

Leith Wheeler High Yield Bond Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2018



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

The Fund's objective is to provide investors with a high level of income and the opportunity for capital appreciation. The Fund will invest primarily in fixed income securities issues by U.S., Canadian and other international corporations. The Fund is available in a hedged and unhedged series. For investors seeking exposure to U.S. currency with exposure to fluctuations between the U.S. and Canadian dollars, an unhedged version is available. For investors seeking exposure to the assets of the funds denominated or exposed to the U.S. currency, but wishing to reduce exposure to fluctuations between the Canadian and U.S. dollars, a Canadian dollar hedged version is available.

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 24.6% in the first half 2018 to \$33.1 million from \$43.9 million at the end of 2017. Of this change, \$0.8 million was attributable to investment gains and \$11.6 million to net outflows.

Fixed income investments overall performed well in the first six months of 2018. Currency had a large impact in the performance of the unhedged series compared to the Canadian dollar hedged series of the Fund. The unhedged version of the High Yield Bond Fund outperformed the hedged version as the US dollar strengthened materially against the Canadian dollar in the first half of the year. Series A units of the unhedged High Yield Bond Fund increased by 6.4% while the hedged series advanced by 0.8% in the first six months of 2018. The unhedged units of Series B returned 5.9% and Series F advanced by 6.0%, both after fees and expenses. The Canadian dollar hedged version saw Series B units return 0.7% and Series F units advance by 0.7%, both after fees and expenses over the same time period.

The Bank of America Merrill Lynch BB-B High Yield Constrained Index was down during the first quarter due to a sharp selloff in government bonds and heightened equity market volatility. Following a positive January, with tighter spreads, the high yield market widened about 55 basis points, as inflation fears and tighter central bank policy fears rippled across markets. While higher interest rates put downward pressure on the overall bond market, the high yield market ended the second quarter with positive returns, helped by strong underlying fundamentals. High yield companies in aggregate have shown growth in both revenue and earnings before interest, taxes, depreciation, and amortization (EBITDA), and stronger ability to cover interest rate payments. Similarly, equity markets in the US have been pulled upwards by underlying economic and corporate fundamentals. As high yield bonds are a hybrid of fixed income and equity, the two forces of higher interest rates and equity valuation have competed for the direction of returns.

The Fund is focused on high quality issues and is a concentrated, liquid portfolio of 38 names across various sectors. The Fund outperformed the Bank of America Merrill Lynch BB-B High Yield Constrained Index in the first six months of 2018, primarily due to security selection in names such as Frontier Communications (+14.7%) and Silversea Cruises (+3.6%). Frontier Communications' elimination of its dividend during the first quarter continues to support the bonds. Silversea Cruises, a privately-owned luxury cruise operator with 10 ships that offer ultra-luxury cruise experiences globally, traded upwards after Royal Caribbean offered to purchase a majority stake in the company. As the deal progresses, we collect an attractive 7.25% coupon on the bond.

The outperformance was somewhat offset by holding Teck Resources (-8.7%), which declined due to lower copper prices on weak China economic data and US/China trade tensions. Diebold Nixdorf (-6.0%) was a weak performer as investors were disappointed that business integration is still in progress, but the good news is that the company has suspended its dividend to focus on debt reduction.

While spreads are at the tighter end of their historical range, we remain constructive on high yield debt over the longer term. Spreads indicate forward expectations of default rates (a measure of market stress) and offer a metric for relative valuations. They continue to be very low as strong US economic data and tax reform provide positive momentum. Relative to investment grade bonds and equity markets though, high yield still offers favourable return potential. In a rising interest rate environment, high yield bonds have historically performed well due to their shorter duration and higher coupons.

The Fund remains conservatively positioned, with the expectation that returns will continue to be generated from the high coupon income.

Management Discussion of Fund Performance (cont.)

Recent Developments

The Bank of Canada raised its key interest rate by 0.25% to 1.50% in July 2018.

