



Leith Wheeler Income Advantage 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. fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise.

Investment Objective and Strategies

Fund Objective

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.

Investment Strategy

Although Leith Wheeler may change the investment mix between fixed income, preferred and common equity securities as opportunities arise, a portion of the Fund will be maintained in each asset class. 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 was launched in late December of 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 \$5,802,747.

The asset mix of the Leith Wheeler Income Advantage Fund at the end of June 2011 was -5.1% cash, 48.2% Fixed Income, 37.1% Canadian equities and 19.8% preferred shares. Within the fixed income component, all securities were corporate bonds with an average term to maturity of 5.2 years.

The Fund performed well in the first half of 2011 largely due to the performance of its dividend paying common stock holdings and preferred shares. As investors became nervous about the prospects of a global economic recession, bonds performed well in absolute terms compared to equities. We maintained our position in

shorter term bonds in anticipation of potential interest rate increases, but overall the average maturity of the fixed income component of the Income Advantage Fund is shorter than that found in a typical Balanced Portfolio.

The exposure to the Canadian common stocks came primarily through holdings in the Leith Wheeler Canadian Dividend Fund. The Canadian Dividend Fund outperformed the S&P/TSX Composite in first half of 2011 primarily because of its significant underweight to the Materials sector, which declined 9.7% in the first six months of the year. Stocks that added value to the portfolio included Rogers Communications, TransCanada Pipeline, National Bank of Canada, CN Rail, Saputo Inc. and Baytex Energy. Stocks that detracted from the portfolio's performance include Canadian Tire, Great West Lifeco and Canadian Imperial Bank of Commerce.

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, Loblaws, Metro and Zellers.

The preferred shares held in the portfolio also performed well as they are sensitive to interest rates and increased in value as interest rates declined towards the end of the first half of 2011.

At the end of the first half of 2011, the pre-fee yield on the Income Advantage Fund was 3.82%. As a result, the reduced management fee of 0.8% plus applicable taxes will continue to be charged.

Since the stock market bottom in March 2009, the market's advance has been widespread. 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.

The Leith Wheeler Income Advantage Fund owns 193,503 units of the Leith Wheeler Canadian Dividend Fund, a fund under common management. This holding represents approximately 35.6% of the underlying 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⁾	\$9.98	\$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	0.17	(0.03)
Total increase (decrease) from operations⁽²⁾	0.39	(0.01)
Distributions:		
From income (excluding dividends)	(0.10)	-
From dividends	(0.12)	(0.02)
From capital gains	-	-
Return of capital	-	-
Total Annual Distributions⁽³⁾	(0.21)	(0.02)
Net assets, end of year⁽¹⁾	\$10.25	\$9.98
SERIES B (Inception Dec. 21, 2010)		2010
Net assets, beginning of year⁽¹⁾	\$10.00	\$10.00
Increase (decrease) from operations:		
Total revenue	0.23	-
Total expenses	(0.05)	-
Realized gains (losses) for the period	-	-
Unrealized gains (losses) for the period	0.19	-
Total increase (decrease) from operations⁽²⁾	0.36	-
Distributions:		
From income (excluding dividends)	(0.06)	-
From dividends	(0.12)	-
From capital gains	-	-
Return of capital	-	-
Total Annual Distributions⁽³⁾	(0.18)	-
Net assets, end of year⁽¹⁾	\$10.24	\$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⁾	1,649	250
Number of units outstanding (000's) ⁽¹⁾	161	25
Management expense ratio(%) ⁽²⁾	-	-
Management expense ratio before		
Waivers or absorptions (%)	-	-
Trading expense ratio (%) ⁽³⁾	0.09	-
Portfolio turnover rate (%) ⁽⁴⁾	24.89	1.66

SERIES B	2011	
	YTD	2010
Total net asset value \$(000's) ⁽¹⁾	4,154	0.01
Number of units outstanding (000's) ⁽¹⁾	406	0.001
Management expense ratio(%) ⁽²⁾	0.90	0.90
Management expense ratio before		
Waivers or absorptions (%)	0.90	0.90
Trading expense ratio (%) ⁽³⁾	0.09	-
Portfolio turnover rate (%) ⁽⁴⁾	24.89	1.66

(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 1.00%. The fee will be reduced to 0.80% per annum as long as the annualized yield on the Fund quarter end is less than 4.50%. Year to date, the Fund paid the Manager \$10,063 (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
LW Canadian Dividend Fund Series A	35.6%
Real T 05-1 A2 4.86% Mar 12, 2015	2.3%
Royal Bank Pfd y	2.2%
Bell Canada 4.40% Mar 16, 2018	2.1%
Telus Corp. 5.05% Jul 23, 2020	2.0%
Enbridge Inc. 4.53% Mar 9, 2020	1.9%
MLFA 02-Can8 A2 5.74% Nov 12, 2012	1.8%
BMO FF 6.17% Mar 28, 2018	1.8%
Emera Inc. 4.10% Oct 20, 2014	1.8%
Alliance Pipeline 5.55% Dec 31, 2023	1.7%
Ab-Inbev 3.65% Jan 15, 2016	1.7%
GE Cap Can 4.40% Jun 1, 2014	1.7%
Manulife Fin 5.16% Jun 26, 2015	1.7%
Canadian Utilities Pfd B	1.6%
Fortisbc Holdings 5.56% Sep 15, 2014	1.6%
Broad CCT 04-2A 4.80% Mar 17, 2014	1.5%
IGM Financial Inc Pfd B	1.4%
National Bank Pfd M	1.3%
Bank of Nova Scotia Pfd X	1.3%
CI Investments FF 3.94% Dec 14, 2015	1.3%
ScSC 05-4B 4.52% Sep 12, 2015	1.2%
Cdn Western Bank FF 4.39% Nov 30, 2015	1.2%
Westcoast Energy Inc. Pfd H	1.2%
MLFA 02-Can7 B 6.47% May 12, 2012	1.2%
Trans Cda Ppl 5.10% Jan 11, 2017	1.2%

* 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
Cash & Cash Equivalents	0.8%
Preferred Shares	18.4%
Canadian Equity	35.6%
Fixed Income	45.2%

* Cash and cash equivalents includes other assets and liabilities.