

Leith Wheeler Core Bond 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.

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.

Management Discussion of Fund Performance

Investment Objective and Strategies

To provide a stable and attractive total return through investment in Canadian fixed income securities. The Fund will invest in Government and high-grade corporate bonds, with a varying mix between short term, medium term and longer term maturities depending on the assessment of interest rate trends and prospective returns.

Safety and liquidity are the focus of our approach to fixed income investing. Economic conditions are constantly monitored by Leith Wheeler to forecast interest rate changes. The added value for the Fixed Income Fund will come from Leith Wheeler identifying opportunities to shift investments between various maturities and between Federal, Provincial and Corporate bonds.

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 6.3% in the first half of 2016, rising to \$212.3 million from \$199.8 million at the end of 2015. Of this change, \$8.6 million was attributable to investment gains and \$3.9 million to net inflows/subscriptions.

Fixed income investments 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 the second quarter resulting in the FTSE TMX Universe Bond Index advancing by 4.0% during the first half of 2016.

The Core Bond Fund performed well during the first half of 2016 with Series A units advancing by 4.3% and Series B units returning 3.9% after fees and expenses. The Core Bond 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 1/4 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 Province of 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 of the Core Bond Fund. 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.

Our outlook for the Canadian fixed income markets remains cautious as the level of uncertainty for markets has increased during the second quarter. We believe the probability of further monetary policy easing from the Bank of Canada has risen due to ongoing weakness in exports, while the probability of rate hikes in the United States is significantly lower due to global economic and political concerns.

In this environment, we continue to focus on allocating assets to the best risk-adjusted investments in fixed income. Our view continues to be that there are better opportunities in provincial and corporate bond markets rather than in interest rate markets, given the uncertain and divergent global interest rate outlook. We continue to look for high-quality opportunities to add to the Core Bond Fund as credit spreads widen and in the meantime, take advantage of opportunities within both the provincial and corporate bond markets.

Management Discussion of Fund Performance (cont.)

Recent Developments

There has been no change in the Bank of Canada rate since the end of June 2016.

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 0.75%. During the year, the Fund paid the Manager \$160,802 (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⁾	\$11.00	\$11.19	\$10.68	\$11.21	\$11.16	\$10.61
Increase (decrease) from operations:						
Total revenue	0.18	0.39	0.40	0.41	0.41	0.45
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the year	0.12	0.27	0.19	0.03	0.17	0.18
Unrealized gains (losses) for the year	0.18	(0.22)	0.37	(0.53)	(0.09)	0.44
Total increase (decrease) from operations ⁽¹⁾	0.48	0.44	0.96	(0.09)	0.49	1.07
Distributions:						
From income (excluding dividends)	(0.18)	(0.38)	(0.41)	(0.41)	(0.41)	(0.45)
From dividends	-	(0.01)	-	-	-	-
From capital gains	-	(0.22)	(0.02)	(0.05)	(0.02)	-
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.18)	(0.61)	(0.43)	(0.46)	(0.43)	(0.45)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	11.29	\$11.00	\$11.19	\$10.68	\$11.21	\$11.16

Series B	2016 YTD	2015	2014	2013	2012	2011
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$11.05	\$11.21	\$10.72	\$11.28	\$11.24	\$10.60
Increase (decrease) from operations:						
Total revenue	0.17	0.37	0.39	0.36	0.40	0.41
Total expenses	(0.04)	(0.08)	(0.08)	(0.08)	(0.09)	(0.09)
Realized gains (losses) for the year	0.12	0.26	0.19	0.03	0.17	0.17
Unrealized gains (losses) for the year	0.17	(0.21)	0.37	(0.46)	(0.09)	0.41
Total increase (decrease) from operations ⁽¹⁾	0.42	0.34	0.87	(0.16)	0.39	0.90
Distributions:						
From income (excluding dividends)	(0.12)	(0.26)	(0.35)	(0.35)	(0.33)	(0.27)
From dividends	-	-	-	-	-	-
From capital gains	-	(0.23)	(0.02)	(0.05)	(0.01)	-
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.12)	(0.49)	(0.37)	(0.40)	(0.34)	(0.27)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$11.36	\$11.05	\$11.21	\$10.72	\$11.28	\$11.24

(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⁾	172,386	155,559	164,835	212,174	275,002	264,819
Number of units outstanding (000s) ⁽¹⁾	15,266	14,145	14,726	19,870	24,527	23,721
Management expense ratio(%) ⁽²⁾	-	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	-	-	-	-	-	-
Trading expense ratio (%) ⁽³⁾	-	-	-	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	144.83	101.26	80.38	69.09	78.99	81.33
Net assets attributable to holders of redeemable units per unit (\$)	11.29	11.00	11.19	10.68	11.21	11.16

