



# **Leith Wheeler Money Market Fund**

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE  
June 30, 2011

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This Interim Management Report of Fund Performance contains financial highlights but does not contain either interim or complete 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](http://www.leithwheeler.com) or SEDAR at [www.sedar.com](http://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 secure current income, capital stability and liquidity by investing primarily in high quality, short-term Canadian money market investments that include: Government of Canada treasury-bills, Bankers' Acceptance notes, term deposits, commercial paper issued by corporations, including asset-backed securities (Minimum credit rating R1-Low based on DBRS credit rating).

### Investment Style

The Fund is designed for investors who desire safety of capital with a high degree of liquidity.

### Risk

The overall risks of investing in the Fund are as described in the 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 assets under management declined by 3.9% from \$30.9 million at the end of 2010, to \$30.8 million at June 30, 2011. Of this change, \$0.07 million was attributable to positive investment performance and \$0.14 million due to net redemptions.

The Leith Wheeler Money Market Fund returned 0.23% after fees and expenses in first half of 2011 compared to the DEX 91-day T-bill Index which returned 0.52% during that same time period. These figures are consistent with the steady 1.00% overnight policy rate set by the Bank of Canada since September 8, 2010.

The Fund maintains roughly half of its assets in commercial paper and bank deposit notes which offer some additional yield above government T-bills. These securities are of very high quality and have excellent liquidity. In order to avoid holding too much of one security supplied by a single issuer (known as concentration risk), the portfolio holds positions of less than 6% in a single issuer, with the exception of Government of Canada and provincial holdings. Provincial T-bills usually offer less extra yield than corporates, but can be effective in the longer maturities of six to twelve months. Provincial and Government of Canada T-bills make up the other half of the Fund's holdings.

Relative to historical levels, yields remain exceptionally low. At the same time, the interest rates between overnight, three months and out to one year securities are very similar - there is little additional yield earned for owning longer T-bills. For these reasons, we have tended to keep the average maturity of the Fund a little shorter than three months to provide additional flexibility without

giving up much in terms of yield. Moreover, the corporate holdings are also typically shorter term in nature as there is more choice in issues under three months in maturity and, if there were challenges in the credit markets, holding shorter term securities provides more flexibility. Examples of securities held in the portfolio are TransCanada Pipe, Telus, EnCana, Manulife, Caisse Centrale (Quebec Credit Union), CDP Financial (Quebec Pension Plans), and PSP (Canada Pension Plan).

The Money Market Fund emphasizes liquidity and preservation of non-inflation-adjusted capital. Given the current very low yield interest rate environment and current levels of inflation, preservation of capital in real terms is not likely.

### 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.

### Recent Developments

At the end of June, bond markets had priced in an increase in Canadian interest rates by the end of 2011. However, due to the ongoing concerns about a global economic slowdown, European sovereign debt levels and the resulting downgrade of U.S. government debt, at the time of writing no interest rate increases are priced into the market.

### 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 units of the Fund is 0.60%.

Year to date, the Fund paid the Manager \$91,042 (exclusive of HST) of its net assets as management fees (net of management fees absorbed as a result of the temporary fee reduction). 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. 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 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

	YTD 2011	2010	2009	2008	2007	2006
<b>Net assets, beginning of year<sup>(1)</sup></b>	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
<b>Increase (decrease) from operations:</b>						
Total revenue	0.06	0.07	0.07	0.33	0.46	0.40
Total expenses	(0.03)	(0.04)	(0.05)	(0.07)	(0.07)	(0.07)
Realized gains (losses) for the period	-	-	-	-	-	-
Unrealized gains (losses) for the period	-	-	-	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	0.03	0.03	0.02	0.26	0.39	0.33
<b>Distributions:</b>						
From income (excluding dividends)	(0.03)	(0.03)	(0.02)	(0.26)	(0.39)	(0.33)
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total Annual Distributions<sup>(3)</sup></b>	(0.03)	(0.03)	(0.02)	(0.26)	(0.39)	(0.33)
<b>Net assets, end of year<sup>(1)</sup></b>	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$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 (Inception Oct 5, 2006)	YTD 2011	2010	2009	2008	2007	2006
Total net asset value (\$)(000's) <sup>(1)</sup>	30,786	30,858	50,078	61,979	56,671	40,289
Number of units outstanding (000's) <sup>(1)</sup>	3079	3,086	5,078	6,198	5,667	4,029
Management expense ratio(%) <sup>(2)</sup>	0.67	0.37	0.45	0.63	0.64	0.65
Management expense ratio before waivers or absorptions (%)	0.67	0.65	0.63	0.63	0.64	0.65
Trading expense ratio (%) <sup>(3)</sup>	-	0.01	-	0.01	0.01	0.02
Portfolio turnover rate (%) <sup>(4)</sup>	-	-	-	-	-	-

(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.

