



Leith Wheeler Fixed Income Fund

MANAGEMENT REPORT OF FUND PERFORMANCE
For the Year Ended December 31, 2010

LEITH WHEELER FIXED INCOME FUND

Management Report of Fund Performance

For the Year Ended December 31, 2010



This Management Report of Fund Performance contains financial highlights but does not contain the 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 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.

LEITH WHEELER FIXED INCOME FUND

Management Report of Fund Performance

For the Year Ended December 31, 2010



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 of interest rate trends and prospective returns.

Investment Style

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. There were no material changes to the Fund during the year that affected the overall level of risk.

Results of Operations

The Fund's net assets increased by 16.9% to \$217.0 million at the end of 2010 from \$185.6 million at the end of 2009. Of this change, \$15.4 million was attributable to investment gains and \$16.0 million to net inflows.

The Fixed Income Fund outperformed the benchmark DEX Universe Bond Index in 2010, with Series A units returning 8.4% and Series B units returning 7.5% for the year, after fees and expenses. The DEX Universe Bond Index returned 6.7% in the same period.

The year 2010 began as 2009 had left off, with corporate bonds outperforming government bonds as the difference between yields of corporate bonds over government bonds decreased due to signs of economic improvement. The Fixed Income Fund outperformed the benchmark during the first quarter primarily due to its corporate bond holdings including its Asset Backed Securities (ABS) and Canadian Commercial Mortgage Backed Securities (CMBS).

In the second and third quarters, confidence in the global economic recovery eroded as investors became concerned about the economic impact of public sector debt levels and the ability of Eurozone countries to deliver on austerity measures. Inflation expectations declined and there were continued accommodative monetary conditions and low overall levels of interest rates. Corporate bonds lagged government bonds in the second quarter for the first time in a year, but the CMBS & ABS holdings in the Fixed Income Fund performed well as investors became more comfortable with the growing evidence of stabilization in credit card loss rates and continued solid performance of the real estate sector in Canada.

The Bank of Canada increased its overnight rate in June – the first rate increase since April of 2009. Longer term interest rates, however, declined in both the second and third quarters. In the

third quarter, there were signs of slowing economic growth and the Fed indicated they might take further action to stimulate the economy through outright purchases of treasuries (known as quantitative easing). The Bank of Canada decoupled from the expected moves by the Fed due to relative strength of the housing markets in Canada and of the consumer. During the third quarter, the Bank of Canada increased short term rates, but long term interest rates declined along with the U.S. from 3.65% to 3.35% at the end of the quarter. Because the Fixed Income Fund was positioned defensively, the decline in longer term rates hurt our performance in both the second and third quarters. This was offset, however, by strong performance in the corporate bonds held in the Fund, in particular the ABS & CMBS holdings. We took the opportunity to reduce our exposure to some of our more expensive corporate bond holdings. By the end of the third quarter, corporate bonds in many sectors were close to historical normal valuation levels. We added to provincial bonds, corporate bonds in the insurance sector and bank deposit notes in the second and third quarters.

During the fourth quarter, commodities and stock markets delivered strong performances, providing confirmation of improved economic conditions globally. The additional rounds of quantitative easing that the market had expected did not occur. Canadian economic data was more muted during the quarter due to the strong Canadian dollar and the growth in consumer activity slowed. Long term interest rates in Canada increased along with the U.S., but at the end of the year still remained 0.5% lower than levels at the end of 2009. Our defensive positioning in the Fixed Income Fund benefitted from these interest rate increases and our overweight positions in corporate bonds and provincial bonds helped performance. In addition, our ABS and CMBS holdings performed well, as they have throughout the year. We once again decreased both the overall weight and improved the credit quality of our holdings in these sectors that had performed so well.

Going forward, we continue to expect outperformance from non-government of Canada bonds and will maintain our overweight position in corporate and provincial bonds. We expect to reduce our ABS and CMBS positions and our provincial overweight positions as yields in these sectors over government bonds decline further.

Recent Developments

In the first two months of 2011, the differential between corporate and government bond yields and has decreased modestly. Government bond yields over most maturities have increased.

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.

LEITH WHEELER FIXED INCOME FUND

Management Report of Fund Performance

For the Year Ended December 31, 2010



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 five years. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the Annual Information Form and is used for transactional purposes (see ratios and Supplemental Data). All other calculations for the purpose of this MRFP are made using Net Asset Value.

