



**Leith Wheeler
U.S. Equity
Fund**

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

LEITH WHEELER U.S. EQUITY 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.

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Investment Objective and Strategies

Fund Objective

To provide superior long-term investment returns by investing in equity securities trading on the major markets in the United States. The Fund may also invest in convertible securities of American issuers or equivalent equity securities.

Investment Style

Our strategy employs a value approach to the management of equities. It emphasizes long-term investment and it focuses on the selection of individual securities using a bottom-up, research driven approach. Sector exposure is a residual of this stock selection process. Fund holdings must meet our standards of investment quality including a history of above average financial performance, a secure financial position, reputable management, and a growth opportunity in terms of sales, earnings, and share price.

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 U.S. Equity Fund's net assets increased by 17.9% in 2010 to \$127.1 million from \$107.8 million at the end of 2009. Of this change, \$8.5 million was attributable to investment gains and \$10.8 million to net inflows.

Given the size and scope of concerns about the health of the U.S. economy during the year, including near double-digit unemployment, an unsettled housing market and a sharply divided political environment, U.S. equity returns were surprisingly good in 2010. Clearly, economic fears have not subsided, but a sense of stabilization and optimism unfolded in the second half of the year. Fourth quarter returns were particularly strong, fuelled by a combination of rising confidence, a continuation of excellent corporate profitability and a well-received bipartisan tax agreement in December. Measured in Canadian dollars, the S&P 500 Index increased 9.4% in 2010. The Leith Wheeler U.S. Equity Fund underperformed its benchmark in 2010 with Series A units of the Fund returning 7.6%, while Series B units increased by 6.2% after fees and expenses.

Along with investors' rebounding economic optimism, the Fund's performance was enhanced by many of its more cyclically sensitive investments. Examples include home-builder Lennar (+50.5%), Tiffany (+38.5%), and Carnival (+38.2%). Conversely, throughout the year, the Fund's performance generally did not benefit from investments in steadier, less cyclical companies. Microsoft (-12.0%), food distributor Sysco (-1.7%), and Procter & Gamble (-2.9%) are examples in this category. As you might expect, their relative underperformance in 2010 enabled us to further increase our holdings in these strong businesses.

During the first quarter of 2010, Martin Marietta Materials was added to the Fund. Martin Marietta Materials is the second largest U.S. producer of aggregates for the construction industry. The company has over 12.5 billion tons of hard rock reserves spread

across 300 quarries. Operations are conducted in 22 states, with North Carolina and Texas being the most significant. Dentsply, the leading manufacturer of professional dental products worldwide was added to the Fund in the second quarter of 2010. Approximately 60% of the company's annual sales are earned outside of the U.S. Dentsply's historical record has been marked by steady and attractive levels of growth and profitability. Finally, Sanderson Farms was added to the Fund in the fourth quarter of 2010. Since 1947 Sanderson Farms has grown from a general feed and seed business to the U.S.'s fourth largest poultry producer. Their customer base is split almost evenly between grocery chains and casual dining restaurants. The company focuses on market segments that possess superior profitability and is highly disciplined operationally.

In the first quarter of 2010, Bristol-Meyers Squibb was eliminated from the Fund for valuation reasons. Three of the Fund's holdings were eliminated in the second quarter. Rockwell Collins, BorgWarner and Emerson Electric are all excellent companies that were sold for valuation reason. Tiffany & Co. was eliminated from the Fund in the fourth quarter of 2010. Tiffany & Co. is a mid to high-end jeweler that operates over 220 stores around the world. Charles Lewis Tiffany founded the business in 1837 when he opened a store in Manhattan selling fancy imported goods. Today it is the third largest specialty retailer in a fragmented U.S. market with an estimated market share of 5%. Currently, over 50% of Tiffany sales are made outside the U.S. with the company having good success in developing its business in Europe and selective emerging markets. Tiffany competes on brand recognition as well as its reputation for high quality products and superior customer service. The company does not compete on price, refusing to tarnish the strong brand it has built. Quite simply, we eliminated our position in the company for valuation reasons, given the stock was trading at a normalized price-to-earnings of 24. In all of the above cases, the proceeds of the sales of these positions were reinvested into companies of comparable quality with significantly more attractive valuations.

In the fourth quarter of 2010, we eliminated our holding in Liz Claiborne from the Fund. Liz Claiborne designs and markets an extensive array of women's and men's fashion apparel and accessories. Liz Claiborne's brand portfolio includes the eponymous Liz Claiborne, as well as the popular Juicy Couture, Lucky Brand, Kate Spade and MEXX labels. The company also has licensing arrangements to produce collections under the DKNY label. Liz Claiborne's labels are sold through virtually all channels, including department stores, discount retail, independent specialty retail stores. In 2007, the U.S. department store channel experienced significant consolidation and the stores themselves became increasingly focused on exclusive arrangements, forcing Liz Claiborne to reexamine its business model. The company reorganized itself to recognize this new reality, but despite management's best efforts, the company's balance sheet weakened to the point where we could no longer maintain our position. Based on this, Liz Claiborne was eliminated from the Fund's holdings for quality reasons.

