



Leith Wheeler Fixed Income 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 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 by the manager of interest rate trends and prospective returns.

Investment Strategy

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 Prospectus. Upon review of historical volatility of the fund and as there were no material changes to the Fund during the year that affected the overall level of risk, the risk level of the Fund was reduced to 'low' from 'medium'.

Results of Operations

The Fund's net assets increased by 12.2% to \$243.5 million at the end of June 2011, up from \$217.0 million at the end of 2010. Of this change, \$6.0 million was attributable to investment gains and \$20.5 million to net sales.

Series A units of the Fixed Income Fund advanced by 2.6% for the first six months of 2011, while Series B units advanced by 2.1% after fees and expenses. The benchmark DEX Universe Bond Index advanced by 2.2% during the same period.

Interest rates and bond yields increased early in the first quarter of 2011 as economic indicators pointed towards stronger economic growth. The trend of rising interest rates was interrupted, however, with several moves downward as the markets reacted to news of the earthquake and tsunami in Japan, and of unrest in the Middle East. Long term yields decreased towards the end of March but the yield curve remained steep with short term rates remaining at very low levels. Bond markets had built the expectation that the Bank of Canada would increase rates to normalize their monetary policy from the extreme low levels of accommodative rates they had provided during the economic crisis, but this turned out not to be the case. In the first quarter, the differential between corporate bond yields and government bond

yields (the spreads) decreased somewhat, but Commercial Asset Back Securities (CMBS) and Asset Backed Securities (ABS) spreads decreased significantly, helping the return of the Fixed Income Fund. We used this opportunity to decrease our position in CMBS and ABS holdings and improved the quality of the corporate bonds held in the Fund. Provincial bonds also performed well during the first quarter.

In the second quarter, bond prices increased and bonds outperformed equities as investors sought relative safety in the Canadian bond market amidst concerns about a potential European sovereign debt crisis and softness in the U.S. economy. The Fixed Income Fund was positioned defensively in anticipation of potential interest rate increases, which hurt performance. Corporate bonds held steady during the quarter and offered good value. With softness in the equity markets, we moved more defensively in our credit positions by moving to more senior holdings and by selling corporate bonds in favour of provincial bonds. By the end of the quarter, credit spreads still remained wide and some sectors of the corporate bond market remained inexpensive on a historical basis.

Going forward, we expect corporate bonds to outperform government bonds, but to a lesser degree than in the last few years. We expect the Canadian economy to continue to expand, albeit at a slower pace due to weakness in the U.S. The U.S. economy is facing many challenges: high unemployment, tentative consumer and the withdrawal of fiscal and monetary stimulus. We expect growth to be sluggish over the next few years and for inflation to remain low.

At the end of June, the Fixed Income Fund remains overweight in corporate bonds and in provincial bonds. We expect to continue to decrease our CMBS and ABS positions along with provincial bonds as opportunities arise.

Recent Developments

While equity markets were extremely volatile in the early days of the second half of 2011, bond markets rallied. Concerns about debt levels in the U.S. and in Europe along with a renewed fear of the global economy falling into recession have been prominent in the media. Despite concerns about the global economy slipping into recession, yields on corporate bonds have not increased significantly at the time of writing this report.

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.

