

Interim Financial Statements (unaudited)

**LEITH WHEELER PREFERRED
SHARE FUND**

Six months ended June 30, 2024 and 2023

Unaudited Interim Financial Statements for the Six-Month Period Ended June 30, 2024

The accompanying unaudited interim financial statements have been prepared by the Manager, Leith Wheeler Investment Counsel Ltd. The Manager is responsible for the preparation and presentation of the Fund's financial statements and the development of internal controls over the financial reporting process.

The unaudited interim financial statements include statements of financial position, statements of comprehensive income, statements of changes in net assets, statements of cash flows, notes to financial statements and schedule of investment portfolio. These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

These unaudited interim financial statements do not contain the Interim Management Report of Fund Performance ("MRFP") of the investment fund. If you have not received a copy of the Interim MRFP, you may obtain a copy of the Interim MRFP at your request, and at no cost, by calling the toll-free number 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 by visiting the SEDAR+ website at www.sedarplus.ca. Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.

Security holders 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.

Leith Wheeler Investment Counsel Ltd.

“James F. Gilliland”
President and Chief Executive Officer

“Cecilia Wong”
Chief Financial Officer

August 27, 2024

Disclosure of Auditor Review

The accompanying interim financial statements have not been reviewed by the external auditors of the Funds.

LEITH WHEELER PREFERRED SHARE FUND

Statements of Financial Position (unaudited)

(Expressed in thousands of dollars except for per unit amounts)

	Note	June 30, 2024	December 31, 2023
Assets			
Cash		\$ 206	\$ 200
Interest and dividends receivable		33	50
Investments		53,088	45,955
		53,327	46,205
Liabilities			
Management fees payable		1	1
Administrative fees payable		1	1
		2	2
Net assets attributable to holders of redeemable units		\$ 53,325	\$ 46,203
Represented by:			
Series A		\$ 51,902	\$ 44,745
Series B		-	-
Series F		1,423	1,458
		\$ 53,325	\$ 46,203
Net assets attributable to holders of redeemable units per unit:			
Series A		\$ 9.32	\$ 8.08
Series B		-	-
Series F		9.29	8.06

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors of
Leith Wheeler Investment Counsel Ltd.,
in its capacity as Manager.

“James F. Gilliland” Director “Jonathon D. Palfrey” Director

LEITH WHEELER PREFERRED SHARE FUND

Statements of Comprehensive Income (unaudited)

(Expressed in thousands of dollars except for per unit amounts)

Six months ended June 30, 2024 and 2023

	Note	2024	2023
Revenue:			
Interest		\$ 50	\$ 2
Dividend Income		1,115	1,285
Changes in fair value of investments:			
Net realized gain (loss)		363	(700)
Net change in unrealized appreciation (depreciation)		6,709	34
Total revenue (loss)		8,237	621
Expenses:			
Management fees	1	5	33
Administrative fees	1	6	-
Commissions and transaction costs		5	10
Filing fees		-	6
Audit fees		-	6
GST/HST		1	4
Independent review committee fees		-	1
Total operating expenses		17	60
Expenses waived or absorbed by Manager		-	(13)
Net operating expenses		17	47
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		8,220	574
Distributions to holders of redeemable units:			
From net investment income		(1,193)	(1,338)
		(1,193)	(1,338)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 7,027	\$ (764)
Increase (decrease) in net assets attributable to holders of redeemable units:			
Series A		\$ 6,809	\$ (856)
Series B		-	-
Series F		218	92
		\$ 7,027	\$ (764)
Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions):			
Series A		\$ 1.47	\$ 0.07
Series B		-	0.05
Series F		1.41	0.19

The accompanying notes are an integral part of these financial statements.

LEITH WHEELER PREFERRED SHARE FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (unaudited)

(Expressed in thousands of dollars)

Six months ended June 30, 2024 and 2023

Series A	Note	2024	2023
Balance, beginning of period		\$ 44,745	\$ 37,248
Increase (decrease) in net assets attributable to holders of redeemable units		6,809	(856)
Redeemable unit transactions:			
Issue of redeemable units		5,141	4,316
Reinvestment of distributions		1,132	1,191
Redemption of redeemable units		(5,927)	(3,684)
Net increase (decrease) from redeemable unit transactions		346	1,823
Balance, end of period		\$ 51,900	\$ 38,215

Series B	Note	2024	2023
Balance, beginning of period		\$ -	\$ 83
Increase (decrease) in net assets attributable to holders of redeemable units		-	-
Redeemable unit transactions:			
Issue of redeemable units		-	-
Reinvestment of distributions		-	-
Redemption of redeemable units		-	(83)
Net increase (decrease) from redeemable unit transactions		-	(83)
Balance, end of period		\$ -	\$ -

Series F	Note	2024	2023
Balance, beginning of period		\$ 1,458	\$ 11,965
Increase (decrease) in net assets attributable to holders of redeemable units		218	92
Redeemable unit transactions:			
Issue of redeemable units		74	90
Reinvestment of distributions		5	103
Redemption of redeemable units		(332)	(6,906)
Net increase (decrease) from redeemable unit transactions		(253)	(6,713)
Balance, end of period		\$ 1,423	\$ 5,344

The accompanying notes are an integral part of these financial statements.

