Leith Wheeler Investment Funds
Quarterly Review – March 31, 2017

	MER %	3 Mo. %	1 Yr %	3 Yrs %	5 Yrs %	10 Yrs %
LW Canadian Equity Fund	1.49	1.8	23.4	4.9	10.1	5.0
LW Canadian Dividend Fund	1.50	2.4	25.3	7.6	10.3	n/a
LW U.S. Equity Fund (C$)	1.33	3.6	22.7	12.2	16.5	5.9
LW U.S. Small /Mid-Cap Fund (C$)	1.33	4.7	n/a	n/a	n/a	n/a
LW International Equity Plus Fund (C$)	1.59	6.6	18.5	7.7	8.6	n/a
LW Balanced Fund	1.16	2.6	14.3	6.4	8.7	4.7
LW Unrestricted Diversified Fund*	1.16	2.7	15.1	6.1	8.9	4.8
LW Income Advantage Fund	0.85	2.5	13.6	5.6	6.3	n/a
LW Core Bond Fund***	0.79	1.1	1.1	3.6	3.1	3.9
LW Corporate Advantage Fund***	0.84	2.3	6.1	n/a	n/a	n/a
LW High Yield Bond Fund	0.84	1.9	18.7	n/a	n/a	n/a
LW High Yield Bond Fund (C$ Hedged)	0.84	2.6	15.4	n/a	n/a	n/a
LW Money Market Fund	0.32	0.1	0.3	0.3	0.3	0.8
Peer Comparison**	**Median %**	**3 Mo. %**	**1 Yr**	**3 Yrs %**	**5 Yrs %**	**10 Yrs %**
Median Canadian Equity Fund	2.10	1.7	14.6	4.9	8.1	3.9
Median Dividend & Income Equity Fund	2.20	2.1	15.2	5.6	7.9	4.9
Median US Equity Fund (C$)	2.10	4.3	16.1	11.9	15.1	5.7
Median International Equity Fund (C$)	2.20	6.5	11.4	5.3	9.7	0.9
Median Global Equity Balanced Fund	2.40	3.5	11.0	6.0	8.3	3.7
Median Cdn Fixed Income Balanced Fund	2.00	1.8	5.3	3.7	4.3	3.5
Median Fixed Income Fund	1.40	1.1	1.3	2.6	2.4	3.6
Median High Yield Fixed Income	1.40	2.1	11.4	3.4	5.0	4.7
Median Money Market Fund	0.70	0.1	0.2	0.2	0.3	0.7

*Note: Returns reflect changes in unit value and distributions reinvested. Fund performance numbers are after Management Expense Ratios (MERs). They do not take into account, however, charges or commissions that an external broker may charge for purchasing/redeeming the mutual funds which would have reduced returns. Past returns do not necessarily indicate future performance. Returns are Compound Annual Returns for the periods ending March 31, 2017 with the exception of the 3 Month return. * The Unrestricted Diversified Fund is available to discretionary clients only in non-registered accounts. MER is unaudited as it is a non-prospectus fund ** Source: Fund Data *** LW Core Bond Fund formerly named LW Fixed Income Fund; LW Corporate Advantage Fund formerly named LW Corporate Fixed Income Fund*

Capital markets continued to perform strongly during the first quarter of 2017. Equity markets extended their recent gains, with international and US markets leading the way. The US market performed well as the economic recovery continues and, more importantly, sentiment of both consumers and businesses following the US Presidential election are at record highs. Whether these survey-based measures of sentiment translate into an improvement in hard economic data in the future remains to be seen.

After outperforming other global equity markets in 2016, the Canadian equity market provided investors with more modest returns during the first quarter of 2017, as weakness in the Energy sector weighed down the overall market. A number of concerns, including weaker oil and gas prices and the impact of a potential US Border Adjustment Tax, led to broad declines in Energy stocks.

Meanwhile, interest rates in Canada reversed some of the prior quarter's increase and, combined with further tightening in credit spreads, delivered modest capital gains to fixed income investors. This was despite further tightening in monetary policy by the US Federal Reserve which was well telegraphed to the market in late 2016.

Despite some recent improvement in Canadian economic data, including employment and manufacturing activity, our view on Canadian interest rates is that market expectations for rate increases in Canada are overblown. We believe that the Bank of Canada will be on hold through 2017, with the risk of a possible further easing in monetary policy. There are structural headwinds to growth in Canada, such as high levels of household indebtedness, while inflation is also muted. These factors will weigh on the decision to hike rates in the near term.

Overall, we believe equity markets are still reasonably priced relative to bonds; however, we have taken our equity overweight down as we have seen markets rise. Within the various equity portfolios, we have taken profits and trimmed companies that have experienced strong returns, while adding to high-quality companies that have experienced some weakness.

