n/a |
| Total Annual Distributions ⁽²⁾ | (0.27) | (1.75) | n/a | n/a | n/a | n/a |
| Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾ | \$22.80 | \$22.66 | n/a | n/a | n/a | n/a |

(1) Net assets attributable to holders of redeemable units and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(2) Distributions are reinvested in additional units of the Fund or paid in cash.

Financial Highlights (cont.)

Ratios and Supplemental Data

| Series A (inception September 10, 2015) | June 30, 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|---------------|-------|------|------|------|------|
| Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾ | 9,752 | 9,557 | n/a | n/a | n/a | n/a |
| Number of units outstanding (000s) ⁽¹⁾ | 418 | 413 | n/a | n/a | n/a | n/a |
| Management expense ratio(%) ⁽²⁾ | - | - | n/a | n/a | n/a | n/a |
| Management expense ratio before waivers or absorptions (%) | - | - | n/a | n/a | n/a | n/a |
| Trading expense ratio (%) ⁽³⁾ | 0.02 | 0.03 | n/a | n/a | n/a | n/a |
| Portfolio turnover rate (%) ⁽⁴⁾ | 86.92 | 39.65 | n/a | n/a | n/a | n/a |
| Net assets attributable to holders of redeemable units per unit (\$) | 23.30 | 23.15 | n/a | n/a | n/a | n/a |

| Series B | June 30, 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|---------------|--------|--------|--------|--------|--------|
| Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾ | 82,519 | 80,636 | 84,799 | 74,711 | 57,547 | 62,856 |
| Number of units outstanding (000s) ⁽¹⁾ | 3,475 | 3,418 | 3,521 | 3,234 | 2,858 | 3,270 |
| Management expense ratio(%) ⁽²⁾ | 1.16 | 1.17 | 1.17 | 1.17 | 1.23 | 1.23 |
| Management expense ratio before waivers or absorptions (%) | 1.16 | 1.17 | 1.17 | 1.17 | 1.23 | 1.23 |
| Trading expense ratio (%) ⁽³⁾ | 0.02 | 0.03 | 0.03 | 0.04 | 0.04 | 0.04 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 86.92 | 39.65 | 28.86 | 29.76 | 51.64 | 39.22 |
| Net assets attributable to holders of redeemable units per unit (\$) | 23.75 | 23.59 | 24.09 | 23.10 | 20.14 | 19.22 |

| Series F (inception September 10, 2015) | June 30, 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|---------------|-------|------|------|------|------|
| Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾ | 1,133 | 690 | n/a | n/a | n/a | n/a |
| Number of units outstanding (000s) ⁽¹⁾ | 50 | 30 | n/a | n/a | n/a | n/a |
| Management expense ratio(%) ⁽²⁾ | 0.95 | 0.89 | n/a | n/a | n/a | n/a |
| Management expense ratio before waivers or absorptions (%) | 0.95 | 0.89 | n/a | n/a | n/a | n/a |
| Trading expense ratio (%) ⁽³⁾ | 0.02 | 0.03 | n/a | n/a | n/a | n/a |
| Portfolio turnover rate (%) ⁽⁴⁾ | 86.92 | 39.65 | n/a | n/a | n/a | n/a |
| Net assets attributable to holders of redeemable units per unit (\$) | 22.80 | 22.66 | n/a | n/a | n/a | n/a |

(1) This information is provided as at December 31 of the year shown; unless noted otherwise.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of the daily average net asset value during the period.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Past Performance