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We remain focused on keeping our investment process simple: buying attractive companies at sound valuation levels and holding them for the long term. We believe this year's transactions are once again illustrative of our process. During the year we added to a collection of high quality businesses, with the proceeds coming from other strong companies valued at above average relative valuations. We've highlighted in recent reports that a notable feature of the current environment is the availability of high quality, big cap, multinational stocks valued near multi-decade lows. Several of the Fund's additions this year fall into this category. However, attractive values are not exclusively found in this subset of the U.S. market. For example, in the fourth quarter of 2010 the Fund re-established an investment in Sanderson Farms, an attractive small cap idea. Overall, we believe the Fund offers a very attractive combination of quality and valuation that likely bodes well for the long-term investor.

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

Markets continue to be volatile in the early part of 2011. We maintain the focus of our analysis on the balance sheets of companies and continue to look to add selectively to high quality companies with strong balance sheets.

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 (CAD\$)

SERIES A (Inception Oct 5, 2006)	2010	2009	2008	2007	2006
Net assets, beginning of year ⁽¹⁾	\$2.41	\$2.21	\$2.78	\$3.50	\$3.28
Increase (decrease) from operations ⁽¹⁾:					
Total revenue	0.04	0.05	0.06	0.06	0.05
Total expenses		-	(0.01)	(0.02)	(0.03)
Realized gains (losses) for the period	0.03	(0.30)	(0.22)	0.07	0.13
Unrealized gains (losses) for the period	0.12	0.49	(0.34)	(0.79)	0.43
Total increase (decrease) from operations ⁽¹⁾	0.19	0.24	(0.51)	(0.68)	0.65
Distributions ⁽²⁾:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.04)	(0.05)	(0.06)	(0.06)	(0.02)
From capital gains	-	-	-	(0.06)	(0.06)

Return of capital	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.04)	(0.05)	(0.06)	(0.12)	(0.08)
Net assets, end of year ⁽¹⁾	\$2.55	\$2.41	\$2.21	\$2.78	\$3.50

SERIES B	2010	2009	2008	2007	2006
Net assets, beginning of year ⁽¹⁾	\$2.42	\$2.21	\$2.78	\$3.49	\$2.95
Increase (decrease) from operations ⁽¹⁾:					
Total revenue	0.04	0.04	0.06	0.06	0.05
Total expenses	(0.03)	(0.03)	(0.01)	(0.02)	(0.03)
Realized gains (losses) for the period	0.03	(0.28)	(0.22)	0.08	0.13
Unrealized gains (losses) for the period	0.11	0.47	(0.34)	(0.82)	0.44
Total increase (decrease) from operations ⁽¹⁾	0.15	0.20	(0.51)	(0.70)	0.59
Distributions ⁽²⁾:					
From income (excluding dividends)			-	-	-
From dividends	(0.01)	(0.01)	(0.03)	-	(0.02)
From capital gains	-	-	-	(0.06)	(0.06)
Return of capital	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.01)	(0.01)	(0.03)	(0.06)	(0.08)
Net assets, end of year ⁽¹⁾	\$2.57	\$2.42	\$2.21	\$2.78	\$3.49

(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.

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Ratios and Supplemental Data

SERIES A (Inception Oct 5, 2006)	2010	2009	2008	2007	2006
Total net asset value \$(000's) ⁽¹⁾	99,544	80,644	73,522	64,838	16,349
Number of units outstanding (000's) ⁽¹⁾	39,024	33,443	33,278	23,306	4,677
Management expense ratio(%) ⁽²⁾	-	-	-	-	-
Management expense ratio before					
Waivers or absorptions (%)	-	-	-	-	-
Trading expense ratio (%) ⁽³⁾	0.04	0.09	0.10	0.10	0.07
Portfolio turnover rate (%) ⁽⁴⁾	17.25	37.90	34.00	23.77	25.45

SERIES B	2010	2009	2008	2007	2006
Total net asset value \$(000's) ⁽¹⁾	27,570	27,165	26,208	25,731	34,473
Number of units outstanding (000's) ⁽¹⁾	10,743	11,207	11,726	9,233	9,888
Management expense ratio(%) ⁽²⁾	1.35	1.31	1.32	1.33	1.35
Management expense ratio before					
Waivers or absorptions (%)	1.35	1.31	1.32	1.33	1.35
Trading expense ratio (%) ⁽³⁾	0.04	0.09	0.10	0.10	0.07
Portfolio turnover rate (%) ⁽⁴⁾	17.25	37.90	34.00	23.77	25.45

(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 1.25%. This year to date, the Fund paid the Manager \$337,654 (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.

