

Leith Wheeler Preferred Share Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2024



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.sedarplus.ca.

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 Fund's net assets increased by 15.4% in the first half of 2024 to \$53.3 million from \$46.2 million at the end of 2023. Of this change, \$8.2 million was attributable to positive investment performance and \$1.1 million to net outflows from unitholders.

The Preferred Share Fund had positive returns in the first half of 2024, with Series A units increasing +18.1%. Series F units increased by +17.6%, after fees and expenses, during the year.

The Fund outperformed the S&P/TSX Preferred Share Index in the first half of 2024, which increased by +14.2%.

As of June 30, the Fund was comprised of 97.1% preferred shares, 1.9% investment grade corporate bonds, and 1.0% cash and other net assets. Our strategic overweight to rate resets contributed positively to the performance. We consider rate resets to be the best performing structural type and this structural allocation was the main driver of performance in the first half of 2024.

Within the portfolio's sector exposure, we remain overweight utility issuers and underweight real estate and financial issuers. Our underweight in financials and overweight in utility issuers proved positive for performance in the first half of 2024.

Recent Developments

The S&P/TSX Preferred Share Total Return Index was up +2.3% in July 2024.

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, 2024, the Leith Wheeler Income Advantage Fund and the Leith Wheeler Corporate Advantage Fund owned 543,258 Series A units and 3,204,454 Series A units of the Fund, respectively, which are both under common management. Combined, the holdings represent 65.5% of the Fund.

Management Fees and Administration Fees

Management fees and administration fees of each series of the Fund are payable to the Manager and calculated at the following annual percentages, before GST/HST, of the daily NAV of each series of the Fund. Administration fees became effective November 1, 2023.

| Fee | Series A | Series F |
|---------------------|----------|----------|
| Management Fees | * | 0.70 % |
| Administration Fees | 0.02 % | 0.10 % |

* Series A unitholders pay a negotiated management fee

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 | June 30, 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---------------|--------|---------|---------|--------|--------|
| Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾ | \$8.08 | \$7.85 | \$10.29 | \$8.58 | \$8.50 | \$8.67 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.21 | 0.42 | 0.44 | 0.44 | 0.37 | 0.44 |
| Total expenses | - | (0.01) | - | - | - | - |
| Realized gains (losses) for the year | 0.06 | (0.22) | 0.25 | 0.48 | (0.16) | (0.21) |
| Unrealized gains (losses) for the year | 1.20 | 0.52 | (2.56) | 1.24 | 0.61 | 0.11 |
| Total increase (decrease) from operations ⁽¹⁾ | 1.47 | 0.71 | (1.87) | 2.16 | 0.82 | 0.34 |
| Distributions: | | | | | | |
| From income (excluding dividends) | (0.22) | - | - | - | - | - |
| From dividends | - | (0.44) | (0.46) | (0.41) | (0.37) | (0.41) |
| From capital gains | - | - | (0.07) | - | - | - |
| Return of capital | - | - | - | - | - | - |
| Total Annual Distributions ^{(2) (4)} | (0.22) | (0.44) | (0.53) | (0.41) | (0.37) | (0.41) |
| Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾ | \$9.32 | \$8.08 | \$7.85 | \$10.29 | \$8.58 | \$8.50 |

| Series B ⁽³⁾ | June 30, 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---------------|--------|---------|---------|--------|--------|
| Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾ | n/a | \$7.89 | \$10.02 | \$8.39 | \$8.47 | \$8.66 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | n/a | 0.44 | 0.48 | 0.41 | 0.93 | 3.43 |
| Total expenses | n/a | (0.01) | (0.09) | (0.09) | (0.09) | (2.47) |
| Realized gains (losses) for the year | n/a | (0.23) | 0.27 | 0.44 | (0.41) | (1.64) |
| Unrealized gains (losses) for the year | n/a | 0.50 | (2.78) | 1.15 | 1.55 | 0.89 |
| Total increase (decrease) from operations ⁽¹⁾ | n/a | 0.70 | (2.12) | 1.91 | 1.98 | 0.21 |
| Distributions: | | | | | | |
| From income (excluding dividends) | n/a | - | - | - | - | - |
| From dividends | n/a | (0.10) | (0.19) | (0.35) | (0.45) | (0.35) |
| From capital gains | n/a | - | - | - | - | - |
| Return of capital | n/a | - | - | - | - | - |
| Total Annual Distributions ^{(2) (4)} | n/a | (0.10) | (0.19) | (0.35) | (0.45) | (0.35) |
| Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾ | n/a | - | \$7.89 | \$10.02 | \$8.39 | \$8.47 |

Financial Highlights (cont.)