LEITH WHEELER PREFERRED SHARE FUND

Statements of Cash Flows (unaudited)

(Expressed in thousands of dollars)

Six months ended June 30, 2024 and 2023

	Note	2024	2023
Cash provided by (used in):			
Operating activities:			
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 7,027	\$ (764)
Adjustments for:			
Net realized (gain) loss from investments		(363)	700
Net change in unrealized (appreciation) depreciation from investments		(6,709)	(34)
Non-cash distributions		1,137	1,294
Amounts due from brokers		-	(97)
Interest income		(50)	(2)
Dividend income		(1,115)	(1,285)
Amounts due to brokers		-	(279)
Management fees payable		-	(10)
Administrative fees payable		-	-
Proceeds from sale of investments		9,872	10,495
Purchases of investments		(9,931)	(5,886)
Interest received		39	2
Dividends received		1,143	1,356
		1,050	5,490
Financing activities:			
Proceeds from issue of redeemable units		5,215	4,406
Payments on redemption of redeemable units		(6,259)	(10,473)
		(1,044)	(6,067)
Net increase (decrease) in cash		6	(577)
Cash, beginning of period		200	728
Cash, end of period		\$ 206	\$ 151

The accompanying notes are an integral part of these financial statements.

LEITH WHEELER PREFERRED SHARE FUND

Schedule of Investment Portfolio (unaudited)

(Expressed in thousands of dollars)

June 30, 2024

Security	Coupon rate %	Maturity	Par value	Cost	Fair value	% of Net assets
BONDS AND GUARANTEES						
Investment Grade Corporate Bonds and Guarantees:						
Bank of Montreal, Variable, Callable, Perpetual	7.37	31-Dec-2049	400,000	\$ 403	\$ 409	
Canadian Imperial Bank of Commerce, Series '56', Variable, Callable, Perpetual	7.37	31-Dec-2049	500,000	502	509	
The Toronto-Dominion Bank	7.23	31-Dec-2049	100,000	100	102	
				1,005	1,020	1.9
TOTAL BONDS AND GUARANTEES				\$ 1,005	\$ 1,020	1.9

Security	Number of holdings	Cost	Fair value	% of Net assets
PREFERRED SHARES				
Communication Services:				
BCE Inc., Series 'Z'	3,600	\$ 69	\$ 63	
BCE Inc., Series 'AA', Perpetual	17,100	343	286	
BCE Inc., Series 'AI', Perpetual	5,000	98	78	
BCE Inc., Series 'AK', Perpetual	1,900	30	29	
BCE Inc., Series 'AM', Perpetual	209,100	3,491	3,312	
		4,031	3,768	7.1
Energy:				
Cenovus Energy Inc., Series '3', Perpetual	3,000	56	72	
Cenovus Energy Inc., Series '5'	29,400	624	710	
Cenovus Energy Inc., Series '7'	2,000	39	48	
Enbridge Inc., Series '13', Perpetual	109,300	1,795	1,899	
Enbridge Inc., Series '15', Perpetual	185,272	2,934	3,184	
Pembina Pipeline Corporation, Series '19', Perpetual	10,000	238	241	
Pembina Pipeline Corporation, Series '21'	13,300	263	301	
Pembina Pipeline Corporation, Series '25', Perpetual	37,200	763	878	
Pembina Pipeline Corporation, Series '7', Perpetual	7,600	129	155	
Pembina Pipeline Corporation, Series '9', Perpetual	18,700	352	438	
TC Energy Corporation, Series '1', Perpetual	12,500	194	205	
TC Energy Corporation, Series '11'	98,600	1,969	1,890	
TC Energy Corporation, Series '3', Perpetual	60,000	834	800	
TC Energy Corporation, Series '5'	21,100	257	285	
TC Energy Corporation, Series '9', Perpetual	74,700	1,215	1,364	
		11,662	12,470	23.4

Financials:

Bank of Montreal, Series '29'	24,446	419	608
Bank of Montreal, Series '31'	15,000	288	365
Bank of Montreal, Series '33'	15,854	281	379
Brookfield Corporation, Series '24'	18,600	290	305
Brookfield Corporation, Series '38'	23,900	409	443
Brookfield Corporation, Series '42'	43,400	733	815
Canadian Imperial Bank of Commerce, Series '43'	32,700	761	783
Great-West Lifeco Inc.	7,600	202	151
Great-West Lifeco Inc., Series 'G'	31,800	721	647
Great-West Lifeco Inc., Series 'H'	21,600	527	417
Great-West Lifeco Inc., Series 'L'	21,400	472	472
Great-West Lifeco Inc., Series 'M', Perpetual	4,000	89	91
Great-West Lifeco Inc., Series 'N'	89,600	1,129	1,326
Great-West Lifeco Inc., Series 'P', Perpetual	41,800	936	886
Great-West Lifeco Inc., Series 'Q'	8,700	199	173
Great-West Lifeco Inc., Series 'R'	24,000	605	448
Great-West Lifeco Inc., Series 'S', Perpetual	30,300	767	612