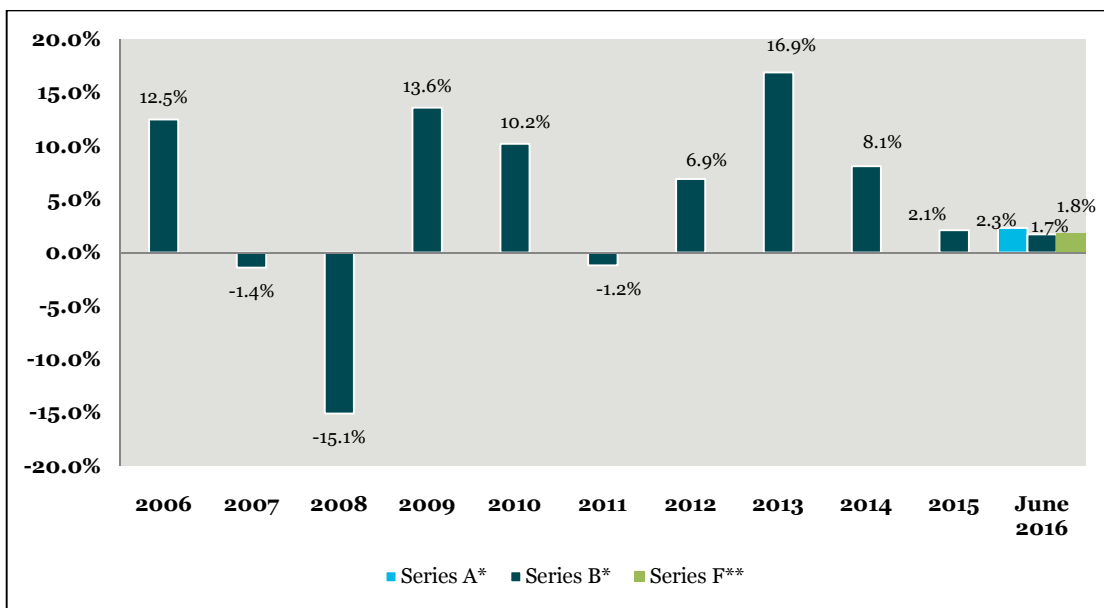
General

The Fund's performance assumes all distributions made by the Fund in the years shown were reinvested in units of the Fund and is based on net asset value per unit. If you hold the Fund outside a Registered Plan, you will be taxed on these distributions.

The performance information does not take into account sales charges, other charges or taxes that, if applicable, would have reduced returns or performance; but includes management fees and other expenses borne directly by the Fund. Past performance does not necessarily indicate how the Fund may perform in the future.

Year-by-Year Returns

The following bar chart shows the Fund's historical return, which changes each year and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each year.



* This Series of the Fund was renamed Series B as of August 28, 2015.

** Series A and Series F units were created on September 10, 2015. Investment Performance in respect of Series A and Series F will not be available until such units have been offered under a simplified prospectus for at least 12 consecutive months.

Summary of Investment Portfolio

As at June 30, 2016

Top 25 Positions

| Issuer | % of Net Asset Value |
|---|----------------------|
| Leith Wheeler International Equity Plus, Series A | 15.0% |
| Royal Bank of Canada | 2.0% |
| Toronto Dominion Bank | 1.8% |
| Saputo Inc. | 1.7% |
| Toromont Industries Ltd. | 1.7% |
| Canada Housing Trust 0.928% September 15, 2016 | 1.6% |
| Bank of Nova Scotia | 1.6% |
| Canadian National Railway Co. | 1.5% |
| Brookfield Infrastructure Partners LP | 1.5% |
| Open Text Corp. | 1.4% |
| Province of Ontario 3.50% June 2, 2043 | 1.3% |
| Tourmaline Oil Corp. | 1.3% |
| Manulife Financial Corp. | 1.3% |
| Canadian Imperial Bank of Commerce | 1.2% |
| Canadian Tire Corp. Ltd. Class A | 1.1% |
| Canadian Government Bond 3.50% December 1, 2045 | 1.1% |
| Brookfield Asset Management Inc | 1.1% |
| Finning International Inc. | 1.0% |
| Canada T Bills 0.48% August 11, 2016 | 1.0% |
| Canada T Bills 0.52% October 6, 2016 | 1.0% |
| Canadian Government Bond 1.5% June 01, 2026 | 0.9% |
| Stantec Inc. | 0.9% |
| Canadian Natural Resources | 0.9% |
| CI Financial Corp. | 0.8% |
| Canada T Bills 0.485% October 6, 2016 | 0.8% |

Portfolio Allocation

| Portfolio Breakdown | % of Net Asset Value |
|-------------------------|----------------------|
| Bonds | 33.9% |
| Canadian Equities | 32.0% |
| International Equities | 15.7% |
| U.S. Equities | 14.1% |
| Cash & Other Net Assets | 4.3% |

The Fund held no short positions as at June 30, 2016.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.leithwheeler.com