



Leith Wheeler Canadian Dividend Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
June 30, 2011

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 obtain a free copy of the interim or annual financial statements at your request, 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.

A NOTE ON FORWARD LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements as a result of new information, future events or otherwise.

Investment Objective and Strategies

Fund Objective

To provide investors with a source of monthly income, with some potential for long term growth through capital appreciation and growth in dividends. The targeted yield of the Fund will exceed the yield of the S&P/TSX Composite Index.

Investment Strategy

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 was launched in late December 2010. In accordance with securities regulations, performance may not be reported until the fund has been offered under a simplified prospectus for one full year. At the end of June 2011, the Fund’s net assets totaled \$4,889,418.16.

After posting a solid start to 2011 in the first three months of the year, the second quarter proved to be more problematic for Canadian equity returns. Lingering concerns about the earthquake damage in Japan, the Greek fiscal situation and signs of economic softness in China and the United States, weighed heavily on equity prices in Canada. During the second quarter, the S&P/TSX Composite dropped 5.2%. At the end of June 2011, the Canadian market is up slightly at 0.2%.

In the first half of 2011, the S&P/TSX Composite was led by the Health Care (+56.4%), Telecommunication Services

(+13.3%) and Industrials (+10.8%) sectors. The worst performing sector in the first six months of the year was Information Technology (-30.8%), which was driven in large part by a 52.0% decrease in Research in Motion’s share price over that time period. The decline came as investors and analysts lost confidence in the company’s ability to respond to strong competition from Apple and android smart phone manufacturers.

The Canadian Dividend Fund outperformed the S&P/TSX Composite in first half of 2011. The majority of the Fund’s outperformance was attributable to it being significantly underweight the Materials sector, which declined 9.7% in the first six months of the year.

The Fund’s bank holdings were among the top contributors to performance in the first half of 2011 with National Bank (+16.1%) and TD Bank (+11.9%) both posting solid gains. Additionally, a number of the Fund’s large capitalization Energy holdings posted very strong gains, with Baytex Energy (+16.0%) and TransCanada Pipelines (+15.1%) both finishing up over 15% year-to-date. In contrast, Canadian Tire, a Consumer Discretionary company, and Great West Life, an insurance company, both hurt performance, declining by 6.6% and 1.1% respectively.

During the first six months of 2011 we were fortunate to find opportunities to add high quality companies to the Fund. In March, we added Intact Financial, the largest property and casualty insurer in Canada, to the Fund. We also added First Capital, a real estate management company that owns and operates over 175 Canadian retail properties representing over 20 million square feet of leasable space, to the Fund in March. First Capital’s five largest tenants are Sobeys, Shoppers Drug Mart, Loblaw’s, Metro and Zellers.

There were no stocks removed from the Fund in the first half of 2011.

Since the stock market bottom in March 2009, the market’s advance has been widespread, as one would expect after the decline caused by the Financial Crisis in 2007-2008. We are now at the stage where investors are being far more discerning and as a consequence, equity returns will be more selective going forward. Our bottom-up approach to equity selection should continue to add value in this type of environment. Based on our view of a recovering world economy, we still believe that corporate earnings growth and moderate bond yields should translate into attractive equity returns. Going forward, Leith Wheeler will continue to apply its value investment principles to security selection as we have always done.

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, 2011, the Manager held - Series A units and 1 Series B unit of the Fund. In addition, the Leith Wheeler Income Advantage Fund and Leith Wheeler Income Pooled Fund owned 8,722 and 10,026 Series A units of the Fund, which are both under common management. Combined, the holdings represent 100% of this Fund.

Recent Developments

Equity markets continued to be volatile in the early part of the second half of 2011 as fears of an impending global recession were fuelled by reports in the media. Rating agency Standard & Poor’s (S&P) downgraded U.S. government long-term debt from AAA to AA+ in August. This led the markets to decline significantly as investors who were concerned about debt levels in Europe and recent disappointing global economic news now digested the impact of a downgrade in U.S. debt. Concern has increased that we may be entering another recession at a time when the government’s ability to respond to a slowdown is limited. On a positive note, the downgrade has put the fiscal situation in the U.S. under more of a spotlight and should, hopefully, push the politicians into a more credible long term plan to deal with their debt and deficits.

On the economic front, the last month has seen a significant revision in global growth prospects. These revisions have led to corrections in major equity markets globally and declines in interest rates for most developed bond markets. These concerns around growth expectations are somewhat of a reaction to policy tightening in many regions of the world. Although we expect to see some slowing of growth from the recent lofty levels in the emerging markets, we still expect these markets to be a key engine that keeps global GDP on an upward trend.

