

Leith Wheeler Canadian Equity Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
June 30, 2016



Quiet Money.

This interim management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-888-292-1122, by writing to us at 1500 – 400 Burrard Street, Vancouver, BC V6C 3A6 or by visiting our website at www.leithwheeler.com 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 superior long-term investment returns by investing primarily in a diversified portfolio of common shares and other equity related securities of Canadian issuers. The Fund is not restricted by capitalization or industry sector although portfolio diversification is a consideration in the selection of securities for the Fund. Under normal circumstances, the Fund will keep its portfolio fully invested, to the greatest extent possible, in Canadian equity and equity related securities.

Our approach to stock picking is based on fundamental research with a strong “value” bias. Our test for value is viewing any investment we make as if we were “buying the whole business”. Therefore, the critical question becomes “what would be the price of the whole business that would make the purchase a profitable one?” Our experience has been that the price of a company in the stock market does not always reflect its real value. This discrepancy between price and value creates excellent investment opportunities.

As value investors, we tend to include companies in the portfolio when they are “out of favour” by the market and have declined in price. Companies can become undervalued when there is a lack of investor awareness; when an entire industry is out of favour with investors; or when a company experiences a short-term difficulty which, following careful analysis, we believe can be overcome. By purchasing these companies after a price decline, we find we are able to control risk in the portfolio as these investments often have less downside risk while offering a decent potential return.

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 14.7% in the first half of 2016, rising to \$2,414.5 million from \$2,104.2 million at the end of 2015. Of this change, \$242.4 million was attributable to investment gains and \$67.9 million to net inflows/redemptions.

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 Fund outperformed the S&P/TSX Composite during the first six months of 2016, with Series A of the fund increasing 11.3% and Series B of the Fund increasing 10.5% after fees and expenses. The Fund performed well 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 the Fund’s performance in the first half of 2016 were Teck Resources (+219.6%), Capstone Mining (+93.2%) and First Quantum (+75.4%). Teck Resources reported better than expected first quarter results due to higher volumes of metallurgic (steel-making) coal and lower costs. The company also reduced near-term balance sheet concerns by extending the maturity on some of its debt. Metallurgic coal prices have continued to increase due to improved global demand. Capstone Mining and First Quantum, also performed well on improving sentiment for the mining sector. In contrast Redknee Solutions (-37.4%), Element Financial (-17.7%), and Cameco (-15.8%) detracted from performance. Redknee Solutions fell as the company warned that it would not meet investors’ expectations for the current quarter’s earnings. Redknee’s large international telecommunications customers have been very slow to make purchase decisions in the face of slow global growth and rapid changes in exchange rates. Recently, however, the company has announced some new customer contracts which should boost future results. Element Financial also struggled during the first half of the year, reversing the strong performance it had in 2015. While Element reported solid fourth quarter 2015 sales and earnings, investors were disappointed by its announcement to separate into two publicly traded companies. The separation of the company will take most of 2016 to complete, however we see it as an opportunity for the company to add value to shareholders in the longer term. Cameco remains under a cloud as uranium prices have declined and Japan has been far slower than expected in restarting reactors.

We added two names to the Fund in the first half of 2016: Boardwalk REIT and Onex Corporation. Boardwalk REIT is an Alberta-focused rental apartment owner, with 67% of its net operating income generated from the province. The remainder of income comes from properties in Ontario, Saskatchewan and Quebec. Investor concerns over low oil prices and the effects on the Alberta economy negatively impacted the stock. This created an opportunity for us to buy good-quality assets at a 30% discount to net-asset-value. Boardwalk has a strong and stable management team, with experience managing the company

Management Discussion of Fund Performance (cont.)

through difficult environments. The founders own 25% of the company and are well aligned with other shareholders, as they receive distributions as income rather than salaries, bonuses, or options.

We initiated a position in Onex Corporation during the second quarter. Onex has been a successful private equity company for 32 years. As institutional investors diversify away from traditional asset classes, demand for alternatives, such as private equity, continues to increase. While there is plenty of competition within the private equity business, Onex has an established track record and brand name. The company has a strong management team, who have significant ownership in the business. We purchased shares at an attractive price, but could only establish a small position before the stock price jumped. We will look for further opportunities to add to the position at more attractive prices.