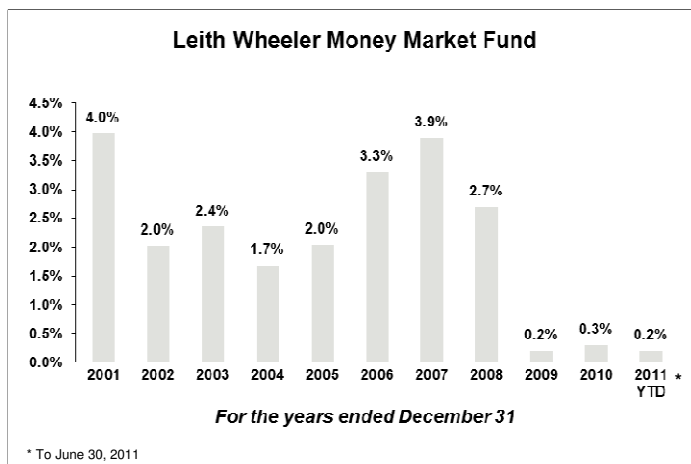
## Past Performance

### 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 Trading NAV. 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.



## Summary of Investment Portfolio\*

As at June 30, 2011

### Top 25 Holdings

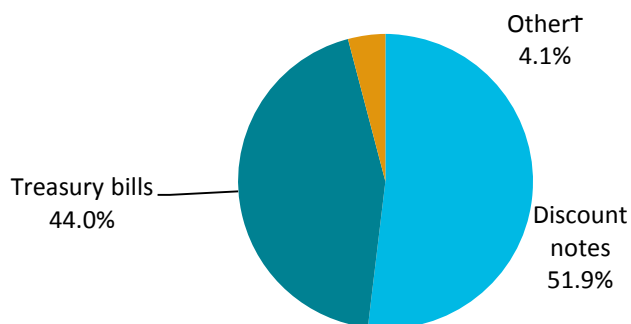
Issuer	% of Net Asset Value
Canada T-Bills 0.98% Aug 18, 2011	7.4%
Manulife Bdn 1.18% Sep 1, 2011	5.7%
Enbridge Inc. 1.17% Aug 11, 2011	5.4%
BNS B/A 1.30% Jul 27, 2011	5.4%
Caisse Centale BD 1.12% Sep 26, 2011	5.0%
CDP Finance 1.12% Sep 30, 2011	5.0%
BC Prom Note 1.19% Aug 19, 2011	5.0%
PSP Capital 1.12% Aug 22, 2011	4.4%
Transcda Pipe 1.19% Aug 16, 2011	4.4%
Canada T-Bills 1.00% Aug 18, 2011	3.9%
Canada T-Bills 0.99% Aug 18, 2011	3.4%
EnCana 1.10% Jul 28, 2011	3.4%
National Bank B/A 1.13% Sep 8, 2011	3.4%
Canada T-Bills 0.98% Oct 27, 2011	3.4%
Canada T-Bills 0.98% Aug 18, 2011	3.0%
Canada T-Bills 1.01% Sep 29, 2011	2.2%
Canada T-Bills 0.99% Oct 27, 2011	2.2%
Canada T-Bills 0.94% Oct 27, 2011	2.1%
Canada T-Bills 0.98% Sep 29, 2011	2.0%
CIBC B/A 1.30% Aug 2, 2011	2.0%
CIBC B/A 1.14% Sep 2, 2011	1.7%
Telus 1.20% Jul 7, 2011	1.7%
Telus 1.20% Jul 7, 2011	1.7%
Canada T-Bills 1.02% Nov 24, 2011	1.7%
National Bank B/A 1.24% Nov 25, 2011	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
Discount Notes	51.9%
Treasury bills	44.0%
Cash and other	4.1%

### Portfolio Composition



\*Cash and cash equivalents includes other assets and liabilities.