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.

On January 29, 2018, the Leith Wheeler Balanced Fund sold its position in 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/ Series B (CAD Hedged) and Series F/ Series (CAD Hedged) units of the Fund are 0.80% and 0.65%, respectively. During the year, the Fund paid the Manager \$ 2,959 and \$ 8,890 for Series B and Series B (CAD Hedged); and \$1,446 and \$41,341 for Series F and Series F (CAD Hedged) (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 May 27, 2015)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of period ^{(1) (3)}	\$9.61	\$10.11	\$9.99	\$10.00	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.83	0.18	0.58	1.11	n/a	n/a
Total expenses	-	-	-	-	n/a	n/a
Realized gains (losses) for the year	(0.68)	0.10	-	0.38	n/a	n/a
Unrealized gains (losses) for the year	0.43	(0.11)	-	1.53	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.58	0.16	0.58	0.80	n/a	n/a
Distributions:						
From income (excluding dividends)	(0.23)	(0.62)	(0.64)	-	n/a	n/a
From dividends	-	-	-	-	n/a	n/a
From capital gains	-	-	(0.29)	(0.69)	n/a	n/a
Return of capital	-	-	-	-	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.23)	(0.62)	(0.92)	(0.69)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$9.99	\$9.61	\$10.11	\$9.99	n/a	n/a

Series A (CAD Hedged) (inception May 27, 2015)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of period ^{(1) (3)}	\$9.15	\$9.81	\$9.47	\$10.00	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.17	0.80	0.57	0.38	n/a	n/a
Total expenses	-	-	-	-	n/a	n/a
Realized gains (losses) for the year	(0.14)	0.45	-	(0.13)	n/a	n/a
Unrealized gains (losses) for the year	0.09	(0.51)	-	(0.52)	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.12	0.74	0.57	(0.27)	n/a	n/a
Distributions:						
From income (excluding dividends)	(0.24)	(1.37)	(0.69)	-	n/a	n/a
From dividends	-	-	-	-	n/a	n/a
From capital gains	-	(0.01)	(0.29)	-	n/a	n/a
Return of capital	-	-	-	(0.22)	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.24)	(1.38)	(0.98)	(0.22)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$8.99	\$9.15	\$9.81	\$9.47	n/a	n/a

Financial Highlights (cont.)

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

Series B (inception May 27, 2015)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of period ^{(1) (3)}	\$9.47	\$10.05	\$10.06	\$10.00	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.99	(0.02)	1.03	(0.87)	n/a	n/a
Total expenses	(0.17)	-	(0.10)	0.11	n/a	n/a
Realized gains (losses) for the year	(0.81)	(0.01)	-	0.30	n/a	n/a
Unrealized gains (losses) for the year	0.51	0.01	-	1.20	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.52	(0.02)	0.92	0.74	n/a	n/a
Distributions:						
From income (excluding dividends)	(0.20)	(0.61)	(0.71)	-	n/a	n/a
From dividends	-	-	-	-	n/a	n/a
From capital gains	-	-	(0.26)	(0.57)	n/a	n/a
Return of capital	-	-	-	-	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.20)	(0.61)	(0.97)	(0.57)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$9.83	\$9.47	\$10.05	\$10.06	n/a	n/a

Series B (CAD Hedged) (inception May 27, 2015)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of period ^{(1) (3)}	\$9.48	\$9.75	\$9.32	\$10.00	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.13	0.78	0.72	0.49	n/a	n/a
Total expenses	(0.02)	(0.09)	(0.07)	(0.06)	n/a	n/a
Realized gains (losses) for the year	(0.11)	0.43	-	(0.17)	n/a	n/a
Unrealized gains (losses) for the year	0.07	(0.50)	-	(0.68)	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.07	0.63	0.65	(0.42)	n/a	n/a
Distributions:						
From income (excluding dividends)	(0.23)	(0.89)	(0.49)	-	n/a	n/a
From dividends	-	-	-	-	n/a	n/a
From capital gains	-	(0.01)	(0.28)	(0.25)	n/a	n/a
Return of capital	-	-	-	-	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.23)	(0.90)	(0.77)	(0.25)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$9.31	\$9.48	\$9.75	\$9.32	n/a	n/a

