

## REPORT TO SECURITYHOLDERS OF LEITH WHEELER FUNDS

March 23, 2011

Dear Investor,

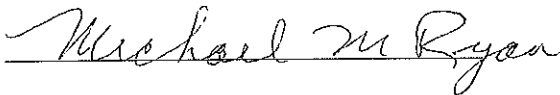
The Independent Review Committee for the Leith Wheeler Funds is providing to you this annual report to securityholders of the Leith Wheeler Funds pursuant to the requirements of *National Instrument 81-107, Independent Review Committee for Investment Funds*. This report is solely for the year ended December 31, 2010.

Securities regulators require the Independent Review Committee to review mutual fund conflict of interest matters identified and referred to the Committee by Leith Wheeler Investment Counsel Limited, the manager of the Leith Wheeler Funds.

At least once per year, the Independent Review Committee will also review and assess the adequacy and effectiveness of the policies and procedures relating to conflict of interest matters in respect of the Funds and provide the required report to securityholders.

Leith Wheeler appointed the initial members of the Committee and set its compensation. The Committee is required to assume responsibility on an ongoing basis for reviewing and assessing its independence, compensation and effectiveness.

The Committee looks forward to a productive relationship with Leith Wheeler for the benefit of investors in its Funds.



Michael M. Ryan

Chair of the Independent Review Committee

### **Members of the Independent Review Committee**

<b>Name</b>	<b>Residence</b>	<b>Length of Service</b>
Michael M. Ryan, Chair	Vancouver	Since May 1, 2007
Michael Scott	Vancouver	Since May 1, 2007
Leon Getz	Vancouver	Since May 1, 2007

There were no changes in the composition of the Independent Review Committee in the period.

### **Holdings of Securities**

#### **(a) Funds**

As at December 31, 2010, the percentage of securities of each series of the Funds beneficially owned, directly or indirectly, in aggregate, by all members of the Independent Review Committee did not exceed 10 per cent.

#### **(b) Manager**

As at December 31, 2010, no member of the Independent Review Committee beneficially owned, directly or indirectly, any class or series of voting or equity securities of Leith Wheeler Investment Counsel Limited or its affiliates.

#### **(c) Service providers**

As at December 31, 2010, no members owned any of the securities of any service provider to the Leith Wheeler Funds.

### **Compensation and Indemnities**

The aggregate compensation paid to the Independent Review Committee for the year ended December 31, 2010 was \$16,500. The Manager has the discretion to reimburse the Funds for all or part of the IRC fees and expenses or may absorb these fees and expenses. For the year ended December 31, 2010, no amounts were paid by the Funds. IRC fees and expenses were paid directly by the Manager, Leith Wheeler Investment Counsel Ltd.

No indemnities were paid to the Independent Review Committee by the Fund during the period.

The initial compensation of the Independent Review Committee was set by Leith Wheeler. At least annually, the Independent Review Committee will review compensation giving consideration to the following:

1. the number, nature and complexity of the Funds for which the Independent Review Committee acts; and
2. the nature and extent of the workload of each member of the Independent Review Committee;
3. industry averages for similar fund groups with similar complexity;

4. the best interests of the Funds.

#### **Conflict of Interest Matters**

The Independent Review Committee is not aware of any instance in which Leith Wheeler acted in a conflict of interest matter referred to the Independent Review Committee for which the Independent Review Committee did not give a positive recommendation.

The Independent Review Committee is not aware of any instance in which Leith Wheeler acted in a conflict of interest matter but did not meet a condition imposed by the Independent Review Committee in its recommendation or approval.

Leith Wheeler received positive recommendations and standing instructions with respect to the conflict of interest matters addressed by the following policies. In each case, the standing instructions required Leith Wheeler to comply with its related policy and procedures and to report periodically to the Independent Review Committee.

#### **Positive Recommendations and Standing Instructions**

1. Policy on Pricing Errors
2. Policy on Proxy Voting
3. Policy on Employee Personal Trading
4. Policy on Allocation of Expenses Between Funds and Series
5. Policy on Payments, Gifts and Entertainment
6. Policy on Trading (Trade Allocations)
7. Policy on Trading (Soft Dollar Usage)
8. Policy on Large Unitholders

#### **Leith Wheeler Funds**

The Leith Wheeler Funds are:

Leith Wheeler Money Market Fund  
Leith Wheeler Fixed Income Fund  
Leith Wheeler Balanced Fund  
Leith Wheeler Canadian Equity Fund  
Leith Wheeler U.S. Equity Fund  
Leith Wheeler International Equity Plus Fund  
Leith Wheeler Income Advantage Fund  
Leith Wheeler Canadian Dividend Fund