

Leith Wheeler Core Bond Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2018



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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 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.

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 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 increased by 5.0% in the first half of 2018 to \$203.0 million from \$193.3 million at the end of 2017. Of this change, \$1.6 million was attributable to investment gains and \$8.1 million to net inflows.

Through the first six months of 2018, the Core Bond Series A units advanced by 0.9% and Series B returned 0.5% after fees and expenses, compared to the FTSE TMX Canada Universe Bond index's 0.6% return over the same period.

Fixed income portfolio performance was broadly in line with the overall portfolio yield, as both interest rates and credit spreads were close to unchanged over the quarter.

The Core Bond portfolio outperformed the FTSE TMX Canada Universe Bond Index during the quarter due to a combination of tactical interest rate risk management and outperformance from our corporate bonds.

We continue to believe, that the Bank of Canada will likely raise rates more slowly than what is currently anticipated due to lingering concerns over an already-weak export sector, compounded by an uncertain outlook for trade under a more protectionist US administration. Indeed, market expectations have converged over the past several quarters toward our view of just two to three rate increases in Canada during 2018.

Despite a cautious view regarding Bank of Canada rate increases, we remain positioned for a very modest and gradual rise in bond yields over the coming year. This has mainly been achieved by an overweight in real return bonds, which have coupons linked to realized inflation and are, therefore, less sensitive to a rise in nominal bond yields. Despite bond yields remaining broadly unchanged during the quarter, the portfolio benefited from a sharp rise in inflation expectations, and we used this move as an opportunity to reduce the overall size of the real return bond position in the portfolio.

Recent Developments

The Bank of Canada raised its key interest rate to 1.5% in July.

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 for the Series B units of the Fund is 0.75%. During the year, the Fund paid the Manager \$116,093 (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	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$10.68	\$10.71	\$11.00	\$11.19	\$10.68	\$11.21
Increase (decrease) from operations:						
Total revenue	0.15	0.32	0.32	0.39	0.40	0.41
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the year	(0.08)	(0.13)	0.18	0.27	0.19	0.03
Unrealized gains (losses) for the year	0.02	0.11	(0.29)	(0.22)	0.37	(0.53)
Total increase (decrease) from operations ⁽¹⁾	0.09	0.30	0.22	0.44	0.96	(0.09)
Distributions:						
From income (excluding dividends)	(0.16)	(0.32)	(0.35)	(0.38)	(0.41)	(0.41)
From dividends	-	-	-	(0.01)	-	-
From capital gains	-	-	(0.18)	(0.22)	(0.02)	(0.05)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.16)	(0.32)	(0.53)	(0.61)	(0.43)	(0.46)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.60	\$10.68	\$10.71	\$11.00	\$11.19	\$10.68

Series B	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$10.79	\$10.80	\$11.05	\$11.21	\$10.72	\$11.28
Increase (decrease) from operations:						
Total revenue	0.15	0.31	0.43	0.37	0.39	0.36
Total expenses	(0.04)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
Realized gains (losses) for the year	(0.08)	(0.12)	0.24	0.26	0.19	0.03
Unrealized gains (losses) for the year	0.02	0.10	(0.39)	(0.21)	0.37	(0.46)
Total increase (decrease) from operations ⁽¹⁾	0.05	0.21	0.20	0.34	0.87	(0.16)
Distributions:						
From income (excluding dividends)	(0.11)	(0.21)	(0.22)	(0.26)	(0.35)	(0.35)
From dividends	-	-	-	-	-	-
From capital gains	-	-	(0.18)	(0.23)	(0.02)	(0.05)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.11)	(0.21)	(0.40)	(0.49)	(0.37)	(0.40)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.73	\$10.79	\$10.80	\$11.05	\$11.21	\$10.72

(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.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	172,942	161,816	174,933	155,559	164,835	212,174
Number of units outstanding (000s) ⁽¹⁾	16,312	15,158	16,339	14,145	14,726	19,870
Management expense ratio (%) ⁽²⁾	-	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	-	-	-	-	-	-
Trading expense ratio (%) ⁽³⁾	-	-	-	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	195.34	154.60	143.16	101.26	80.38	69.09
Net assets attributable to holders of redeemable units - per unit (\$)	10.60	10.68	10.71	11.00	11.19	10.68

Series B	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	30,020	31,508	36,034	44,280	48,965	46,472
Number of units outstanding (000s) ⁽¹⁾	2,798	2,920	3,338	4,009	4,368	4,335
Management expense ratio (%) ⁽²⁾	0.79	0.79	0.79	0.79	0.79	0.79
Management expense ratio before waivers or absorptions (%)	0.79	0.79	0.79	0.79	0.79	0.79
Trading expense ratio (%) ⁽³⁾	-	-	-	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	195.34	154.60	143.16	101.26	80.38	69.09
Net assets attributable to holders of redeemable units - per unit (\$)	10.73	10.79	10.80	11.05	11.21	10.72

