

Leith Wheeler U.S. Small/Mid-Cap Equity Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2017



This annual management report of fund performance contains financial highlights, but does not contain complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, 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.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

To provide superior long-term investment returns and income by investing primarily in a broad range of small and mid-capitalization U.S. companies. The Fund is not restricted by industry sector or size, although portfolio diversification is a consideration in the selection of securities in the Fund. Under normal circumstances, the Fund will keep its portfolio fully invested, to the greatest extent possible, in equity securities.

Our strategy employs a value approach to the management of equities. The Fund aims to maximize the long-term rate of return while preserving investment capital by avoiding investment strategies that expose portfolio assets to excessive risk; to outperform the Russell 2500 Index over a full market cycle; and to achieve an above-average ranking relative to similar mandates over a full market cycle.

Risk

The overall risks of investing in the Fund are as described in the Simplified 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. Small/Mid-Cap Equity Fund was launched on October 27, 2016. The Fund's net assets increased by 400.0% in 2017, rising to \$4.5 million from \$0.9 million at the end of 2016. Of this change, \$0.4 million was attributable to investment gains and \$3.2 million to net inflows.

The U.S. Small/Mid-Cap Equity Fund performed strongly during 2017 as Series A units returned 12.3%. Series B units returned 10.9% and Series F units advanced by 11.2%, both after fees and expenses, during the year. The Fund outperformed the Russell 2500 Index over this same period, after adjusting for the impact of a strengthening Canadian dollar.

From a sector perspective, an overweight in the Industrials (+21.5%) sector and having no exposure to Energy (-16.3%), Telecommunication Services (-3.6%) and Consumer Staples (+3.0%), the bottom performing sectors over the year, added to the Fund's outperformance. These wins were partially offset by having no exposure to the top performing Health Care sector (+28.4%) and an underweight position in Information Technology (+25.3%).

From a security selection perspective, domestic-centric names benefitted from anticipation of U.S. corporate tax reform, coupled with price upside from M&A (Orbital ATK, DigitalGlobe, Axalta). Twenty-three of the Fund's 25 holdings contributed positively to overall performance over the year. Top contributors included Live Nation Entertainment (+60.0%), Tri Pointe (+56.1%), Wyndham Worldwide (+55.4%), Orbital ATK (+52.8%), and On Assignment (+45.5%).

Sally Beauty (-29.0%) was the only value detractor in 2017. Weakness in Sally Beauty continued into the fourth quarter principally due to weaker than expected results in its consumer retail business. Nonetheless, we feel that Sally Beauty's prospects are more favourable than the market is now pricing in to its shares due in part to the value that resides in its resilient and valuable professional beauty distribution business.

We added a new holding in the third quarter, STORE Capital Corporation, a well run triple-net lease REIT. We believe their management team, investment process and book of business are differentiated and upper tier. These strengths are overshadowed by industry level concern about brick and mortar related retail exposure and unfamiliarity with and lack of history of STORE. Concerns about rising interest rates and the potential for depreciating retail property values has created an opportunity to buy into a well-run business, with a highly disciplined, differentiated and proven under-writing process at an attractive price.

AerCap, the world's largest independent aircraft leasing company, was sold from the Fund in the third quarter. The upside from deleveraging-driven credit upgrades and share repurchases have been realized, and we redeployed some of the gains into Air Lease, which we view as a superior long-term organic growth story with strong operators.

Cinemark Holdings, a suburban focused movie theatre business with operations in the U.S. (77%) and South America (23%), was added to the portfolio over the fourth quarter. As a group, exhibitors sold off in the last six months due to a weak summer box office and concern about a shortening theatrical window. These challenges created today's opportunity as we view the first issue to be temporary and the second issue should prove to cause little economic impact in the longer term. Cinemark, relative to its key competitors, is a better-run and less levered business, while having a higher potential for growth due to its exposure to the under-penetrated Latin American markets. Our three-year-out target return is attractive at 10% per annum.

Management Discussion of Fund Performance (cont.)

Results of Operations (cont.)

Orbital ATK was sold in the fourth quarter after it received a take-over offer from Northrop Grumman and traded to within 2% of the deal price. We believe that Orbital's technological and competitive strengths in space and propulsion systems were of primary interest to Northrop during a period of improving Defense spending.