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

Series F (inception September 10, 2015)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of period ^{(1) (4)}	\$9.49	\$10.22	\$10.04	\$10.32	n/a	n/a
Increase (decrease) from operations:						
Total revenue	1.11	0.02	0.48	(0.38)	n/a	n/a
Total expenses	(0.19)	-	(0.06)	-	n/a	n/a
Realized gains (losses) for the year	(0.91)	0.01	-	0.13	n/a	n/a
Unrealized gains (losses) for the year	0.57	(0.01)	-	0.53	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.58	0.01	0.42	0.28	n/a	n/a
Distributions:						
From income (excluding dividends)	(0.21)	(0.78)	(0.55)	-	n/a	n/a
From dividends	-	-	-	-	n/a	n/a
From capital gains	-	-	(0.26)	(0.50)	n/a	n/a
Return of capital	-	-	-	-	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.21)	(0.78)	(0.82)	(0.50)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$9.85	\$9.49	\$10.22	\$10.04	n/a	n/a

Series F (CAD Hedged) (inception September 10, 2015)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of period ^{(1) (4)}	\$9.26	\$9.64	\$9.01	\$9.71	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.11	0.73	0.56	0.52	n/a	n/a
Total expenses	(0.02)	(0.08)	(0.07)	(0.01)	n/a	n/a
Realized gains (losses) for the year	(0.09)	0.40	-	(0.18)	n/a	n/a
Unrealized gains (losses) for the year	0.06	(0.46)	-	(0.71)	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.06	0.59	0.49	(0.38)	n/a	n/a
Distributions:						
From income (excluding dividends)	(0.22)	(1.02)	(0.47)	-	n/a	n/a
From dividends	-	-	-	-	n/a	n/a
From capital gains	-	(0.01)	(0.09)	(0.55)	n/a	n/a
Return of capital	-	-	-	-	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.22)	(1.04)	(0.56)	(0.55)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$9.10	\$9.26	\$9.64	\$9.01	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 May 27, 2015, inception date of Series A and Series A (CAD Hedged) units and Series B and Series B (CAD Hedged) units of the Fund.

(4) From September 10, 2015, inception date of Series F and Series F (CAD Hedged) units of the Fund. Series F and Series F initial net asset value per unit offering commenced at the closing net asset value per unit of Series B and Series B (CAD Hedged) on September 10, 2015 of \$10.32 and \$9.71 respectively.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A (inception May 27, 2015)	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	6,825	8,061	3,561	1,318	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	684	839	352	132	n/a	n/a
Management expense ratio (%) ⁽²⁾	-	-	-	-	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.06	0.03	0.08	0.24	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.01	0.02	0.02	0.03	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	303.23	245.51	382.08	261.31	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	9.99	9.61	10.11	9.99	n/a	n/a

Series A (CAD Hedged) (inception May 27, 2015)	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	11,298	19,069	24,837	17,129	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	1,257	2,085	2,533	1,809	n/a	n/a
Management expense ratio (%) ⁽²⁾	-	-	-	-	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.06	0.03	0.08	0.24	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.01	0.02	0.02	0.03	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	303.23	245.51	382.08	261.31	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	8.99	9.15	9.81	9.47	n/a	n/a

Series B (inception May 27, 2015)	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units - (\$000s) ⁽¹⁾	687	806	802	97	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	70	85	80	10	n/a	n/a
Management expense ratio (%) ⁽²⁾	0.87	0.89	0.84	0.84	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.93	0.92	0.92	1.08	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.01	0.02	0.02	0.03	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	303.23	245.51	382.08	261.31	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	9.83	9.47	10.05	10.06	n/a	n/a

Series B (CAD Hedged) (inception May 27, 2015)	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	1,676	2,406	2,359	1,087	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	180	254	242	117	n/a	n/a
Management expense ratio (%) ⁽²⁾	0.87	0.89	0.84	0.84	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.93	0.88	0.92	1.08	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.01	0.02	0.02	0.03	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	303.23	245.51	382.08	261.31	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	9.31	9.48	9.75	9.32	n/a	n/a

Financial Highlights (cont.)

