

Leith Wheeler Balanced Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
June 30, 2022



This interim management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or 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 proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

To provide investors with a relatively stable, superior long-term rate of return, through a balanced portfolio of common shares and fixed income securities. This Fund invests primarily in Canadian issuers and may invest in foreign securities. The Fund invests in a broad range of companies and is not restricted by capitalization or industry sectors although portfolio diversification is a consideration in the selection of securities for the Fund.

Although Leith Wheeler Investment Counsel Ltd. (the “Manager”) will change the investment mix between fixed income and equity securities as opportunities arise, a portion of the Fund will be maintained in each class. The allocation is determined by the Manager, as opportunities arise, although the Fund’s equity portion will range between 40% and 75% of its total assets. The maximum invested in foreign securities is not expected to exceed 40% of the net assets of the Fund at the time of investment. The fixed income securities provide lower risk income while the common shares provide an opportunity for capital gains. Investors participate in a professionally managed portfolio in which specific security selection and asset mix decisions will be made by experienced portfolio managers.

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 Fund’s net assets decreased by 14.1% in the first half of 2022 to \$227.6 million from \$265.1 million at the end of 2021. Of this change, \$27.1 million was attributable to negative investment performance and \$10.4 million of net outflows from unitholders.

For the six months ended June 30, 2022, the Balanced Fund Series A decreased -10.3% before fees, Series B decreased -10.8% after fees and expenses, and Series F decreased -10.7% after fees and expenses.

Equity markets had mixed performance in the first quarter of 2022. The S&P/TSX increased 3.8% during the quarter (with its relatively large Energy component) while the S&P 500 and MSCI EAFE indices declined 4.6% and 3.7%, respectively, in local currency. Companies that have been hit the hardest were generally quite expensive coming into 2022, with high flying “stay at home” technology stocks being the best example.

Our fund generally performed well to start the year as we had very little exposure to the areas that have come under the most pressure. The fund’s holdings in Canadian equities, US equities, international equities, and fixed income each outperformed their respective broad market indices.

Bond yields rapidly increased during the first quarter, reflecting higher inflation and an expected path of interest rate hikes from central banks. Interest rate hikes began during the quarter, and as a result, the fund’s fixed income holdings delivered negative returns.

The second quarter of 2022 was very challenging for markets around the globe as concerns surrounding inflation weighed heavily on investor sentiment. After holding up relatively well in the first quarter, the Canadian market fell 13.2% in Q2 while the S&P 500 and MSCI EAFE indices declined 13.6% and 12.0%, respectively. Bond markets also came under pressure as rates continued to rise during the quarter.

The fund’s holdings in Canadian equities, US equities, and international equities each outperformed their respective broad market indices again in the second quarter. The fund’s fixed income holdings performed roughly in line with the broad market index.

At the halfway point of 2022, market expectations for the probability of a recession in the US have increased markedly. Canada has not been immune, although there appears to be a lag with the US. We are seeing a rotation in Canada from housing being the primary growth driver to strength in the resource and services sectors, which has been supportive. As we head into the second half of the year, we expect to see the lagged effects of the rapid tightening in financial conditions on households emerge, which will likely dampen growth at home.

On a positive front, labour markets remain strong, savings have been stockpiled and there is no stress in the banking system as of yet. Longer term rates have also fallen, indicating that the bond market expects inflation to moderate over the medium term. This likely means any recession would more likely be shallow rather than sharp and deep, should it occur.

Recent Developments

Equity and bond indices all increased in July 2022: S&P/TSX Composite Index (+4.7%), S&P 500 (C\$) (+8.6%), MSCI EAFE – Net Index (C\$) (+4.4%), FTSE Canada Universe Bond Index (+3.9%).

Management Discussion of Fund Performance (cont.)

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.

As at June 30, 2022, the Fund owned 3,249,344 Series A units of the Leith Wheeler International Equity Plus Fund, 746,028 Series A units of the Leith Wheeler U.S. Small/Mid-Cap Equity Fund, and 1,092,677 Series A units of the Leith Wheeler Multi Credit Fund, which are funds under common management.

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 for the Series B and Series F units of the Fund are 1.10% and 0.85%, respectively. During the year, the Fund paid the Manager \$599,006 for Series B and \$13,839 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 six months and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements.