The Fund's Net Assets per Unit

SERIES A (Inception Oct 5, 2006)	2010	2009	2008	2007	2006
Net assets, beginning of year⁽¹⁾	\$10.25	\$10.08	\$10.54	\$10.73	\$10.00
Increase (decrease) from operations⁽¹⁾:					
Total revenue	0.48	0.51	0.51	0.52	0.51
Total expenses	-	-	(0.02)	(0.02)	(0.07)
Realized gains (losses) for the period	0.08	(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⁽¹⁾	0.84	0.67	(0.05)	0.34	0.39
Distributions⁽²⁾:					
From income (excluding dividends)	(0.49)	(0.50)	(0.53)	(0.49)	(0.12)
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	(0.02)
Return of capital	-	-	-	-	-
Total Annual Distributions⁽²⁾	(0.49)	(0.50)	(0.53)	(0.49)	(0.14)
Net assets, end of year⁽¹⁾	\$10.61	\$10.25	\$10.08	\$10.54	\$10.73

SERIES B	2010	2009	2008	2007	2006
Net assets, beginning of year⁽¹⁾	\$10.20	\$10.05	\$10.47	\$10.73	\$10.82
Increase (decrease) from operations:					
Total revenue	0.48	0.51	0.51	0.52	0.54
Total expenses	(0.08)	(0.08)	(0.02)	(0.02)	(0.07)
Realized gains (losses) for the period	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⁾	0.76	0.59	0.05	0.34	0.41
Distributions:					
From income (excluding dividends)	(0.36)	(0.43)	(0.41)	(0.49)	(0.43)
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	(0.02)
Return of capital	-	-	-	-	-
Total Annual Distributions⁽²⁾	(0.36)	(0.43)	(0.41)	(0.49)	(0.45)
Net assets, end of year⁽¹⁾	\$10.60	\$10.20	\$10.05	\$10.47	\$10.73

(1) 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. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

(2) Distributions were paid in cash/reinvested in additional units of the Fund, or both.

Ratios and Supplemental Data

SERIES A (Inception Oct 5, 2006)	2010	2009	2008	2007	2006
Total net asset value \$(000's) ⁽¹⁾	163,008	133,575	119,907	132,113	134,627
Number of units outstanding (000's) ⁽¹⁾	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⁾	57.01	84.76	14.10	158.72	87.22

SERIES B	2010	2009	2008	2007	2006
Total net asset value \$(000's) ⁽¹⁾	53,966	52,061	43,141	49,194	41,107
Number of units outstanding (000's) ⁽¹⁾	5,091	5,105	4,292	4,699	3,830
Management expense ratio(%) ⁽²⁾	0.81	0.79	0.79	0.80	0.80
Management expense ratio before					
Waivers or absorptions (%)	0.81	0.79	0.79	0.80	0.80
Trading expense ratio (%) ⁽³⁾	-	-	-	-	0.01
Portfolio turnover rate (%) ⁽⁴⁾	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 assets 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 assets 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 \$398,019 (exclusive of taxes) of its net assets as management fees. Effective July 1, 2010, certain Provinces have harmonized their Provincial Sales Tax (PST) with the Federal Goods and Services Tax (GST). This resulted in an increase in the management expense ratio of the series B units of the Fund. 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.

LEITH WHEELER FIXED INCOME FUND

Management Report of Fund Performance
For the Year Ended December 31, 2010



Past Performance

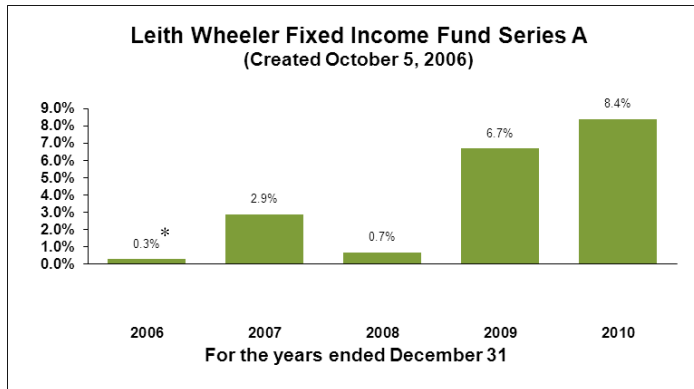
General

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.