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

SERIES A (Inception Oct 5, 2006)	YTD 2011	2010	2009	2008	2007	2006
Net assets, beginning of year⁽¹⁾	\$10.61	\$10.25	\$10.08	\$10.54	\$10.73	\$10.00
Increase (decrease) from operations:						
Total revenue	0.23	0.48	0.51	0.51	0.52	0.51
Total expenses	-	-	-	(0.02)	(0.02)	(0.07)
Realized gains (losses) for the period	0.05	0.08	(0.17)	(0.04)	(0.12)	0.02
Unrealized gains (losses) for the period	-	0.28	0.33	(0.40)	(0.04)	(0.07)
Total increase (decrease) from operations⁽²⁾	0.28	0.84	0.67	(0.05)	0.34	0.39
Distributions:						
From income (excluding dividends)	(0.23)	(0.49)	(0.50)	(0.53)	(0.49)	(0.12)
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	(0.02)
Return of capital	-	-	-	-	-	-
Total Annual Distributions⁽³⁾	(0.23)	(0.49)	(0.50)	(0.53)	(0.49)	(0.14)
Net assets, end of year⁽¹⁾	\$10.66	\$10.61	\$10.25	\$10.08	\$10.54	\$10.73
SERIES B	YTD 2011	2010	2009	2008	2007	2006
Net assets, beginning of year⁽¹⁾	\$10.60	\$10.20	\$10.05	\$10.47	\$10.73	\$10.82
Increase (decrease) from operations:						
Total revenue	0.22	0.48	0.51	0.51	0.52	0.54
Total expenses	(0.04)	(0.08)	(0.08)	(0.02)	(0.02)	(0.07)
Realized gains (losses) for the period	0.05	0.08	(0.17)	(0.04)	(0.12)	0.02
Unrealized gains (losses) for the period	-	0.28	0.33	(0.40)	(0.04)	(0.08)
Total increase (decrease) from operations⁽²⁾	0.23	0.75	0.59	0.05	0.34	0.41
Distributions:						
From income (excluding dividends)	(0.18)	(0.35)	(0.43)	(0.41)	(0.49)	(0.43)
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	(0.02)
Return of capital	-	-	-	-	-	-
Total Annual Distributions⁽³⁾	(0.18)	(0.36)	(0.43)	(0.41)	(0.49)	(0.45)
Net assets, end of year⁽¹⁾	\$10.64	\$10.60	\$10.20	\$10.05	\$10.47	\$10.73

(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 (Inception Oct 5, 2006)	YTD 2011	2010	2009	2008	2007	2006
Total net asset value \$(000's) ⁽¹⁾	187,985	163,008	133,575	119,907	132,113	134,627
Number of units outstanding (000's) ⁽¹⁾	17,642	15,359	13,036	11,890	12,534	12,549
Management expense ratio(%) ⁽²⁾	-	-	-	-	-	-
Management expense ratio before	-	-	-	-	-	-
Waivers or absorptions (%)	-	-	-	-	-	-
Trading expense ratio (%) ⁽³⁾	-	-	-	-	-	0.01
Portfolio turnover rate (%) ⁽⁴⁾	35.21	57.01	84.76	14.10	158.72	87.22
SERIES B	YTD 2011	2010	2009	2008	2007	2006
Total net asset value \$(000's) ⁽¹⁾	55,530	53,966	52,061	43,141	49,194	41,107
Number of units outstanding (000's) ⁽¹⁾	5,217	5,091	5,105	4,292	4,699	3,830
Management expense ratio(%) ⁽²⁾	0.84	0.81	0.79	0.79	0.80	0.80
Management expense ratio before	0.84	0.81	0.79	0.79	0.80	0.80
Waivers or absorptions (%)	-	-	-	-	-	0.01
Trading expense ratio (%) ⁽³⁾	-	-	-	-	-	0.01
Portfolio turnover rate (%) ⁽⁴⁾	35.21	57.01	84.76	14.10	158.72	87.22

(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 0.75%. Year to date, the Fund paid the Manager \$203,581 (exclusive of 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.

Past Performance

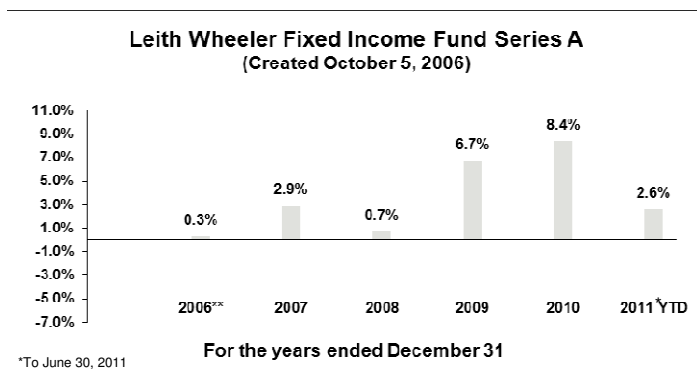
General

The Fund's performance assumes all distributions made by the Fund in the periods 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.