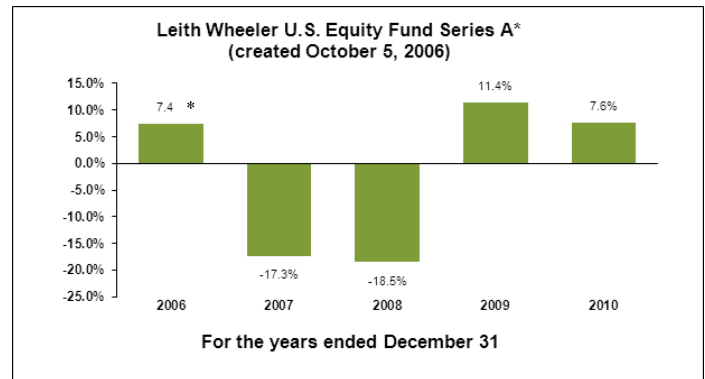
Past Performance

General

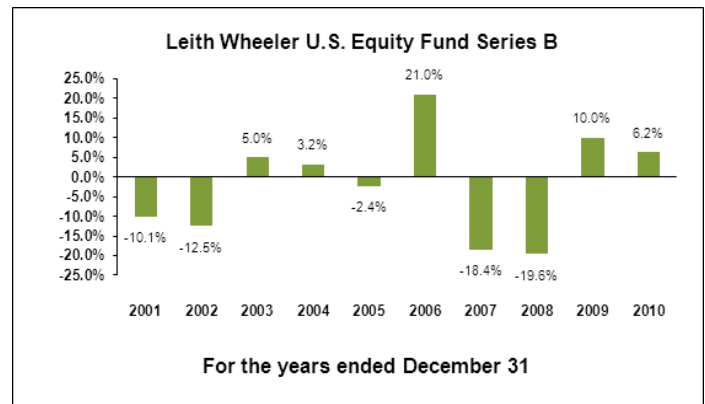
The Fund's performance assumes all distributions made by the Fund in the periods shown were reinvested in units of the Fund and is based on Trading NAV. If you hold the Fund outside a Registered Plan, you will be taxed on these distributions. The performance information does not take into account sales 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 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 Inception on October 5, 2006, not annualized



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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 S&P 500 Total Return Index (measured in Canadian dollars), in each case for the period ended December 31. The S&P 500 Total Return Index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities, it is a good proxy for the total market. 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	7.6%	-0.8%	N/A	N/A
Benchmark	9.4%	-2.6%	N/A	N/A

Series B	1 Year	3 Years	5 Years	10 Years
Fund	6.2%	-2.1%	-1.5%	-2.6%
Benchmark	9.4%	-2.6%	-0.9%	-2.7%

Summary of Investment Portfolio*

As at December 31, 2010

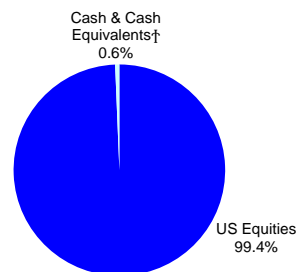
Top 25 Holdings

Issuer	% of Net Asset Value
Markel Corp.	5.8%
3M Co.	5.0%
Johnson and Johnson	4.7%
Apache Corp.	4.6%
Walgreen Co.	4.5%
Carnival Corp.	4.4%
Wells Fargo & Co.	4.3%
Tidewater Inc.	4.3%
Pfizer Inc.	4.2%
Procter and Gamble Co.	4.2%
Merck and Company Inc.	4.1%
Coca-Cola Co.	3.7%
Nabors Industries Ltd.	3.4%
Microsoft Corporation	3.3%
Fortune Brands Inc.	3.2%
MDU Resources Group Inc.	3.2%
Becton Dickinson Co.	3.2%
Berkshire Hathaway Inc. Class B	2.7%
Washington Federal Inc.	2.7%
Gannett Co. Inc.	2.6%
Bemis Company Inc.	2.5%
Tellabs Inc.	2.3%
Sysco Corp.	2.3%
Hubbell Inc. Class B	2.2%
Intel Corporation	1.8%

Asset Mix

Sector Mix	% of Net Asset Value
Healthcare	16.9%
Consumer Staples	16.5%
Financials	16.0%
Consumer Discretionary	12.8%
Energy	12.4%
Industrials	11.2%
Information Technology	7.4%
Materials	3.6%
Utilities	3.2%

Portfolio Composition



† Cash and cash equivalents includes other assets and liabilities.

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