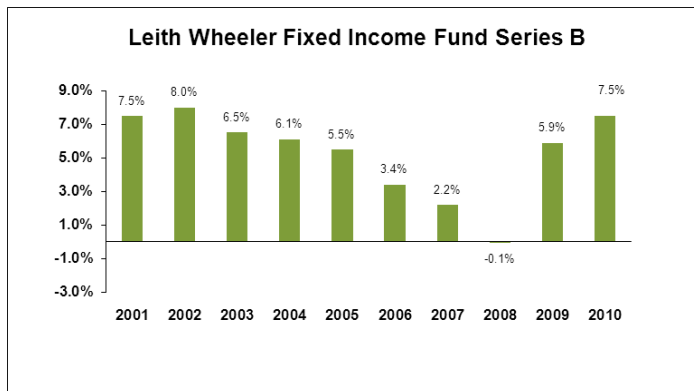
The performance information does not take into account sales charges, other charges or taxes that, if applicable, would have reduced returns or performance; but includes management fees and other expenses borne directly by the Fund. Past performance does not necessarily indicate how the Fund may perform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

Year-by-Year Returns

The following chart shows the Fund's annual historical return, which changes each year. Annual return is the percentage change in the value of an investment from January 1 to 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 financial year.



* Since October 2006, not annualized



Annual Compound Returns

The following table compares the historical annual compound return of the Fund (pre-fee for Series A and post-fee for Series B) with the DEX Universe Bond Index, in each case for the period ended December 31. The DEX Universe Bond Index measures the total return attributable to bonds, and includes representative bond issues by issuer, quality, and term. A discussion of the performance of the Fund as compared to the benchmark is found in the Results of Operations section of this document.

Compound Annual Returns

Series A	1 Year	3 Years	5 Years	10 Years
Fund	8.4%	5.2%	N/A	N/A
Benchmark	6.7%	6.2%	5.3%	6.3%

Series B	1 Year	3 Years	5 Years	10 Years
Fund	7.5%	4.4%	3.7%	5.2%
Benchmark	6.7%	6.2%	5.3%	6.3%

LEITH WHEELER FIXED INCOME FUND

Management Report of Fund Performance

For the Year Ended December 31, 2010



Summary of Investment Portfolio*

As at December 31, 2010

Top 25 Holdings

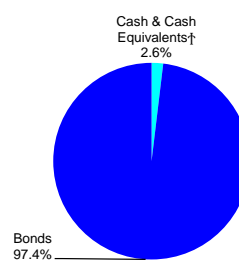
Issuer	% of Net Asset Value
Canada Housing Trust 1.79% Mar 15, 2014	7.2%
Canada Housing Trust 4.55% Dec 15, 2012	5.5%
Province of Ontario 4.20% Jun 2, 2020	4.6%
Canada 4.00% Jun 1, 2041	4.5%
Province of Quebec 4.50% Dec 1, 2019	3.5%
Province of British Columbia 6.35% Jun 18, 2031	3.0%
Merrill Lynch Financial Asset 02-Can8 A2 5.74% Nov 12, 2012	2.1%
Broad Credit Card Trust 08-2 A 5.45% Jun 17, 2013	2.1%
Province of Quebec 6.25% Jun 1, 2032	1.9%
Royal Bank 3.27% Nov 10, 2014	1.9%
Merrill Lynch Financial Asset 02-Can7 A2 6.14% May 12, 2012	1.8%
Canadian Imperial Bank of Commerce 5.00% Sep 10, 2012	1.8%
Province of Quebec 4.50% Dec 1, 2016	1.6%
Province of Ontario 4.65% Jun 2, 2041	1.6%
Province of Manitoba 6.30% Mar 5, 2031	1.6%
British Columbia Municipal Financial Authority 4.88% Jun 3, 2019	1.5%
Real Estate Asset Liquidity Trust 04-1 B 5.25% Sep 12, 2014	1.4%
Glacier Credit Card Trust 08-1 B 6.03% Feb 20, 2013	1.4%
Merrill Lynch Financial Asset 05-Can15 A2 4.82% Feb 12, 2015	1.3%
Province of Ontario 8.00% Jun 2, 2026	1.2%
Schooner Trust 04-CF2 A2 5.10% Jul 12, 2014	1.2%
Province of Ontario 5.60% Jun 2, 2035	1.1%
Toronto Dominion Bank 5.48% Apr 2, 2015	1.1%
Province of British Columbia 4.95% Jun 18, 2040	1.1%
Province of British Columbia 3.70% Dec 18, 2020	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.

Asset Mix

Sector Mix	% of Net Asset Value
Corporate	51.9%
Provincial	24.4%
Federal	19.4%
Cash & Cash Equivalents†	2.6%
Municipal	1.7%

Portfolio Composition



† Cash and cash equivalents includes other assets and liabilities.