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

| Series F | June 30, 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|------------------|--------|--------|--------|--------|--------|
| Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾ | \$8.06 | \$7.58 | \$9.81 | \$8.22 | \$8.37 | \$8.56 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.21 | 0.41 | 0.43 | 0.38 | 0.80 | 0.33 |
| Total expenses | (0.04) | (0.01) | (0.07) | (0.07) | (0.08) | - |
| Realized gains (losses) for the year | 0.07 | (0.22) | 0.24 | 0.41 | (0.35) | (0.16) |
| Unrealized gains (losses) for the year | 1.17 | 0.24 | (2.47) | 1.06 | 1.33 | 0.09 |
| Total increase (decrease) from operations ⁽¹⁾ | 1.41 | 0.42 | (1.87) | 1.78 | 1.70 | 0.26 |
| Distributions: | | | | | | |
| From income (excluding dividends) | (0.19) | - | - | - | - | - |
| From dividends | - | (0.02) | (0.28) | (0.37) | (0.52) | (0.38) |
| From capital gains | - | - | (0.06) | - | - | - |
| Return of capital | - | (0.10) | - | - | - | - |
| Total Annual Distributions ^{(2) (4)} | (0.19) | (0.12) | (0.34) | (0.37) | (0.52) | (0.38) |
| Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾ | \$9.29 | \$8.06 | \$7.58 | \$9.81 | \$8.22 | \$8.37 |

(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) Effective May 30, 2023, Series B has been discontinued as there are no unitholders.

(4) Distributions are characterized into income type at year-end.

Financial Highlights (cont.)

Ratios and Supplemental Data

| Series A | June 30, 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|---------------|--------|--------|--------|--------|--------|
| Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾ | 51,902 | 44,745 | 37,248 | 43,555 | 39,527 | 37,501 |
| Number of units outstanding (000s) ⁽¹⁾ | 5,571 | 5,541 | 4,747 | 4,234 | 4,607 | 4,414 |
| Management expense ratio (%) ⁽²⁾ | 0.02 | - | - | - | - | - |
| Management expense ratio before waivers or absorptions (%) | 0.02 | 0.07 | 0.04 | 0.04 | 0.06 | 0.07 |
| Trading expense ratio (%) ⁽³⁾ | 0.02 | 0.06 | 0.04 | 0.04 | 0.06 | 0.07 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 11.05 | 27.32 | 42.16 | 37.13 | 24.82 | 30.71 |
| Net assets attributable to holders of redeemable units - per unit (\$) | 9.32 | 8.08 | 7.85 | 10.29 | 8.58 | 8.50 |

| Series B ⁽⁵⁾ | June 30, 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|---------------|------|-------|-------|-------|-------|
| Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾ | n/a | n/a | 83 | 397 | 671 | 69 |
| Number of units outstanding (000s) ⁽¹⁾ | n/a | n/a | 11 | 40 | 80 | 8 |
| Management expense ratio (%) ⁽²⁾ | n/a | n/a | 0.95 | 0.95 | 0.95 | 0.95 |
| Management expense ratio before waivers or absorptions (%) | n/a | n/a | 0.99 | 0.99 | 1.01 | 1.02 |
| Trading expense ratio (%) ⁽³⁾ | n/a | n/a | 0.04 | 0.04 | 0.06 | 0.07 |
| Portfolio turnover rate (%) ⁽⁴⁾ | n/a | n/a | 42.16 | 37.13 | 24.82 | 30.71 |
| Net assets attributable to holders of redeemable units - per unit (\$) | n/a | n/a | 7.89 | 10.02 | 8.39 | 8.47 |

| Series F | June 30, 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|---------------|-------|--------|--------|--------|-------|
| Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾ | 1,423 | 1,458 | 11,965 | 23,902 | 11,635 | 2,932 |
| Number of units outstanding (000s) ⁽¹⁾ | 153 | 181 | 1,578 | 2,436 | 1,415 | 350 |
| Management expense ratio (%) ⁽²⁾ | 0.90 | 0.80 | 0.78 | 0.79 | 0.79 | 0.74 |
| Management expense ratio before waivers or absorptions (%) | 0.90 | 0.87 | 0.82 | 0.83 | 0.85 | 0.81 |
| Trading expense ratio (%) ⁽³⁾ | 0.02 | 0.06 | 0.04 | 0.04 | 0.06 | 0.07 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 11.05 | 27.32 | 42.16 | 37.13 | 24.82 | 30.71 |
| Net assets attributable to holders of redeemable units - per unit (\$) | 9.29 | 8.06 | 7.58 | 9.81 | 8.22 | 8.37 |

(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.

(5) Effective May 30, 2023, Series B has been discontinued as there are no unitholders.