As always, bottom-up, fundamental analysis is key to our investment decision-making process, and we continue to seek out companies with sustainable advantages and reasonable business valuations.

Recent Developments

U.S. equity markets were up in the first two months of 2018, further helped by a strengthening U.S. dollar versus the Canadian dollar.

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.

Management Fees

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 is 1.25% for the Series B units of the Fund and 0.95% for the Series F units of the Fund. During the year, the Fund paid the Manager \$ 3,691 for Series B and \$5,874 for Series F (exclusive of GST/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 commissions, transaction 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.

Financial Highlights

The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit

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 or for the periods since inception. This information is derived from the Fund's audited annual financial statements.

Series A (inception October 27, 2016)	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$10.73	\$10.00	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.12	0.02	n/a	n/a	n/a
Total expenses	-	-	n/a	n/a	n/a
Realized gains (losses) for the year	0.21	-	n/a	n/a	n/a
Unrealized gains (losses) for the year	0.82	0.40	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	1.15	0.41	n/a	n/a	n/a
Distributions:					
From income (excluding dividends)	-	-	n/a	n/a	n/a
From dividends	(0.11)	-	n/a	n/a	n/a
From capital gains	(0.17)	-	n/a	n/a	n/a
Return of capital	-	-	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.28)	-	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$11.77	\$10.73	n/a	n/a	n/a

Series B (inception October 27, 2016)	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$10.70	\$10.00	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.15	0.03	n/a	n/a	n/a
Total expenses	(0.32)	(0.20)	n/a	n/a	n/a
Realized gains (losses) for the year	0.25	-	n/a	n/a	n/a
Unrealized gains (losses) for the year	1.00	0.78	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	1.08	0.61	n/a	n/a	n/a
Distributions:					
From income (excluding dividends)	-	-	n/a	n/a	n/a
From dividends	-	-	n/a	n/a	n/a
From capital gains	(0.13)	-	n/a	n/a	n/a
Return of capital	-	-	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.13)	-	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$11.74	\$10.70	n/a	n/a	n/a

Financial Highlights (cont.)**The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit (cont.)**

Series F (inception October 27, 2016)	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$10.71	\$10.00	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.11	0.02	n/a	n/a	n/a
Total expenses	(0.03)	(0.01)	n/a	n/a	n/a
Realized gains (losses) for the year	0.18	-	n/a	n/a	n/a
Unrealized gains (losses) for the year	0.73	0.53	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	1.00	0.54	n/a	n/a	n/a
Distributions:					
From income (excluding dividends)	-	-	n/a	n/a	n/a
From dividends	(0.01)	-	n/a	n/a	n/a
From capital gains	(0.13)	-	n/a	n/a	n/a
Return of capital	-	-	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.13)	-	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$11.78	\$10.71	n/a	n/a	n/a

(1) Net assets attributable to holders of redeemable units 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.

(2) Distributions are reinvested in additional units of the Fund or paid in cash.

(3) From October 27, 2016, inception date of Series A, B and F units of the Fund.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A (inception October 27, 2016)	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	3,518	504	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	299	47	n/a	n/a	n/a
Management expense ratio (%) ⁽²⁾	-	-	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.57	2.88	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.11	0.33	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	19.69	-	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	11.77	10.73	n/a	n/a	n/a

Series B (inception October 27, 2016)	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	360	15	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	31	1	n/a	n/a	n/a
Management expense ratio (%) ⁽²⁾	1.31	1.33	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	1.88	4.20	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.11	0.33	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	19.69	-	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	11.74	10.70	n/a	n/a	n/a

Series F (inception October 27, 2016)	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	607	364	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	51	34	n/a	n/a	n/a
Management expense ratio (%) ⁽²⁾	1.00	1.00	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	1.57	3.88	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.11	0.33	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	19.69	-	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	11.78	10.71	n/a	n/a	n/a

(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 (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of the 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

