

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

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 Fund's net assets increased by 20.0% in this first half of 2018, rising to \$5.4 million from \$4.5 million at the end of 2017. Of this change, \$0.3 million as attributable to investment gains and \$0.6 million to net inflows.

The U.S. Small/Mid-Cap Equity Fund performed strongly during the first half of 2018 as Series A units returned 6.3%. Series B units returned 5.7% and Series F units advanced by 5.8%, both after fees and expenses.

The US small/mid-cap market saw increased volatility at the beginning of 2018 as investor concerns mounted over rising interest rates, inflation, and the possibility of a near-term US-China trade war. After a weak first quarter, US small/mid-cap stocks finished strong in the second quarter, with the Russell 2500 index rising 7.5% in US\$ terms and 11.5% in C\$ terms in the first six months of the year, boosted by a further depreciation of the Canadian dollar. Small-caps outperformed large-caps throughout the first half of 2018. The strongest performing sectors in the Russell 2500 Index were Health Care (+15.1%), Information Technology (+13.2%) and Energy (+8.3%), while Materials (-3.2%) and Industrials (-1.9%) lagged.

The Fund underperformed the Russell 2500 Index in the first six months of 2018. Having no exposure to two of the top three performing sectors, Health Care and Energy, detracted from performance. An overweight in Industrials (31% vs 16% for the Index) was a negative, mostly offset by stock selection. Tetra Tech, a leading engineering services company, rose 22.0% in the first six months of the year as the company reported strong first quarter results. Both revenue and earnings growth were strong, driven by growing US local and Federal spending. In addition to reporting strong quarterly results, On Assignment (+21.7%) announced a US\$775 million acquisition of a new platform, ECS Federal, a longer-term U.S. federal government IT services contracting business. We view this acquisition as value accretive with low integration risk and the diversification benefits, coupled with lower US corporate taxes, warranted a significant target price increase from US\$57 to US\$86. We took advantage of significant share price appreciation and reduced our position size.

In Information Technology, Keysight Technologies was a top performer over the first half of the year. Shares were up 41.9% on accelerating growth and management's revenue guidance of 5 to 7% growth for 2018. With a healthy balance sheet, strong profitability, and excellent free cash flow prospects – driven by accelerating 5G and US defense spending – Keysight remains one of our top holdings. We added to our position in the first quarter after attending their investor day and interviewing management.

There were three holdings added to the Fund in the first half of 2018: Winpak, Middleby Corporation, and Hilton Grand Vacation. Winpak, a world-class packaging company, was introduced to the portfolio in the second quarter. The share price is weaker as raw material headwinds have led to temporary margin pressure. However, the company has demonstrated the ability to consistently grow organically without leveraging up. Moreover, its food-related and non-cyclical part of the business (approximately 90%) provides diversification benefits to the rest of the portfolio.

The Middleby Corporation (MIDD) is a leading foodservice equipment manufacturer with a strong, long-term focused management team. The company has grown both organically and through acquisitions over the years. MIDD was added to the portfolio in June, following the recent weakness in its share price. We believe the stock is under a temporary cloud, with near-term pressure coming from recent distribution changes, soft industry demand, and a lumpy order book, which provided us with an opportunity to acquire shares at an attractive valuation, the lowest in six years. Our expected return for the company is 11% per annum over the next three years.

Management Discussion of Fund Performance (cont.)

Results of Operations (cont.)

Hilton Grand Vacation (HGV), the business spun off from Hilton's timeshare business in December 2016, was also added to the portfolio. Combined with the existing position in Wyndham Destination, the two timeshare businesses now represent an approximate 3% position in the portfolio. The timeshare businesses represent a relatively new segment of public companies, therefore are generally under-appreciated, under-valued, and under-followed. Our view is that HGV's 5% organic growth rate and heavy investment in new owners should benefit the company for years to come – and provide us with an attractive return.

There were three holdings deleted from the Fund in the first six months of 2018: Sally Beauty, USG Corporation and Tiffany & Co. Sally Beauty's share price began a downward trend in 2017 and its weakness continued into the new year. We had been trimming our positions in the previous quarter and sold the balance from the portfolio in the first quarter given our view that the source of the weakness – degradation in the Retail business – was unlikely to subside. Building Products company USG Corporation has agreed to be acquired by the private German company Knauf for US\$44 per share, which we view as a fair price. After trimming 25% of holdings in the first quarter, we sold our remaining position in the second quarter at less than a 2% discount to the now agreed-upon take-out price. The acquisition is expected to close in early 2019. Shares of Tiffany & Co. were up 27.6% year to date after reporting strong first quarter results. We exited our holdings on continued stock price appreciation as we believe the price and valuation now more than fully reflect Tiffany's prospects.

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

US small/mid-cap equity markets were up in July 2018, offset slightly by a weakening US 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.