Series A (inception September 10, 2015)	June 30, 2022	2021	2020	2019	2018	2017
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$29.56	\$27.21	\$26.16	\$23.81	\$25.81	\$24.34
Increase (decrease) from operations:						
Total revenue	0.46	0.96	0.78	0.83	0.67	0.77
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the year	0.20	1.13	0.30	0.43	0.37	0.48
Unrealized gains (losses) for the year	(3.75)	1.84	0.91	2.01	(1.85)	0.88
Total increase (decrease) from operations ⁽¹⁾	(3.09)	3.93	1.99	3.27	(0.81)	2.12
Distributions:						
From income (excluding dividends)	(0.17)	(0.25)	(0.22)	(0.19)	(0.29)	(0.49)
From dividends	(0.35)	(0.50)	(0.52)	(0.49)	(0.43)	(0.16)
From capital gains	-	(0.82)	(0.05)	(0.18)	(0.21)	(0.03)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.52)	(1.57)	(0.79)	(0.86)	(0.93)	(0.68)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$26.02	\$29.56	\$27.21	\$26.16	\$23.81	\$25.81

Series B ⁽⁴⁾	June 30, 2022	2021	2020	2019	2018	2017
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$30.28	\$27.91	\$26.81	\$24.37	\$26.32	\$24.84
Increase (decrease) from operations:						
Total revenue	0.44	0.99	0.76	0.84	0.84	0.79
Total expenses	(0.11)	(0.24)	(0.30)	(0.28)	(0.26)	(0.21)
Realized gains (losses) for the year	0.19	1.16	0.30	0.43	0.47	0.51
Unrealized gains (losses) for the year	(3.57)	1.86	0.88	2.03	(2.33)	0.90
Total increase (decrease) from operations ⁽¹⁾	(3.05)	3.77	1.64	3.02	(1.28)	1.99
Distributions:						
From income (excluding dividends)	-	-	-	-	-	(0.23)
From dividends	(0.18)	(0.46)	(0.45)	(0.36)	(0.32)	(0.17)
From capital gains	-	(0.84)	(0.05)	(0.18)	(0.22)	(0.03)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.18)	(1.30)	(0.50)	(0.54)	(0.54)	(0.43)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$26.85	\$30.28	\$27.91	\$26.81	\$24.37	\$26.32

Financial Highlights (cont.)

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

Series F	June 30, 2022	2021	2020	2019	2018	2017
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$28.88	\$26.56	\$25.43	\$23.08	\$25.22	\$23.79
Increase (decrease) from operations:						
Total revenue	0.44	0.95	0.61	0.79	1.11	0.74
Total expenses	(0.13)	(0.26)	(0.24)	(0.20)	(0.31)	(0.17)
Realized gains (losses) for the year	0.19	1.11	0.24	0.41	0.64	0.45
Unrealized gains (losses) for the year	(3.53)	1.79	0.70	1.94	(3.13)	0.84
Total increase (decrease) from operations ⁽¹⁾	(3.03)	3.59	1.31	2.94	(1.69)	1.85
Distributions:						
From income (excluding dividends)	(0.02)	-	-	-	(0.14)	(0.26)
From dividends	(0.33)	(0.44)	(0.39)	(0.36)	(0.51)	(0.16)
From capital gains	-	(0.80)	(0.05)	(0.17)	(0.21)	(0.04)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.35)	(1.24)	(0.44)	(0.53)	(0.86)	(0.45)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$25.46	\$28.88	\$26.56	\$25.43	\$23.08	\$25.22

(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 September 10, 2015, inception date of Series A and Series F units of the Fund. Both Series A and Series F initial net asset value per unit offering commenced at the closing net asset value per unit of Series B on September 10, 2015 of \$24.03.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A (inception September 10, 2015)	June 30, 2022	2021	2020	2019	2018	2017
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	149,701	140,981	126,739	118,828	23,801	13,348
Number of units outstanding (000s) ⁽¹⁾	5,752	4,770	4,657	4,542	1,000	517
Management expense ratio (%) ⁽²⁾	-	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	-	-	-	-	-	-
Trading expense ratio (%) ⁽³⁾	0.01	0.02	0.03	0.04	0.03	0.02
Portfolio turnover rate (%) ⁽⁴⁾	72.68	57.06	69.53	58.14	64.22	68.15
Net assets attributable to holders of redeemable units - per unit (\$)	26.02	29.56	27.21	26.16	23.81	25.81

Series B ⁽⁵⁾	June 30, 2022	2021	2020	2019	2018	2017
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	74,665	120,753	101,897	95,174	82,212	96,402
Number of units outstanding (000s) ⁽¹⁾	2,781	3,988	3,651	3,549	3,373	3,663
Management expense ratio (%) ⁽²⁾	1.16	1.16	1.16	1.17	1.17	1.16
Management expense ratio before waivers or absorptions (%)	1.16	1.16	1.16	1.17	1.17	1.16
Trading expense ratio (%) ⁽³⁾	0.01	0.02	0.03	0.04	0.03	0.02
Portfolio turnover rate (%) ⁽⁴⁾	72.68	57.06	69.53	58.14	64.22	68.15
Net assets attributable to holders of redeemable units - per unit (\$)	26.85	30.28	27.91	26.81	24.37	26.32