Past Performance

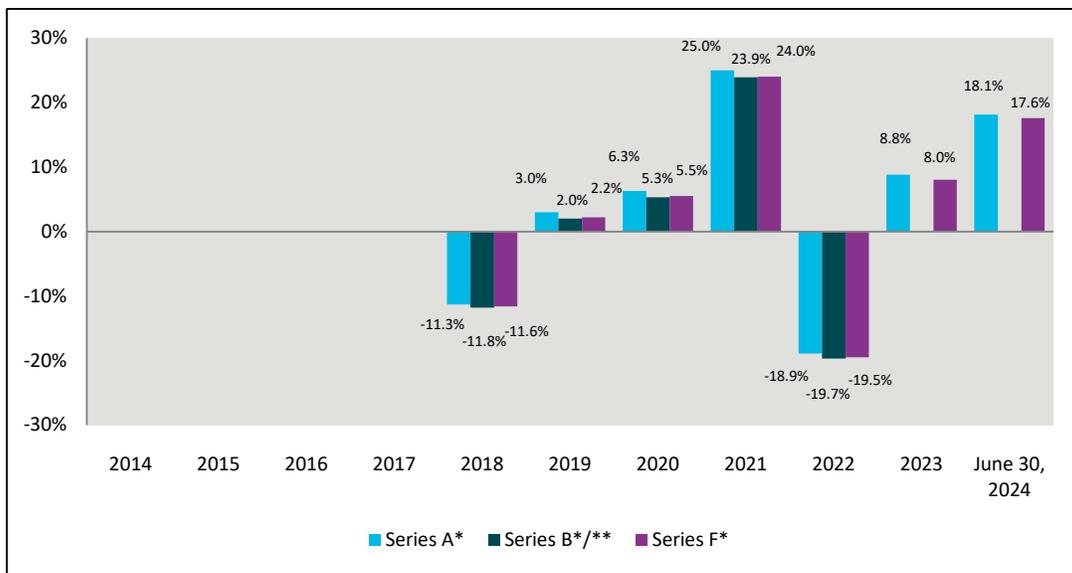
General

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 May 22, 2018. Performance start date is May 25, 2018, which is the date of first unitholder contribution to the Series. Returns from May 25, 2018 to December 31, 2018, not annualized.

** Effective May 30, 2023, Series B has been discontinued as there are no unitholders.

Summary of Investment Portfolio

As at June 30, 2024

Top 25 Positions

| Issuer | % of Net Asset Value |
|--|----------------------|
| BCE Inc., Series 'AM', Perpetual | 6.2% |
| The Toronto-Dominion Bank, Series '9' | 6.0% |
| Enbridge Inc., Series '15', Perpetual | 6.0% |
| Royal Bank of Canada, Series 'BD', Perpetual | 5.9% |
| Intact Financial Corporation, Series '3' | 5.5% |
| Enbridge Inc., Series '13', Perpetual | 3.6% |
| TC Energy Corporation, Series '11' | 3.5% |
| Fortis Inc., Series 'M' | 3.3% |
| Brookfield Renewable Power Preferred Equity Inc., Perpetual | 3.2% |
| Brookfield Renewable Power Preferred Equity Inc., Series '1' | 3.1% |
| The Toronto-Dominion Bank, Series '7' | 2.6% |
| TC Energy Corporation, Series '9', Perpetual | 2.6% |
| Great-West Lifeco Inc., Series 'N' | 2.5% |
| Great-West Lifeco Inc., Series 'P', Perpetual | 1.7% |
| Pembina Pipeline Corporation, Series '25', Perpetual | 1.6% |
| Manulife Financial Corporation, Series '19' | 1.6% |
| Intact Financial Corporation, Preferred | 1.6% |
| CU Inc., Series '1', Perpetual | 1.6% |
| Brookfield Corporation, Series '42' | 1.5% |
| Sun Life Financial Inc., Series '8R', Perpetual | 1.5% |
| TC Energy Corporation, Series '3', Perpetual | 1.5% |
| Canadian Imperial Bank of Commerce, Series '43' | 1.5% |
| Royal Bank of Canada, Series 'BF', Perpetual | 1.4% |
| AltaGas Limited, Series 'A' | 1.4% |
| Emera Inc., Series 'J' | 1.4% |

Portfolio Allocation

| Portfolio Breakdown | % of Net Asset Value |
|----------------------------------|----------------------|
| Preferred Shares | 97.1% |
| Investment Grade Corporate Bonds | 1.9% |
| Cash & Other Net Assets | 1.0% |

The Fund held no short positions as at June 30, 2024.

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.