We eliminated a few of the holdings in the Fund during the first half of the year including Enbridge, CGI Group, Calfrac Well Services, and Bank of Montreal. We initiated a small position in Enbridge in the first quarter, but sold the position prior to the end of the quarter. The outlook for this pipeline, gas processing and distribution business became increasingly uncertain in the first quarter due to concerns about the company's access to debt capital markets. The company undertook equity financing at a substantial discount, which we found attractive. In short order, the market priced in several years of future growth and the stock appreciated quickly beyond our three-year-out price target. With the shares trading at an above-average valuation versus alternative investment opportunities, we sold our position. We sold our position in CGI Group during the first quarter. CGI is a high-quality company with strong management and a successful track record of adding value through acquisitions. However, towards the end of last year, the market began to anticipate further large acquisitions and the stock's valuation increased substantially. From our discussions with management, we felt that the probability of a large transaction was lower than investors were pricing in. As a result, our anticipated return fell and we saw better opportunities elsewhere. We also sold our remaining position in Calfrac Well Services during the first quarter. In 2015, the outlook for its energy services business started to deteriorate at a faster rate than we initially expected due to reduced drilling activity levels, as well as an increase in pricing pressure. We concluded a recovery in profitability from current levels could be several years away and exited the position. Finally, we sold our position in Bank of Montreal (BMO) in the second quarter. After evaluating the risk/return for the investment in BMO, we decided to redeploy capital into other, more attractive opportunities.

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

Equity markets globally were up strongly 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.

Management Fees

The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The annualized management fee for the Series B units of the Fund is 1.40%. During the year, the Fund paid the Manager \$806,407 (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. In respect of Series A units, the unitholder pays the Manager a negotiated management fee outside the Fund.

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	2016 YTD	2015	2014	2013	2012	2011
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$32.91	\$39.35	\$39.47	\$33.15	\$29.88	\$33.21
Increase (decrease) from operations:						
Total revenue	0.73	1.08	1.07	0.92	0.86	0.96
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the year	(0.49)	0.64	3.64	1.71	0.58	2.44
Unrealized gains (losses) for the year	3.51	(6.44)	(1.26)	5.57	3.19	(5.03)
Total increase (decrease) from operations ⁽¹⁾	3.75	(4.76)	3.45	8.20	4.63	(1.63)
Distributions:						
From income (excluding dividends)	-	(0.01)	-	(0.01)	(0.01)	(0.01)
From dividends	(0.73)	(1.06)	(1.10)	(0.91)	(0.85)	(0.84)
From capital gains	-	(0.82)	(2.54)	(0.91)	(0.49)	(0.93)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.73)	(1.89)	(3.64)	(1.83)	(1.35)	(1.78)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$35.87	\$32.91	\$39.35	\$39.47	\$33.07	\$29.88
Series B	2016 YTD	2015	2014	2013	2012	2011
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$36.76	\$43.55	\$43.14	\$35.78	\$31.74	\$34.46
Increase (decrease) from operations:						
Total revenue	0.80	1.12	1.21	0.97	0.89	-
Total expenses	(0.24)	(0.51)	(0.58)	(0.49)	(0.53)	(0.54)
Realized gains (losses) for the year	(0.54)	0.67	4.10	1.81	0.60	(0.01)
Unrealized gains (losses) for the year	3.85	(6.72)	(1.42)	5.88	3.30	0.02
Total increase (decrease) from operations ⁽¹⁾	3.87	(5.44)	3.31	8.17	4.26	(0.53)
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	(0.52)	(0.35)	(0.34)	(0.38)	(0.26)	(0.11)
From capital gains	-	(0.78)	(2.42)	(0.47)	(0.09)	(0.44)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.52)	(1.13)	(2.76)	(0.85)	(0.35)	(0.55)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$40.09	\$36.76	\$43.55	\$43.14	\$35.70	\$31.74

(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	June 30, 2016	2015	2014	2013	2012	2011
Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾	2,295,782	1,989,747	1,990,341	1,791,587	1,369,114	1,046,446
Number of units outstanding (000s) ⁽¹⁾	63,995	60,454	50,583	45,395	41,299	34,941
Management expense ratio(%) ⁽²⁾	-	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	-	-	-	-	-	-
Trading expense ratio (%) ⁽³⁾	0.03	0.07	0.07	0.07	0.09	0.10
Portfolio turnover rate (%) ⁽⁴⁾	26.11	27.64	37.07	27.52	38.61	39.14
Net assets attributable to holders of redeemable units per unit (\$)	35.87	32.91	39.35	39.47	33.15	29.95