Ratios and Supplemental Data (cont.)

Series F (inception September 10, 2015)	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	423	630	367	180	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	43	66	36	18	n/a	n/a
Management expense ratio (%) ⁽²⁾	0.69	0.68	0.68	0.68	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.75	0.72	0.76	0.92	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.01	0.02	0.02	0.03	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	303.23	245.51	382.08	261.31	n/a	n/a
Net assets attributable to holders of redeemable units – per unit (\$)	9.85	9.49	10.22	10.04	n/a	n/a

Series F (CAD Hedged) (inception September 10, 2015)	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	12,230	12,891	4,483	2,080	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	1,345	1,392	465	231	n/a	n/a
Management expense ratio (%) ⁽²⁾	0.68	0.68	0.68	0.68	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.76	0.72	0.76	0.92	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.01	0.02	0.02	0.03	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	303.23	245.51	382.08	261.31	n/a	n/a
Net assets attributable to holders of redeemable units – per unit (\$)	9.10	9.26	9.64	9.01	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

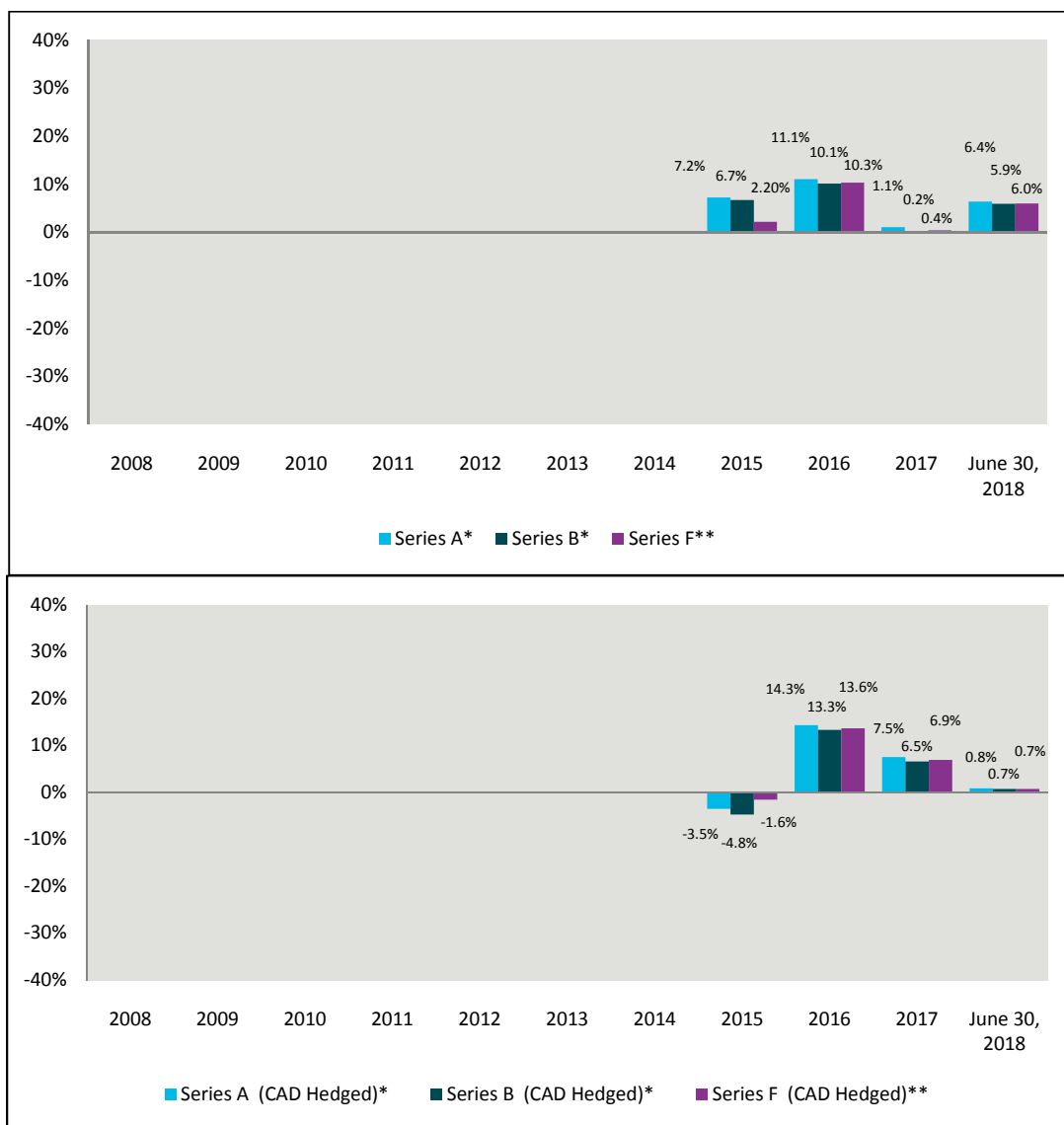
General

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 and Series A (CAD Hedged) units and Series B and Series B (CAD Hedged) units were created May 27, 2015. Return from May 27, 2015 to December 31, 2015, not annualized.

