

Leith Wheeler Income Advantage 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 source of tax efficient monthly income, with some potential for long term growth through capital appreciation and growth in dividends. The Fund derives its income from allocating its investments primarily among fixed income securities, preferred shares, and dividend paying equities.

Of the total Fund, the investment in fixed income securities will range between 30% to 70%, Canadian equities from 15% to 50%, foreign equities between 0% to 25%, preferred shares between 0% to 25%, mortgages from 0% to 10%, and cash and cash equivalents between 0% to 5%. The fixed income securities and preferred shares will provide lower risk income and the common shares will provide an opportunity for dividends and capital gains. Investors will 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 3.7% in the first half of 2016, rising to \$63.7 million from \$61.4 million at the end of 2015. Of this change, \$3.3 million was attributable to investment gains and \$1.0 million to net redemptions.

The Leith Wheeler Income Advantage Fund had a positive return in the first half of 2016 with Series A units advancing by 3.0%. Series B units returned 2.8% and Series F units advanced by 2.8%, both after fees and expenses. The Fund's asset mix at June 30th was 48.9% Investment Grade Bonds, 7.1% High Yield Bonds, 35.9% Canadian Equities, 7.6% Preferred Shares and 0.5% Cash and Equivalents.

Fixed income investments performed well in the first half of 2016 as federal government bonds rallied as investors searched for safety. Some 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).

During the first quarter of 2016, we saw a recovery in risky assets as oil prices increased. Corporate bond spreads were attractive and preferred shares were trading at discounted values. We were seeing a healthy amount of new issues in the market. Within the Fund, we added to preferred shares and high yield bonds early in the year then trimmed High Yield after strong performance. We added to our weight in the financial sector, including participating in new issues of Manulife preferreds and Bank of Nova Scotia bonds.

During the second quarter, we saw strong performance from preferred shares and high yield bonds as they were recovering from lower valuations earlier in the year. Credit spreads widened slightly, but this was more than offset by an overall reduction in interest rates caused by a reduced expectation for Federal Reserve interest rate hikes.

Within the investment grade bond component of the Income Advantage Fund, we reduced our exposure to financials and added to real estate, oil and gas and utilities by participating in new issues that came to market at attractive pricing. In June, we trimmed some investment grade corporates and bought some highly rated NHA bonds (considered federal bonds) and municipal bond which traded at attractive yields compared to corporate bonds. Preferred shares continued to recover from the lower levels earlier in the year and we trimmed our holdings in June. We also trimmed high yields bonds in June which had outperformed preferred shares.

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.

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 reverse some of the declines 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 well. The weakest sector in the first half of 2016 was Healthcare (-72.3%) as Valeant continued to have difficulty. Information

Management Discussion of Fund Performance (cont.)

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 dividend stock component of the Income Advantage Fund is held through units of the Canadian Dividend Fund. The Canadian Dividend Fund outperformed the S&P/TSX Composite during the first six months of 2016. 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 Russel Metals (+48.0%), Encana (+43.6%) and Sleep Country Canada (+40.0%). In contrast, Baytex Energy (-37.1%), Manulife Financial (-13.0%), and Constellation Software (-12.9%), detracted from performance.

We added three new names to common stock component of the Income Advantage Fund in the first half of 2016: Boardwalk REIT, TransCanada Pipelines, and A&W Revenue Royalties Income Fund. We eliminated two of the holdings in the Fund during the first half of the year: Baytex Energy, and Enbridge.