Series B	June 30, 2016	2015	2014	2013	2012	2011
Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾	118,719	114,474	140,724	130,114	115,223	110,765
Number of units outstanding (000s) ⁽¹⁾	2,961	3,114	3,232	3,016	3,220	3,481
Management expense ratio(%) ⁽²⁾	1.49	1.49	1.49	1.49	1.56	1.57
Management expense ratio before waivers or absorptions (%)	1.49	1.49	1.49	1.49	1.56	1.57
Trading expense ratio (%) ⁽³⁾	0.03	0.07	0.07	0.07	0.09	0.10
Portfolio turnover rate (%) ⁽⁴⁾	26.11	27.64	37.07	27.52	38.61	39.14
Net assets attributable to holders of redeemable units per unit (\$)	40.09	36.76	43.55	43.14	35.78	31.82

(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

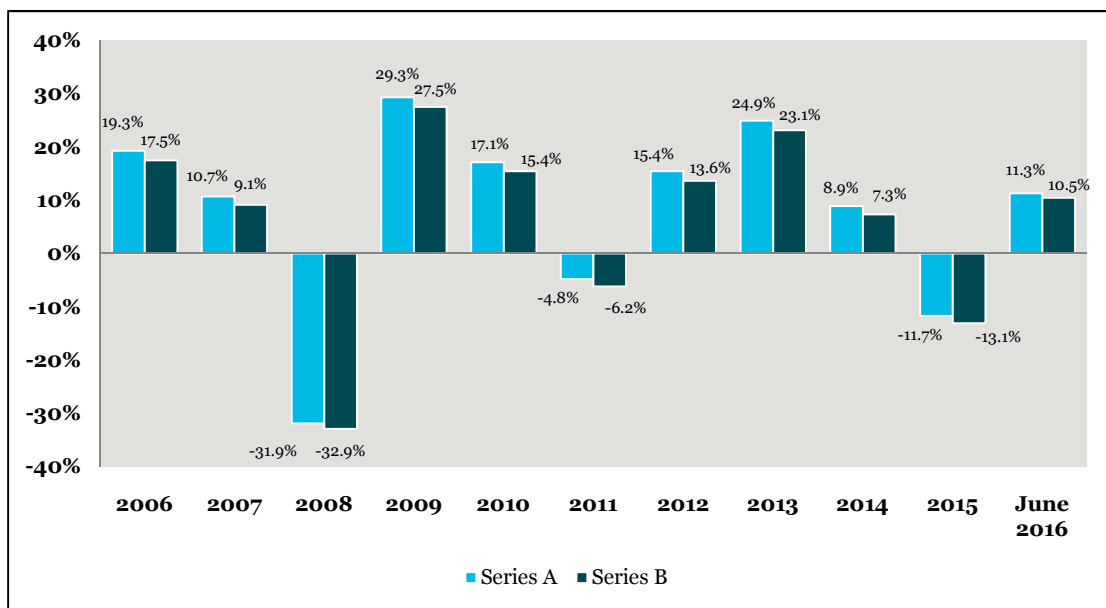
General

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.



Summary of Investment Portfolio

As at June 30, 2016

Top 25 Positions

Issuer	% of Net Asset Value
Royal Bank of Canada	6.2%
Toronto Dominion Bank	5.5%
Saputo Inc.	5.3%
Bank of Nova Scotia	4.8%
Brookfield Infrastructure Partners LP	4.8%
Canadian National Railway Co.	4.8%
Open Text Corp.	4.3%
Manulife Financial Corp.	4.1%
Tourmaline Oil Corp.	4.0%
Toromont Industries Ltd.	3.7%
Canadian Imperial Bank of Commerce	3.6%
Brookfield Asset Management Inc	3.4%
Canadian Tire Corp. Ltd. Class A	3.4%
Finning International Inc.	3.1%
Canadian Natural Resources	2.9%
Stantec Inc.	2.8%
Constellation Software Inc.	2.6%
CI Financial Corp.	2.5%
First Quantum Minerals Ltd.	2.1%
Cameco Corp.	2.0%
Home Capital Group Inc.	1.9%
Western Energy Services Corp.	1.8%
Element Financial Corp.	1.7%
Mullen Group Ltd.	1.7%
Teck Resources Ltd. Class B	1.4%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Financials	39.4%
Industrials	16.3%
Energy	14.6%
Information Technology	7.2%
Consumer Discretionary	6.9%
Utilities	6.1%
Consumer Staples	5.3%
Materials	3.5%
Cash & Other Net Assets	0.7%

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.