** Series F and Series F (CAD Hedged) units were created on September 10, 2015. Return from September 10, 2015 to December 31, 2015, not annualized.

Summary of Investment Portfolio

As at June 30, 2018

Top 25 Positions

Issuer	% of Net Asset Value
FAGE International SA/ FAGE USA Dairy Industry Inc 5.625% August 15, 2026	5.2%
Seagate HDD Cayman 4.875% June 01, 2027	5.1%
DISH DBS Corp 5.125% May 01, 2020	5.1%
Diebold Inc 8.5% April 15, 2024	4.7%
Silversea Cruise Finance 7.25% February 01, 2025	4.5%
First Quantum Minerals Ltd 7.25% May 15, 2022	4.5%
Unit Corp 6.625% May 15, 2021	4.4%
NCL Corp Ltd 4.75% December 15, 2021	4.2%
Teck Resources Ltd 5.2% March 01, 2042	4.1%
Cortes NP Acquisition Corp 9.25% October 15, 2024	4.0%
Arch Coal Inc 6.085% January 15, 2024	4.0%
Teine Energy Ltd 6.875% September 30, 2022	3.9%
Sprint Corp 7.625% March 01, 2026	3.0%
Frontier Communications Corp 11% September 15, 2025	2.9%
Nuance Communications Inc 5.625% December 15, 2026	2.7%
Taylor Morrison Communities Inc / Monarch Communities Inc 5.625% March 01, 2024	2.7%
Par Petroleum Corp 7.75% December 15, 2025	2.3%
Donnelley Financial Solution 8.25% October 15, 2024	2.3%
USG Corp 4.875% June 01, 2027	2.3%
Cash & Other Net Assets	2.2%
Russel Metals Inc 6% April 19, 2022	2.2%
CCO Holdings LLC / CCO Holdings Capital Corp 5.125% May 01, 2027	2.1%
CenturyLink Inc 4.843% January 31, 2025	1.9%
Superior Plus LP 5.125% August 27, 2025	1.7%
Southwestern Energy Co 7.5% April 01, 2026	1.6%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Bonds	89.0%
Loans	8.8%
Cash & Other Net Assets	2.2%

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