Canadian Equity Fund

After a very strong year of performance, the TSX Composite Index provided more modest returns to start 2017. The market was up 2.4% over the first quarter, with many sectors experiencing positive returns. Utilities (+7.3%), Information Technology (+7.0%), and Consumer Discretionary (+7.0%) led the way, while Energy (-5.5%) and Health Care (-10.1%) dragged down the overall market return.

The Canadian Equity Fund lagged the Index over the first quarter, returning 1.8% after fees and expenses primarily due to negative stock selection in Energy. This was somewhat offset by a positive contribution from our sector weightings.

Following the rebound we saw in oil prices and the Energy sector in 2016, sentiment moderated in the first quarter. Optimism over the promised production cuts by OPEC and non-OPEC members faded, giving way to uncertainty over whether members would comply. This resulted in a 5.8% decline in WTI oil prices. Closer to home, investors were worried about the impact of a potential United States Border Adjustment Tax that could see a 20% tax on oil exports to the US. Some of the other top performers in the Fund came from the Consumer Discretionary sector.

Overall, we are still finding some pockets of value despite the strong markets we have seen over the last year. We have taken opportunities to trim holdings that have performed well and added to positions in high-quality companies where the potential returns are attractive over the next three years and the valuations are reasonable.

Canadian Dividend Fund

The Canadian Dividend Fund was in line with the overall market in the first quarter, returning 2.4% after fees and expenses. Strong returns from the Fund's holdings in the Utilities sector helped performance and did some of the Fund's holdings in the Consumer Discretionary sector. Similar to the Canadian Equity Fund, holdings in the Energy sector detracted from performance as the Energy sector declined 5.5% in the first quarter of 2017.

U.S. Equity Fund

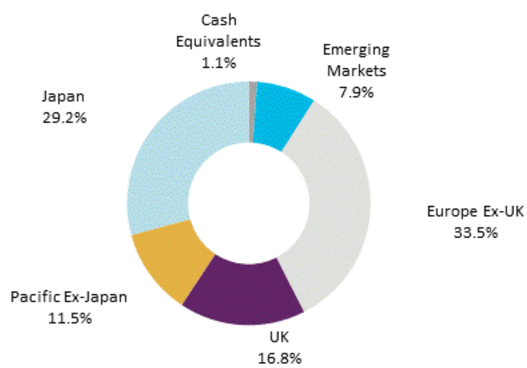
The US market's strong run of performance that followed the election, carried into the first quarter of 2017. The S&P 500 increased by 5.2%, helped by strength in the Information Technology (+11.7%), Consumer Discretionary (+7.6%), and Health Care (+7.5%) sectors. Most sectors provided positive returns, but Financials stocks (+1.7%) lagged the overall market after a very strong fourth quarter of 2016. Softer oil prices and uncertainty over the OPEC supply agreement caused Energy (-7.4%) to be the worst performing sector.

The U.S. Equity Fund produced a strong return in the first quarter returning 3.6% after fees and expenses, but lagged an even stronger market. The relative performance was driven by an underweight in the high-flying Information Technology sector, an overweight in Financials, and weakness in Energy holdings. This was partially offset by outperformance of fund holdings in the Consumer Discretionary, Consumer Staples, and Industrials sectors.

International Equity Plus Fund

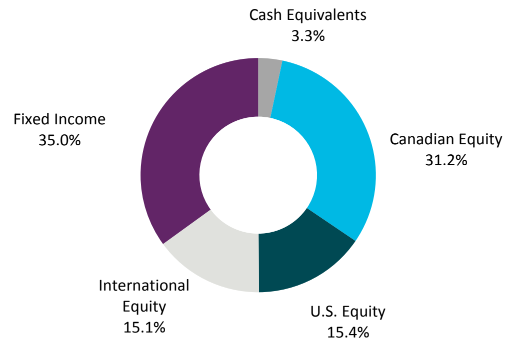
Global equity markets were strong in the first quarter of 2017 with the MSCI EAFE index advancing by 6.4%. The International Equity Plus Fund outperformed the market returned 6.6% after fees and expenses. Emerging Markets lead global markets followed by the Eurozone while Japan lagged, particularly in local currency terms. The Financials and Health Care sectors were the strongest during the quarter and Energy stocks were the largest detractor from performance.