Series F	June 30, 2022	2021	2020	2019	2018	2017
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	3,207	3,408	3,319	3,866	4,606	1,621
Number of units outstanding (000s) ⁽¹⁾	126	118	125	152	200	64
Management expense ratio (%) ⁽²⁾	0.92	0.93	0.92	0.93	0.94	0.95
Management expense ratio before waivers or absorptions (%)	0.92	0.93	0.92	0.93	0.94	0.95
Trading expense ratio (%) ⁽³⁾	0.01	0.02	0.03	0.04	0.03	0.02
Portfolio turnover rate (%) ⁽⁴⁾	72.68	57.06	69.53	58.14	64.22	68.15
Net assets attributable to holders of redeemable units - per unit (\$)	25.46	28.88	26.56	25.43	23.08	25.22

- (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 (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

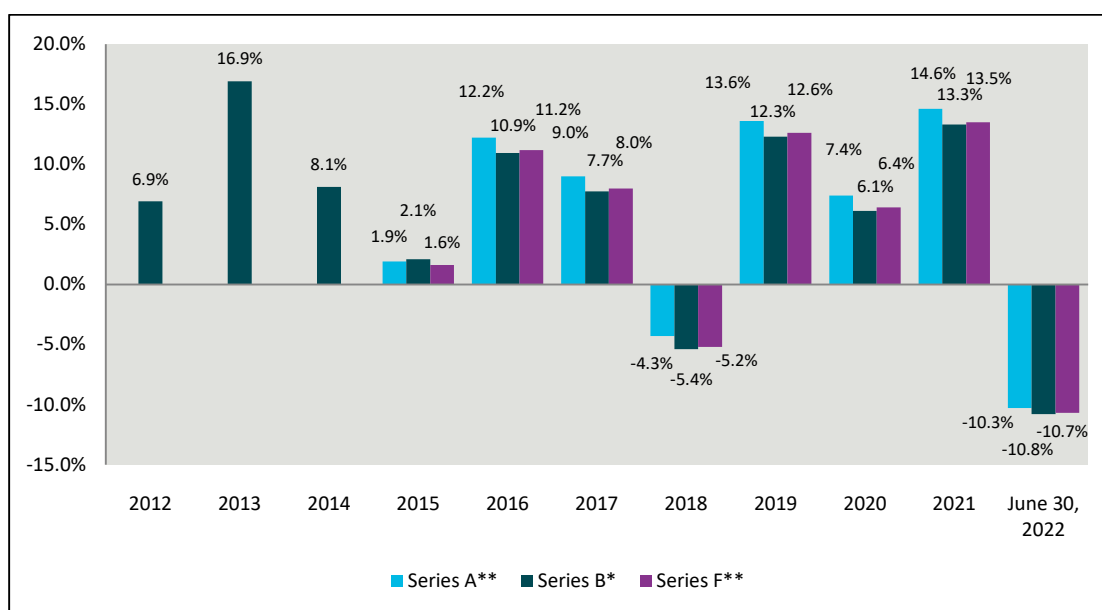
General

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.



* This Series of the Fund was renamed Series B as of August 28, 2015.

** Series A and Series F units were created on September 10, 2015. Return for Series A and Series F from September 10, 2015 to December 31, 2015, not annualized.

Summary of Investment Portfolio

As at June 30, 2022

Top 25 Positions

Issuer	% of Net Asset Value
Leith Wheeler International Equity Plus Fund Series A	12.8%
Leith Wheeler U.S. Small/Mid-Cap Equity Fund Series A	4.5%
Leith Wheeler Multi Credit Fund Series A	4.0%
Royal Bank of Canada	2.2%
Canada Housing Trust No 1 3.8% June 15, 2027	2.1%
Toromont Industries Ltd	2.1%
Canadian National Railway Co	1.7%
Toronto-Dominion Bank	1.6%
Canada Housing Trust No 1 1.6% December 15, 2031	1.5%
Brookfield Asset Management Inc	1.5%
Brookfield Infrastructure Partners LP	1.4%
Constellation Software Inc	1.2%
Tourmaline Oil Corp	1.2%
Canadian Government Bond 1.25% March 01, 2027	1.1%
Bank of Montreal	1.1%
Canadian Natural Resources Ltd	1.0%
Canadian Government Bond 4% June 01, 2041	1.0%
Open Text Corp	1.0%
Saputo Inc	0.9%
CGI Inc	0.9%
Rogers Communications Inc	0.9%
Waste Connections Inc	0.9%
Bank of Nova Scotia	0.9%
Pembina Pipeline Corp	0.8%
Canadian Imperial Bank of Commerce	0.8%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Bonds	33.2%
Canadian Equities	30.6%
U.S. Equities	18.4%
International Equities	12.0%
High Yield Bonds	2.9%
Cash & Other Net Assets	2.0%
Senior Loans	0.9%

The Fund held no short positions as at June 30, 2022.

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