In the U.S., most signs are pointing to an environment of continued slow economic growth, and the recent market volatility has increased the downside risk to these expectations. Our economy is closely linked to the U.S., as well as to the rest of the world, so our stock market has fallen in tandem. The market is concerned that we will see a recession and with the recent economic weakness, the risks of a recession have increased. However, our base case scenario is for the U.S. economy and Europe not to enter a recession but rather to see a low level of growth in their economies despite their fiscal situation and debt levels.

Financial Highlights

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.

The Fund’s Net Assets per Unit (CAD\$)

SERIES A (Inception Dec. 21, 2010)	2011 YTD	2010
Net assets, beginning of year⁽¹⁾	\$9.99	\$10.00
Increase (decrease) from operations:		
Total revenue	0.21	0.02
Total expenses	-	-
Realized gains (losses) for the period	-	-
Unrealized gains (losses) for the period	0.39	(0.01)
Total increase (decrease) from operations⁽²⁾	0.60	0.01
Distributions:		
From income (excluding dividends)	-	(0.01)
From dividends	(0.21)	(0.01)
From capital gains	-	-
Return of capital	-	-
Total Annual Distributions⁽³⁾	(0.21)	(0.02)
Net assets, end of year⁽¹⁾	\$10.65	\$9.99

SERIES B (Inception Dec. 21, 2010)	2011 YTD	2010
Net assets, beginning of year⁽¹⁾	\$10.00	\$10.00
Increase (decrease) from operations:		
Total revenue	0.14	-
Total expenses	(0.08)	-
Realized gains (losses) for the period	-	-
Unrealized gains (losses) for the period	0.26	-
Total increase (decrease) from operations⁽²⁾	0.32	-
Distributions:		
From income (excluding dividends)	-	-
From dividends	(0.15)	-
From capital gains	-	-
Return of capital	-	-
Total Annual Distributions⁽³⁾	(0.15)	-
Net assets, end of year⁽¹⁾	\$10.64	\$10.00

(1) This information is derived from the Fund’s unaudited interim financial statements and audited annual financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the Note 4 of the financial statements.

(2) Net assets 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.

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

Ratios and Supplemental Data

SERIES A	2011	
	YTD	2010
Total net asset value \$(000's) ⁽¹⁾	4,711	338
Number of units outstanding (000's) ⁽¹⁾	441	34
Management expense ratio(%) ⁽²⁾	-	-
Management expense ratio before	-	-
Waivers or absorptions (%)	-	-
Trading expense ratio (%) ⁽³⁾	0.29	-
Portfolio turnover rate (%) ⁽⁴⁾	1.44	-

SERIES B	2011	
	YTD	2010
Total net asset value \$(000's) ⁽¹⁾	178	0.01
Number of units outstanding (000's) ⁽¹⁾	17	0.001
Management expense ratio(%) ⁽²⁾	1.57	1.57
Management expense ratio before	-	-
Waivers or absorptions (%)	1.57	1.57
Trading expense ratio (%) ⁽³⁾	0.29	-
Portfolio turnover rate (%) ⁽⁴⁾	1.44	-

(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 for the stated period and is expressed as an annualized percentage of 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.

Management Fees

Leith Wheeler Investment Counsel Ltd. (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%. Year to date, the Fund paid the Manager \$452 (exclusive of taxes) 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.

Past Performance

Past performance information 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, 2011

Top 25 Holdings

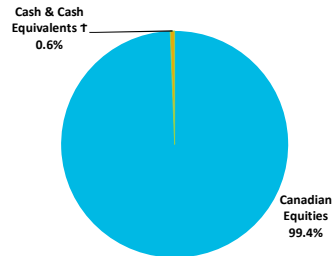
Issuer	% of Net Asset Value
TD Bank	6.2%
Shaw Comm. B	6.1%
Saputo Inc.	6.0%
Scotiabank	6.0%
Rogers Comm. Cl b	5.9%
TransCanada Corp	5.8%
CN Rail	5.6%
National Bank of Canada	5.6%
Royal Bank of Canada	5.5%
EnCana Corporation	5.3%
First Capital Realty	5.3%
Great-West Lifeco Inc.	5.1%
Canadian Imperial Bank of Commerce	5.1%
Canadian Tire A	4.5%
Pengrowth Energy Corp	4.0%
Intact Financial Corp	6.2%
Finning International Inc.	3.4%
Baytex Energy Corp	3.3%
Industrial Alliance Insurance	2.9%
Alimentation Couche-Tard sub voting	1.5%

* The summary of investment portfolio may change due to ongoing portfolio transactions of the Investment Fund. A quarterly update is available upon request.

Asset Mix

Sector	% of Net Asset Value
Financials	46.1%
Energy	19.2%
Consumer Discretionary	11.4%
Industrials	9.2%
Consumer Staples	7.6%
Telecom Services	5.9%
Cash & Cash Equivalents	0.6%

Portfolio Composition



* Cash and cash equivalents includes other assets and liabilities.