The country weightings of the International Equity Plus Fund at March 31, 2017 were:



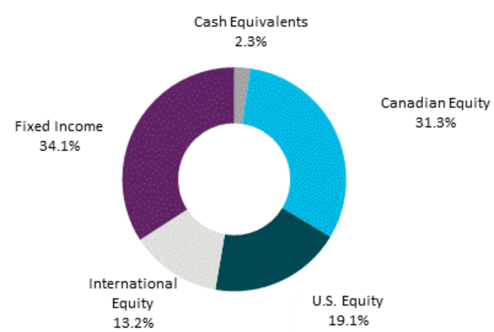
Balanced Fund

The Balanced Fund advanced by 2.6% in the first quarter of 2017 after fees and expenses. The asset mix for the Fund at March 31, 2017 was:



Unrestricted Diversified Fund

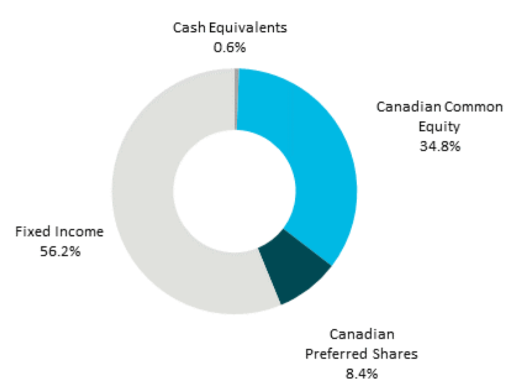
The Unrestricted Diversified Fund returned 2.7% in the first quarter of 2017 after fees and expenses. The asset mix for the Fund at March 31, 2017 was:



Income Advantage Fund

The Income Advantage Fund advanced by 2.5% after fees and expenses during the first quarter. Fund performance was helped by its holdings in preferred shares (+8.8%) and dividend paying Canadian stocks (+2.8%). The fixed income portion of the Fund increased by 1.7% as interest rates in Canada declined.

The asset mix for the Income Advantage Fund at March 31, 2017 was:



Core Bond Fund

In the first quarter of 2017, interest rates in Canada fell, reversing some of the prior quarter's increase. This combined with a further decline in the difference between corporate and government bond yields, resulted in strong bond returns to start the year. The FTSE TMX Canada Universe Bond Index advanced by 1.2% during the quarter while the Core Bond Fund returned 1.1% after fees and expenses.

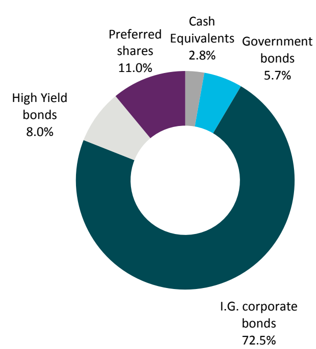
Our view for Canadian government bond yields remains less optimistic compared to current market expectations. Despite some improvement in recent economic data, our view is that the Bank of Canada is likely to keep rates unchanged, with the bias for risks skewed to further rate cuts during 2017. This is in contrast to interest rate markets that are already pricing in some probability of rate increases later in 2017. We have positioned the Core Bond Fund to reflect this view.

Despite the recent improvement in economic indicators in Canada, our outlook for Canadian fixed income markets remains cautious. Our forecast is for Canadian government bonds yields to remain near current levels over the next year. This is in contrast to the interest rate forwards market which has started anticipating increases in the Bank of Canada policy rates in Canada later in 2017. In addition, rising indebtedness in both investment-grade corporations and Canadian households, particularly in an environment of rising global interest rates, remains a negative for the credit outlook in Canada.

Corporate Advantage Fund

The Corporate Advantage Fund returned 2.3% after fees and expenses in the first quarter of 2017. Fund performance was helped by the Fund's preferred share holdings (+8.8%), while high yield bonds and investment grade bonds increased by 2.8% and 1.6%, respectively.

The asset mix of the Corporate Advantage Fund at March 31, 2017 was:



High Yield Bond Fund

The high yield bond market enjoyed strong, positive returns in the first quarter despite weakness in March. Buoyant market sentiment continues to drive demand for riskier assets and a continued chase for yield limits any selloff. Underlying balance sheet fundamentals continue to strengthen alongside an improving economic outlook. Higher risk, high yield bonds continued to perform well against this backdrop. The High Yield Bond Fund outperformed the BoA ML BB-B High Yield Constrained Index (CAD Hedged) during the quarter due to its modest overweight in the single-B bonds and strong issue selection. The Fund was helped by cyclical names that showed improving cash flows.

We continue to be optimistic on high yield debt over the longer term. The positive momentum in US economic indicators is supportive for balance sheet strength of high yield issuers. Default rates remain very low, especially outside of the energy and mining sectors. Furthermore, high yield bonds have historically performed well in a rising interest rate environment due to their shorter duration and higher coupons. The High Yield Bond Fund is conservatively positioned, with capacity to take advantage of any further rise in outright yields.

Questions about your portfolio?

If you have questions about your Leith Wheeler portfolio, funds or services, please contact your Portfolio Manager or Karey Irwin at 604-683-3391 or 1-888-292-1122.

How to reach us:

Leith Wheeler Investment Funds Ltd.
1500 - 400 Burrard Street
Vancouver, BC
V6C 3A6
Phone: 604.683.3391 or 1.888.292.1122
Fax: 604.683.0323
Email: info@leithwheeler.com
Website: LeithWheeler.com