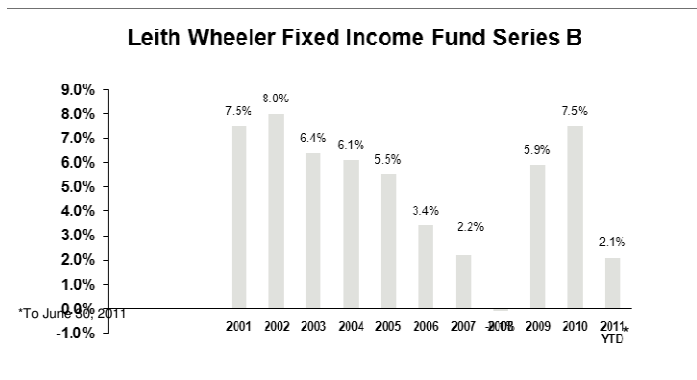
The performance information does not take into account sales charges, other charges or taxes that, if applicable, would have reduced returns or performance; but includes management fees and other expenses borne directly by the Fund. Past performance does not necessarily indicate how the Fund may perform in the future.

Year-by-Year Returns

The following chart shows the Fund's historical return, which changes each year and illustrates how the Fund's performance has changed for the six-month period ended June 30, 2011 and each financial period ended December 31. The 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 period.



** Since October 2006, not annualized



Summary of Investment Portfolio*

As at June 30, 2011

Top 25 Holdings

Issuer	% of Net Asset Value
Canada Housing FRN 1.79% Mar 15, 2014	11.2%
Quebec 4.505 Dec 1, 2019	3.4%
Canada 4.00% Jun 1, 2041	3.0%
Ontario 4.20% Jun 2, 2020	2.9%
Ontario 4.65% Jun 2, 2041	2.3%
Royal Bank 3.27% Nov 10, 2014	2.2%
CIBC 5.00% Sep 10, 2012	2.0%
Ontario 4.00% Jun 2, 2021	1.9%
MLFA 02-Can8 A2 5.74% Nov 12, 2012	1.9%
Ontario Coupon Dec 2, 2021	1.8%
BC 4.95% Jun 18, 2040	1.7%
BC 3.70% Dec 18, 2020	1.6%
Royal Bank 3.365 Jan 11, 2016	1.6%
MLFA 02-Can7 A2 6.14% May 12, 2012	1.5%
Manitoba 6.30% Mar 5, 2031	1.4%
Real T 04-1 B 5.25% Sep 12, 2014	1.3%
Canada 3.50% Jun 1, 2020	1.3%
Ontario 8.00% Jun 2, 2026	1.2%
Quebec 4.50% Dec 1, 2020	1.2%
Scotiabank Bats5 7.80% Jun 30, 2019	1.2%
TD Bank FF 5.48% Apr 2, 2015	1.1%
SCSC 04-CF2 A2 5.10% Jul 12, 2014	1.1%
Canada Housing Tr 3.15% Jun 15, 2015	1.0%
Saskatchewan 5.00% Mar 5, 2037	1.0%
Broad CCT 08-2A 5.45% Jun 17, 2013	1.0%

*The summary of investment portfolio may change due to ongoing portfolio transactions of the investment Fund. A quarterly update is available upon request.5

Asset Mix

Sector	% of Net Asset Value
Corporate	52.1%
Federal	18.5%
Provincial	27.7%
Cash & Cash Equivalents *	1.7%