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. In this environment, we continue to focus on allocating assets to the best risk-adjusted investments. 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, we will continue to apply our 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 Income Advantage Fund owns 2,034,699 Series A units of the Leith Wheeler Canadian Dividend Fund, and 430,660 Series A (CAD Hedged) units of the Leith Wheeler High Yield Bond Fund, which are funds under common management. These holdings represent approximately 42.4% of this 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 1.00%. The fee will be reduced to 0.80% per annum as long as the annualized yield on the Fund at quarter end is less than 4.50%. The annualized management fee for the Series F units of the Fund is 0.70%. During the year, the Fund paid the Manager \$98,957 for Series B and \$2,352 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. 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⁾	\$10.28	\$10.90	\$10.88	\$10.48	\$10.07	\$9.98
Increase (decrease) from operations:						
Total revenue	0.18	0.40	0.77	0.61	0.52	0.58
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the year	(0.04)	0.09	0.04	0.03	0.04	0.06
Unrealized gains (losses) for the year	0.43	(0.62)	(0.12)	0.30	0.31	0.10
Total increase (decrease) from operations ⁽¹⁾	0.57	(0.13)	0.69	0.94	0.87	0.74
Distributions:						
From income (excluding dividends)	(0.06)	(0.16)	(0.19)	(0.20)	(0.19)	(0.20)
From dividends	(0.13)	(0.20)	(0.21)	(0.21)	(0.20)	(0.22)
From capital gains	-	(0.14)	(0.29)	(0.12)	(0.12)	(0.04)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.19)	(0.50)	(0.69)	(0.53)	(0.51)	(0.46)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.67	\$10.28	\$10.90	\$10.88	\$10.48	\$10.07
Series B	2016 YTD	2015	2014	2013	2012	2011
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$10.41	\$11.00	\$10.98	\$10.53	\$10.15	\$10.00
Increase (decrease) from operations:						
Total revenue	0.19	0.36	0.76	0.60	0.55	0.43
Total expenses	(0.04)	(0.09)	(0.09)	(0.08)	(0.09)	(0.09)
Realized gains (losses) for the year	(0.04)	0.09	0.04	0.03	0.04	0.05
Unrealized gains (losses) for the year	0.43	(0.57)	(0.12)	0.30	0.33	0.07
Total increase (decrease) from operations ⁽¹⁾	0.54	(0.21)	0.59	0.85	0.83	0.46
Distributions:						
From income (excluding dividends)	(0.04)	(0.06)	(0.10)	(0.08)	(0.12)	(0.08)
From dividends	(0.10)	(0.18)	(0.21)	(0.19)	(0.22)	(0.18)
From capital gains	-	(0.14)	(0.29)	(0.12)	(0.12)	(0.04)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.14)	(0.38)	(0.60)	(0.39)	(0.46)	(0.30)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.82	\$10.41	\$11.00	\$10.98	\$10.53	\$10.15

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 period ^{(1) (3)}	\$9.83	\$10.57	n/a	n/a	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.17	0.44	n/a	n/a	n/a	n/a
Total expenses	(0.02)	(0.05)	n/a	n/a	n/a	n/a
Realized gains (losses) for the year	(0.03)	0.10	n/a	n/a	n/a	n/a
Unrealized gains (losses) for the year	0.40	(0.68)	n/a	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.52	(0.19)	n/a	n/a	n/a	n/a
Distributions:						
From income (excluding dividends)	(0.05)	(0.15)	n/a	n/a	n/a	n/a
From dividends	(0.09)	(0.38)	n/a	n/a	n/a	n/a
From capital gains	-	(0.13)	n/a	n/a	n/a	n/a
Return of capital	-	-	n/a	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.14)	(0.66)	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.21	\$9.83	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.

(3) From September 10, 2015, inception date of Series F units of the Fund. Series F initial net asset value per unit offering commenced at the closing net asset value per unit of Series B on September 10, 2015 of \$10.57.

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⁾	38,258	35,954	39,385	33,084	18,852	6,470
Number of units outstanding (000s) ⁽¹⁾	3,586	3,498	3,615	3,042	1,798	642
Management expense ratio(%) ⁽²⁾	-	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	0.05	0.04	0.03	0.05	0.08	-
Trading expense ratio (%) ⁽³⁾	0.03	0.04	0.02	0.03	0.04	0.12
Portfolio turnover rate (%) ⁽⁴⁾	98.57	115.65	53.07	50.08	52.75	105.13
Net assets attributable to holders of redeemable units per unit (\$)	10.67	10.28	10.90	10.88	10.48	10.07

Series B	June 30, 2016	2015	2014	2013	2012	2011
Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾	24,746	24,747	28,182	22,848	19,019	7,955
Number of units outstanding (000s) ⁽¹⁾	2,287	2,376	2,562	2,081	1,806	783
Management expense ratio(%) ⁽²⁾	0.85	0.85	0.85	0.85	0.89	0.90
Management expense ratio before waivers or absorptions (%)	0.90	0.89	0.89	0.90	0.97	0.90
Trading expense ratio (%) ⁽³⁾	0.03	0.04	0.02	0.03	0.04	0.12
Portfolio turnover rate (%) ⁽⁴⁾	98.57	115.65	53.07	50.08	52.75	105.13
Net assets attributable to holders of redeemable units per unit (\$)	10.82	10.41	11.00	10.98	10.53	10.16