Series B	June 30, 2016	2015	2014	2013	2012	2011
Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾	39,902	44,280	48,965	46,472	49,994	53,201
Number of units outstanding (000s) ⁽¹⁾	3,513	4,009	4,368	4,335	4,430	4,734
Management expense ratio(%) ⁽²⁾	0.79	0.79	0.79	0.79	0.84	0.84
Management expense ratio before waivers or absorptions (%)	0.79	0.79	0.79	0.79	0.84	0.84
Trading expense ratio (%) ⁽³⁾	-	-	-	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	144.83	101.26	80.38	69.09	78.99	81.33
Net assets attributable to holders of redeemable units per unit (\$)	11.36	11.05	11.21	10.72	11.28	11.24

(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

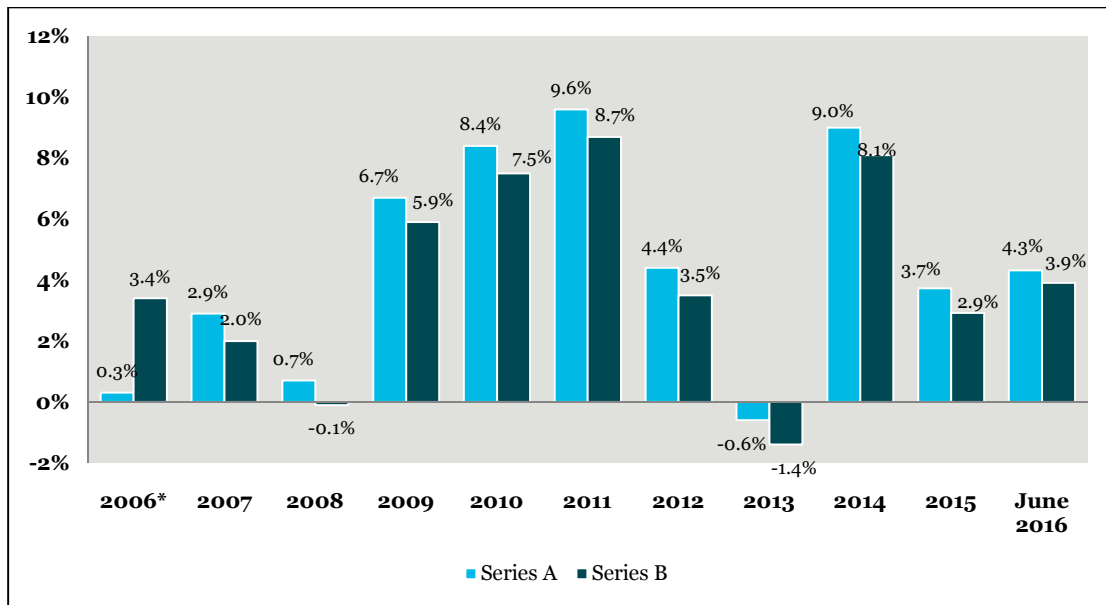
General

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.



* Series A return from October 31, 2006 to December 31, 2006, not annualized.

Summary of Investment Portfolio

As at June 30, 2016

Top 25 Positions

Issuer	% of Net Asset Value
Canadian Government Bond 3.50% December 1, 2045	4.8%
Province of Ontario 3.50% June 2, 2043	2.5%
Province of Newfoundland 1.95% June 02, 2022	2.2%
Province of Ontario 4.2% June 02, 2020	1.9%
Canada Housing Trust 2.65% March 15, 2022	1.9%
Wells Fargo Canada Corp. 2.78% November 15, 2018	1.7%
Bank of Nova Scotia 2.242% March 22, 2018	1.7%
Canadian Government Bond 1.5% June 01, 2026	1.7%
Royal Bank of Canada 2.26% March 12, 2018	1.7%
Royal Bank of Canada 2.77% December 11, 2018	1.6%
Canadian Mortgage Pools 99007726 5.44% Mar 1, 2028	1.6%
Canadian Imperial Bank of Commerce 1.7% October 09, 2018	1.5%
Province of Manitoba 2.55% June 02, 2026	1.4%
Canadian Government 0.75% March 01, 2021	1.3%
Province of Quebec 3.50% December 1, 2045	1.3%
Canadian Imperial Bank of Commerce 2.35% October 18, 2017	1.3%
Bank of Montreal 2.24% December 11, 2017	1.2%
American Express Canada Credit Corp. 2.31% March 29, 2018	1.2%
Union Gas Ltd. 5.35% April 27, 2018	1.1%
Canadian Government Bond 5.00% June 1, 2037	1.1%
Choice Properties LP 3.6% September 20, 2022	1.1%
Province of Ontario 6.20% June 2, 2031	1.0%
CU Inc 9.92% April 01, 2022	1.0%
Province of Manitoba, 6.30% March 5, 2031	1.0%
National Grid Electricity Transmission PLC 2.73% September 20, 2017	1.0%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Corporate Bonds	48.4%
Provincial Bonds	25.9%
Federal Bonds	20.6%
Municipal Bonds	2.8%
Maple Bonds	1.6%
Real Return Bonds	0.6%
Cash & Other Net Assets	0.1%

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.