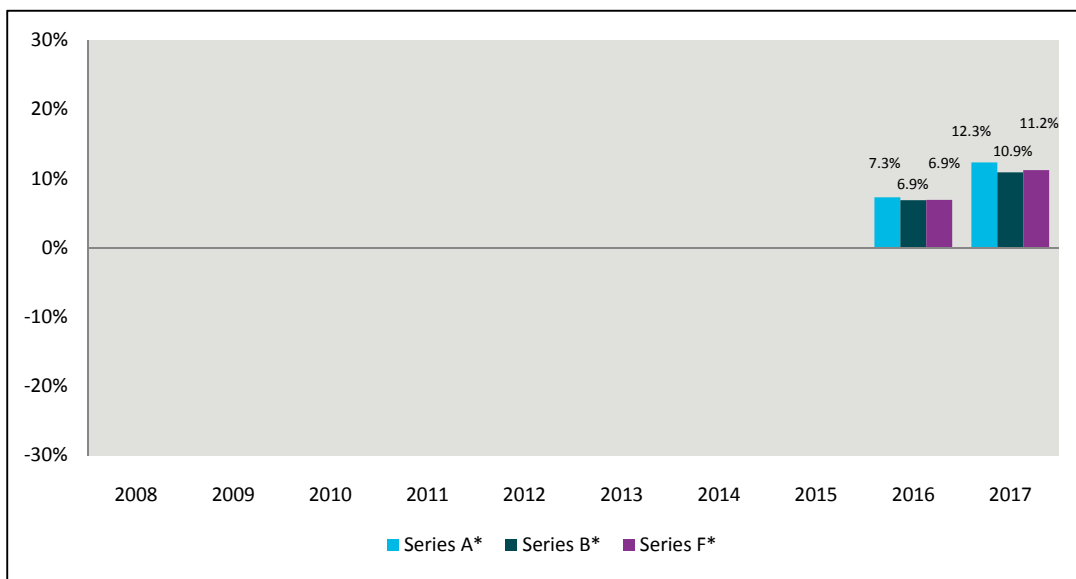
General

The Fund’s performance assumes all distributions made by the Fund in the years 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 bar chart shows the Fund’s historical return, which changes each year and illustrates how the Fund’s performance has changed from year to year. The bar 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 year.



* Series A, Series B and Series F units were created on October 27, 2016. Return from October 27, 2016 to December 31, 2016, not annualized.

Past Performance (cont.)**Annual Compound Returns**

The following table compares the historical annual compound return of the Fund (before fees for Series A and after fees for Series B, F and FP1) with the Russell 2500 Index, in each case for the year ended December 31, 2017. The Russell 2500 Index is a broad index of 2,500 stocks that covers the small and mid-cap market capitalizations (up to the \$10 billion in market capitalization) of U.S. based listed equities. A discussion of the performance of the Fund as compared to the benchmark is found in the Results of Operations section of this document.

For the Years ended December 31	1 Year	3 Years	5 Years	10 Years
Fund – Series A *	12.3%	n/a	n/a	n/a
Benchmark	9.1%	n/a	n/a	n/a
Fund – Series B *	10.9%	n/a	n/a	n/a
Benchmark	9.1%	n/a	n/a	n/a
Fund – Series F *	11.2%	n/a	n/a	n/a
Benchmark	9.1%	n/a	n/a	n/a

* Series A, Series B and Series F units were created on October 27, 2016.

Summary of Investment Portfolio

As at December 31, 2017

Top 25 Positions

Issuer	% of Net Asset Value
Province of Quebec 1.19% January 24, 2018	14.0%
Carlisle Cos Inc	5.5%
Brookfield Infrastructure Partners LP	5.4%
Live Nation Entertainment Inc	5.3%
Cash	5.1%
USG Corp	4.8%
Starwood Property Trust Inc	4.6%
On Assignment Inc	4.6%
Wyndham Worldwide Corp	4.1%
Commscope Holding Co Inc	3.9%
Tri Pointe Group Inc	3.9%
Keysight Technologies In	3.7%
Air Lease Corp	3.7%
Torchmark Corp	3.6%
Carmax Inc	3.4%
Lamar Advertising Co	3.3%
MSC Industrial Direct Co Inc	3.3%
Maxar Technologies Ltd	3.3%
Store Capital Corp	3.0%
Cinemark Holdings Inc	2.8%
Tetra Tech Inc	2.5%
Tiffany & Co	2.1%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Industrials	27.7%
Consumer Discretionary	23.3%
Cash & Other Net Assets	19.1%
Financials	8.3%
Information Technology	7.7%
Real Estate	6.4%
Utilities	5.4%
Materials	2.1%

The Fund held no short positions as at December 31, 2017.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.leithwheeler.com.