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⁾	709	661	n/a	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	69	67	n/a	n/a	n/a	n/a
Management expense ratio(%) ⁽²⁾	0.79	0.74	n/a	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.83	0.77	n/a	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.03	0.04	n/a	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	98.57	115.65	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units per unit (\$)	10.21	9.83	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

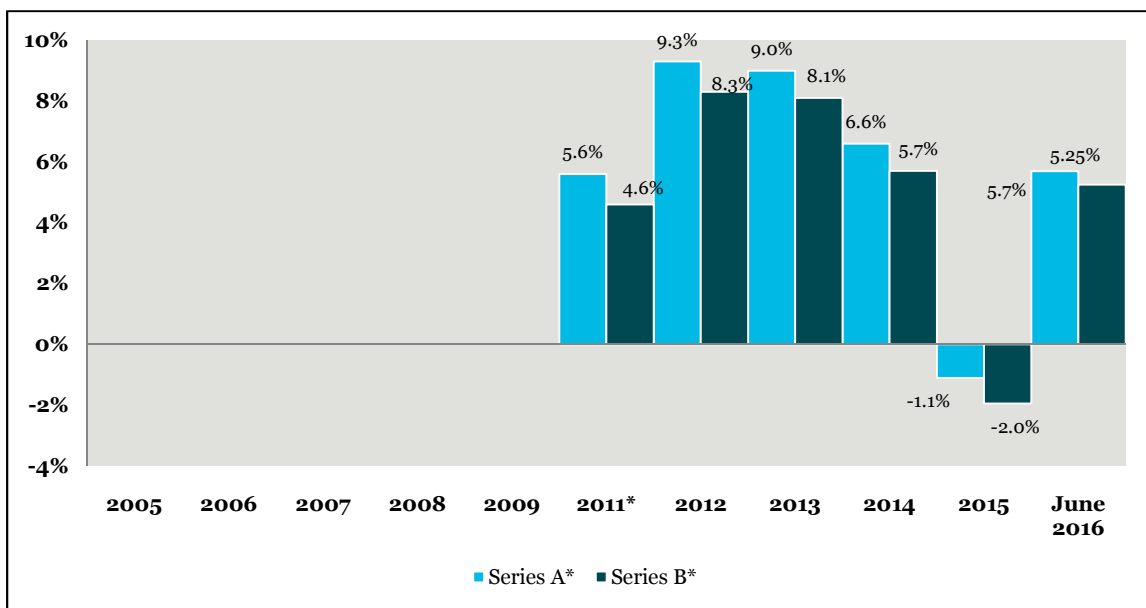
General

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.



* Series A units were created December 21, 2010, Series B units were created on December 23, 2010.

** Series F units were created on September 10, 2015. Investment Performance in respect of 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 Canadian Dividend Fund, Series A	35.9%
Leith Wheeler High Yield Bond Fund, Series A	6.5%
Royal Bank of Canada 1.968% March 2, 2022	2.2%
Toronto Dominion Bank 2.621% December 22, 2021	1.3%
Bank of Nova Scotia 2.873% June 4, 2021	1.2%
Bank of Montreal 2.12% March 16, 2022	1.2%
CAN 97506898 1.475% April 01, 2021	1.2%
Bank of Nova Scotia 2.75% August 13, 2018	1.1%
TELUS Corp. 3.75% January 17, 2025	1.0%
Manulife Financial Corp 5.505% June 26, 2018	1.0%
City of Montreal 3.5% September 1, 2023	1.0%
Toronto Dominion Bank 4.859% March 04, 2031	0.8%
Royal Bank of Canada 3.31% January 20, 2026	0.8%
AltaLink LP 3.668% November 6, 2023	0.8%
Omers Realty Corp. 2.97% April 05, 2021	0.8%
The Goldman Sachs Group Inc. 3.375% February 1, 2018	0.7%
Wells Fargo & Company 2.975% May 19, 2026	0.7%
Enbridge Pipelines Inc. 3.45% September 29, 2025	0.7%
BCIMC Realty Corp 3.51% June 29, 2022	0.6%
American Express Canada Credit Corp. 2.31% March 29, 2018	0.6%
Bank of Montreal 1.88% March 31, 2021	0.6%
Wells Fargo Canada Corp. 2.78% November 15, 2018	0.6%
Seagate HDD Cayman 4.75% June 01, 2023	0.6%
Canadian Government 3.25% June 01, 2021	0.6%
Rogers Communications Inc. 4.00% June 6, 2022	0.6%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Bonds	56.0%
Canadian Equities	35.6%
Preferred Shares	7.6%
Cash & Other Net Assets	0.8%

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