

Leith Wheeler Preferred Share Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2018



Quiet Money.®

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 income and the opportunity for long term capital appreciation by investing primarily in a portfolio of Canadian preferred share securities. This Fund invests primarily in publicly listed preferred shares, including securities convertible into preferred shares, with a minimum preferred share quality of Pfd-3(low) (per Dominion Bond Rating Service or equivalent).

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 Leith Wheeler Preferred Share Fund was launched on May 22, 2018. At June 30, 2018, the Fund's net assets were \$20.9 million.

As of June 30th, the Fund was made up of 93.6% Rate Reset Preferreds, 5.2% Straight Perpetual Preferreds, 0.1% Floating Rate Preferreds and 1.1% Cash and Equivalents.

Recent Developments

The Canadian preferred share market was positive 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.

At June 30, 2018, the Leith Wheeler Income Advantage Fund and the Leith Wheeler Corporate Advantage Fund owned 698,531 Series A units and 1,390,651 Series A units of the Fund, respectively, which are both under common management. Combined, the holdings represent 99.3% 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 and Series F units of the Fund are 0.90% and 0.70%, respectively. During the year, the Fund paid the Manager \$8 for Series B and \$6 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 May 22, 2018)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$10.00	n/a	n/a	n/a	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.05	n/a	n/a	n/a	n/a	n/a
Total expenses	-	n/a	n/a	n/a	n/a	n/a
Realized gains (losses) for the year	-	n/a	n/a	n/a	n/a	n/a
Unrealized gains (losses) for the year	(0.07)	n/a	n/a	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	(0.02)	n/a	n/a	n/a	n/a	n/a
Distributions:						
From income (excluding dividends)	-	n/a	n/a	n/a	n/a	n/a
From dividends	(0.04)	n/a	n/a	n/a	n/a	n/a
From capital gains	-	n/a	n/a	n/a	n/a	n/a
Return of capital	-	n/a	n/a	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.04)	n/a	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$9.94	n/a	n/a	n/a	n/a	n/a

Series B (inception May 22, 2018)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$10.00	n/a	n/a	n/a	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.03	n/a	n/a	n/a	n/a	n/a
Total expenses	(0.01)	n/a	n/a	n/a	n/a	n/a
Realized gains (losses) for the year	-	n/a	n/a	n/a	n/a	n/a
Unrealized gains (losses) for the year	(0.05)	n/a	n/a	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	(0.03)	n/a	n/a	n/a	n/a	n/a
Distributions:						
From income (excluding dividends)	-	n/a	n/a	n/a	n/a	n/a
From dividends	(0.03)	n/a	n/a	n/a	n/a	n/a
From capital gains	-	n/a	n/a	n/a	n/a	n/a
Return of capital	-	n/a	n/a	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.03)	n/a	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$9.94	n/a	n/a	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 May 22, 2018)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$10.00	n/a	n/a	n/a	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.05	n/a	n/a	n/a	n/a	n/a
Total expenses	-	n/a	n/a	n/a	n/a	n/a
Realized gains (losses) for the year	-	n/a	n/a	n/a	n/a	n/a
Unrealized gains (losses) for the year	(0.08)	n/a	n/a	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	(0.03)	n/a	n/a	n/a	n/a	n/a
Distributions:						
From income (excluding dividends)	-	n/a	n/a	n/a	n/a	n/a
From dividends	(0.03)	n/a	n/a	n/a	n/a	n/a
From capital gains	-	n/a	n/a	n/a	n/a	n/a
Return of capital	-	n/a	n/a	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.03)	n/a	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$9.94	n/a	n/a	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 May 22, 2018, inception date of Series A, B and F units of the Fund.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A (inception May 22, 2018)	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	20,898	n/a	n/a	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	2,102	n/a	n/a	n/a	n/a	n/a
Management expense ratio (%) ⁽²⁾	-	n/a	n/a	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.08	n/a	n/a	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.02	n/a	n/a	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	40.28	n/a	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	9.94	n/a	n/a	n/a	n/a	n/a

Series B (inception May 22, 2018)	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	10	n/a	n/a	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	1	n/a	n/a	n/a	n/a	n/a
Management expense ratio (%) ⁽²⁾	0.95	n/a	n/a	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	1.03	n/a	n/a	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.02	n/a	n/a	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	40.28	n/a	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	9.94	n/a	n/a	n/a	n/a	n/a

Series F (inception May 22, 2018)	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	10	n/a	n/a	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	1	n/a	n/a	n/a	n/a	n/a
Management expense ratio (%) ⁽²⁾	0.74	n/a	n/a	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.82	n/a	n/a	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.02	n/a	n/a	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	40.28	n/a	n/a	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	9.94	n/a	n/a	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

Past performance information will not be available until such units have been offered under a simplified prospectus for at least 12 consecutive months.

Summary of Investment Portfolio

As at June 30, 2018

Top 25 Positions

Issuer	% of Net Asset Value
Enbridge Inc Preferred Shares, Series G	10.0%
TransCanada Corp Preferred Shares, Series A	7.1%
Toronto-Dominion Bank Preferred Shares, Series C	7.1%
Sun Life Financial Inc Preferred Shares, Series H	6.8%
BCE Inc Preferred Shares, Series I	6.7%
Manulife Financial Corp Preferred Shares, Series H	5.9%
Canadian Imperial Bank of Commerce Preferred Shares, Series R	5.7%
Bank of Montreal Preferred Shares, Series C	5.0%
Pembina Pipeline Corp Preferred Shares, Series A	4.9%
National Bank of Canada Preferred Shares, Series C	4.7%
Intact Financial Corp Preferred Shares, Series C	3.9%
Brookfield Renewable Power Preferred Equity Inc Preferred Shares, Series A	3.4%
Kinder Morgan Canada Ltd Preferred Shares, Series A	3.2%
Husky Energy Inc Preferred Shares, Series E	2.8%
Royal Bank of Canada Preferred Shares, Series J	2.8%
CU Inc Preferred Shares, Series A	2.7%
Bank of Nova Scotia Preferred Shares, Series Z	2.6%
Brookfield Office Properties Inc Preferred Shares, Series N	2.4%
Great-West Lifeco Inc Preferred Shares, Series L	2.1%
Emera Inc Preferred Shares, Series A	2.1%
CU Inc Preferred Shares, Series C	1.9%
AltaGas Ltd Preferred Shares, Series A	1.6%
Capital Power Corp Preferred Shares, Series A	1.6%
Cash & Other Net Assets	1.1%
Fortis Inc Preferred Shares, Series M	1.0%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Step Up Preferred Shares	93.6%
Straight Preferred Shares	5.2%
Cash & Other Net Assets	1.1%
Floating Preferred Shares	0.1%

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.