As at June 30, 2018, the Leith Wheeler Balanced Fund owned 291,280 Series A units of the Fund, a fund under common management. This holding represents approximately 66.8% of this 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 1.25% and 0.95%, respectively. During the year, the Fund paid the Manager \$2,530 for Series B and \$2,451 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 October 27, 2016)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$11.77	\$10.73	\$10.00	n/a	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.09	0.12	0.02	n/a	n/a	n/a
Total expenses	-	-	-	n/a	n/a	n/a
Realized gains (losses) for the year	0.28	0.21	-	n/a	n/a	n/a
Unrealized gains (losses) for the year	0.37	0.82	0.40	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.74	1.15	0.41	n/a	n/a	n/a
Distributions:						
From income (excluding dividends)	(0.01)	-	-	n/a	n/a	n/a
From dividends	(0.07)	(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⁾	(0.08)	(0.28)	-	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$12.44	\$11.77	\$10.73	n/a	n/a	n/a

Series B (inception October 27, 2016)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$11.74	\$10.70	\$10.00	n/a	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.11	0.15	0.03	n/a	n/a	n/a
Total expenses	(0.14)	(0.32)	(0.20)	n/a	n/a	n/a
Realized gains (losses) for the year	0.31	0.25	-	n/a	n/a	n/a
Unrealized gains (losses) for the year	0.41	1.00	0.78	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.69	1.08	0.61	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⁾	(0.01)	(0.13)	-	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$12.40	\$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)	2018 YTD	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$11.78	\$10.71	\$10.00	n/a	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.08	0.11	0.02	n/a	n/a	n/a
Total expenses	(0.01)	(0.03)	(0.01)	n/a	n/a	n/a
Realized gains (losses) for the year	0.24	0.18	-	n/a	n/a	n/a
Unrealized gains (losses) for the year	0.33	0.73	0.53	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.64	1.00	0.54	n/a	n/a	n/a
Distributions:						
From income (excluding dividends)	-	-	-	n/a	n/a	n/a
From dividends	(0.02)	(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⁾	(0.02)	(0.13)	-	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$12.45	\$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)	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	4,379	3,518	504	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	352	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 (%)	0.33	0.57	2.88	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.05	0.11	0.33	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	35.59	19.69	-	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	12.44	11.77	10.73	n/a	n/a	n/a

Series B (inception October 27, 2016)	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	487	360	15	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	39	31	1	n/a	n/a	n/a
Management expense ratio (%) ⁽²⁾	1.31	1.31	1.33	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	1.64	1.88	4.20	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.33	0.11	0.33	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	35.59	19.69	-	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	12.40	11.74	10.70	n/a	n/a	n/a

Series F (inception October 27, 2016)	June 30, 2018	2017	2016	2015	2014	2013
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	557	607	364	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	45	51	34	n/a	n/a	n/a
Management expense ratio (%) ⁽²⁾	1.01	1.00	1.00	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	1.34	1.57	3.88	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.33	0.11	0.33	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	35.59	19.69	-	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	12.45	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

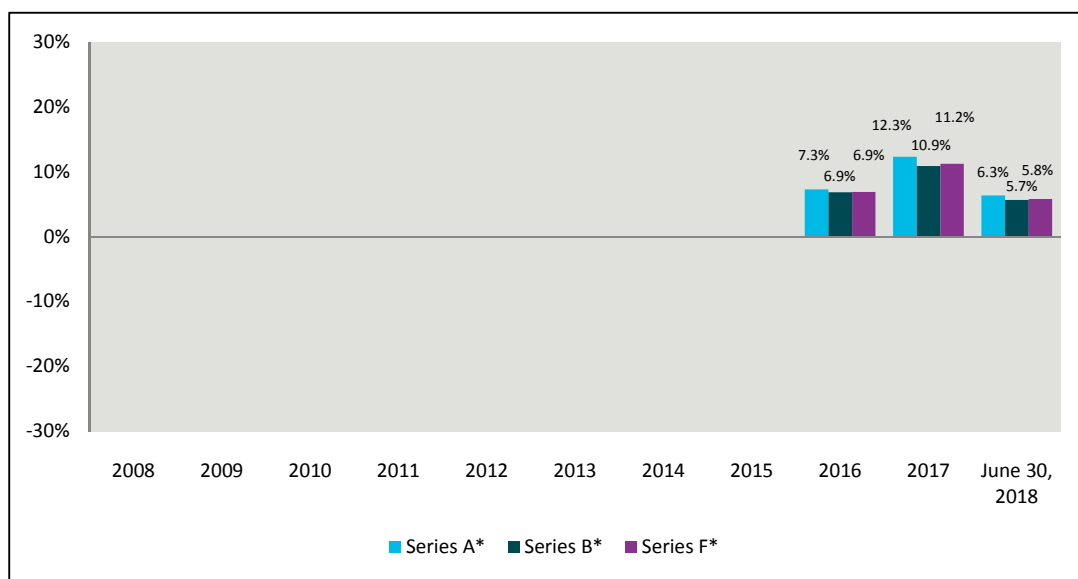
General

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.

Summary of Investment Portfolio

As at June 30, 2018

Top 25 Positions

Issuer	% of Net Asset Value
Cash & Other Net Assets	20.1%
Keysight Technologies Inc	5.6%
Live Nation Entertainment Inc	5.5%
Carlisle Cos Inc	5.1%
Starwood Property Trust Inc	5.1%
Tetra Tech Inc	5.0%
CarMax Inc	4.5%
Cinemark Holdings Inc	4.3%
STORE Capital Corp	4.2%
TRI Pointe Group Inc	3.7%
MSC Industrial Direct Co Inc	3.3%
CommScope Holding Co Inc	3.3%
On Assignment Inc	3.2%
Torchmark Corp	3.2%
Air Lease Corp	3.2%
Maxar Technologies Ltd	3.1%
Lamar Advertising Co	3.0%
Winpak Ltd	3.0%
Brookfield Infrastructure Partners LP	2.9%
Axalta Coating Systems Ltd	2.1%
Middleby Corp	2.0%
Wyndham Hotels & Resorts Inc	1.9%
Hilton Grand Vacations Inc	1.5%
Wyndham Worldwide Corp	1.2%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Industrials	25.0%
Consumer Discretionary	22.6%
Cash & Other Net Assets	20.0%
Information Technology	8.8%
Financials	8.3%
Real Estate	7.3%
Materials	5.1%
Utilities	2.9%

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.