(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

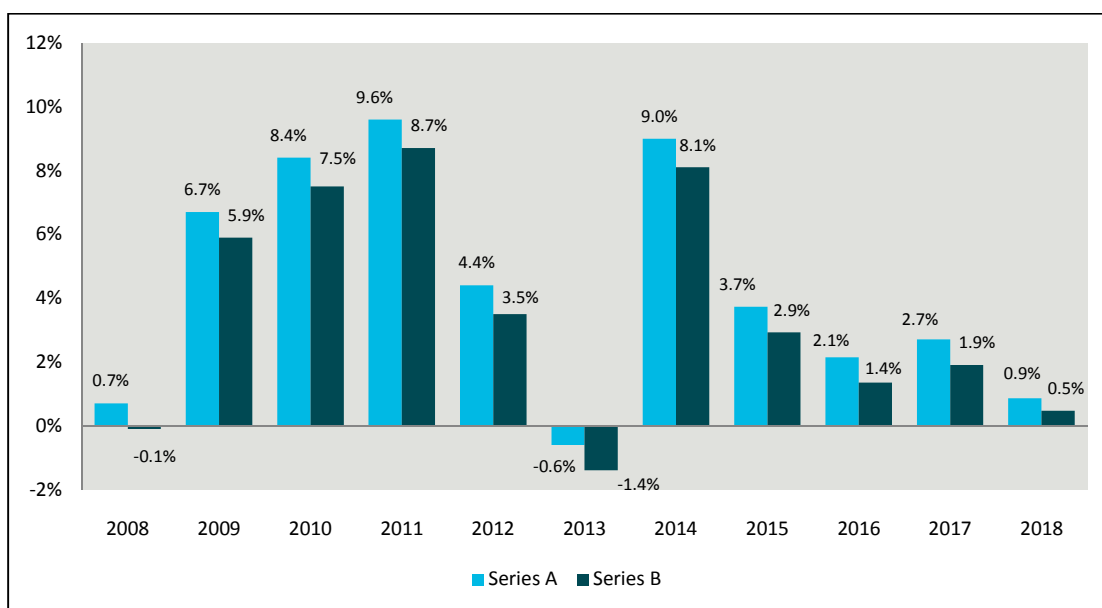
General

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.



Summary of Investment Portfolio

As at June 30, 2018

Top 25 Positions

Issuer	% of Net Asset Value
Canada Housing Trust No 1 2.35% June 15, 2023	3.9%
Province of Alberta 3.05% December 01, 2048	2.7%
Canadian Mortgage Pools 1.247% March 15, 2021	2.6%
Province of Ontario 2.9% June 02, 2049	2.4%
Canadian Government Bond 5% June 01, 2037	2.4%
Province of Ontario 5.6% June 02, 2035	2.4%
Canadian Government Bond 2% December 01, 2051	2.3%
Canadian Government RRB 0.5% December 01, 2050	2.2%
Canadian Mortgage Pools 1.883% September 01, 2022	2.1%
Province of Manitoba 6.3% March 05, 2031	1.9%
Daimler Canada Finance Inc 1.8% December 16, 2019	1.8%
Province of Quebec 8.5% April 01, 2026	1.6%
Canadian Imperial Bank of Commerce 1.66% January 20, 2020	1.6%
Bank of Montreal 2.1% October 06, 2020	1.5%
Union Gas Ltd 2.76% June 02, 2021	1.4%
Canadian Imperial Bank of Commerce 1.64% July 12, 2021	1.4%
Bank of Montreal 2.84% June 04, 2020	1.4%
Canadian Mortgage Pools 5.438% March 01, 2028	1.3%
Royal Bank of Canada 1.583% September 13, 2021	1.3%
Bank of Nova Scotia 2.27% January 13, 2020	1.3%
Hydro Quebec 4% February 15, 2055	1.2%
Bruce Power LP 2.844% June 23, 2021	1.2%
Canadian Natural Resources Ltd 3.05% June 19, 2019	1.2%
Canadian Mortgage Pools 1.396% May 01, 2021	1.2%
Province of Manitoba 3% June 02, 2028	1.1%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Corporate Bonds	50.2%
Provincial Bonds	22.6%
Federal Bonds	19.2%
Maple Bonds	2.6%
Municipal Bonds	2.2%
Real Return Bonds	2.2%
Cash & Other Net Assets	1.0%

The Fund held no short positions as at June 30, 2018.

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.