LEITH WHEELER PREFERRED SHARE FUND

Schedule of Investment Portfolio (unaudited)

(Expressed in thousands of dollars)

June 30, 2024

Security	Number of holdings	Cost	Fair value	% of Net assets
PREFERRED SHARES (continued):				
Financials (continued):				
Industrial Alliance Insurance and Financial Services Inc., Series 'B'	7,200	\$ 158	\$ 180	
Intact Financial Corporation,	38,400	979	839	
Intact Financial Corporation, Series '11', Callable, Perpetual	1,900	42	41	
Intact Financial Corporation, Series '3'	140,100	2,772	2,931	
Intact Financial Corporation, Series '9', Perpetual	1,100	30	25	
Manulife Financial Corporation, Series '17'	33,300	578	722	
Manulife Financial Corporation, Series '19'	41,100	671	876	
Manulife Financial Corporation, Series '3', Perpetual	14,900	192	239	
Manulife Financial Corporation, Series '9'	7,900	176	190	
Power Financial Corporation, Series 'P', Perpetual	11,100	142	172	
Royal Bank of Canada, Series 'BD', Perpetual	129,900	2,712	3,145	
Royal Bank of Canada, Series 'BF', Perpetual	32,900	551	772	
Sun Life Financial Inc., Series '8R', Perpetual	46,500	645	802	
Sun Life Financial Inc., Variable, Callable, Series '10R', Perpetual	8,000	145	161	
The Toronto-Dominion Bank, Series '3'	4,200	73	106	
The Toronto-Dominion Bank, Series '5', Perpetual	13,000	225	312	
The Toronto-Dominion Bank, Series '7'	57,623	1,166	1,400	
The Toronto-Dominion Bank, Series '9'	133,800	2,809	3,224	
		<u>22,894</u>	<u>25,058</u>	<u>47.0</u>
Utilities:				
AltaGas Limited, Series 'A'	41,800	666	771	
AltaGas Limited, Series 'G'	20,600	309	497	
Brookfield Renewable Power Equity Inc., Perpetual	80,800	1,535	1,684	
Brookfield Renewable Power Equity Inc., Series '1'	95,500	1,745	1,668	
Brookfield Renewable Power Equity Inc., Series '6'	6,000	106	107	
Canadian Utilities Limited, Series 'AA', Perpetual	10,000	188	191	
Canadian Utilities Limited, Series 'BB', Perpetual	18,600	390	357	
Canadian Utilities Limited, Series 'EE', Perpetual	20,000	459	405	
Canadian Utilities Limited, Series 'W', Perpetual	10,000	250	188	
CU Inc., Series '1', Perpetual	47,100	1,015	829	
CU Inc., Series '4', Perpetual	50,000	757	684	
Emera Inc., Series 'A', Perpetual	19,600	343	292	
Emera Inc., Series 'F', Perpetual	10,700	194	201	
Emera Inc., Series 'J'	36,800	633	770	
Emera Inc., Series 'L', Perpetual	3,000	75	54	
Fortis Inc., Series 'M'	89,500	1,656	1,775	
		<u>10,321</u>	<u>10,473</u>	<u>19.6</u>
TOTAL PREFERRED SHARES		\$ 48,908	\$ 51,769	97.1
MONEY MARKET SECURITIES		\$ 299	299	0.6
TRANSACTION COSTS		(5)		
TOTAL INVESTMENT PORTFOLIO		\$ 50,207	\$ 53,088	99.6
OTHER ASSETS LESS LIABILITIES			237	0.4
NET ASSETS			\$ 53,325	100.0

The accompanying notes are an integral part of these financial statements.

LEITH WHEELER PREFERRED SHARE FUND

Notes to Financial Statements - Fund Specific Information (unaudited)

(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2024 and 2023

The Fund Specific Information for the Leith Wheeler Preferred Share Fund (the “Fund”) contained herein should be read in conjunction with the “Notes to Financial Statements - General Information Related to all Leith Wheeler Investment Funds” beginning after the “Notes to Financial Statements - Fund Specific Information”.

1. Management fees and expenses:

Management fee distributions year ended June 30, 2024 were nil (2023 - nil).

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

2. Withholding tax and other income taxes:

Certain dividends and interest income received by the Fund may be subject to withholding tax imposed in the country of origin. During the period, withholding tax rates were between 0% and 35% (December 31, 2023 - between 0% and 35%).

The Fund has capital losses of approximately \$648,000 (December 31, 2023 - \$648,000) available for utilization against capital gains in future years. The Fund has non-capital losses of nil (December 31, 2023 – nil) available for utilization against net realized capital gains or non-capital gains in future years.

3. Redeemable units:

The redeemable unit transactions for the Fund during the period ended June 30, 2024 and 2023 are as follows:

	Outstanding units at beginning of period	Issued during the period	Issued on reinvestment of distributions	Redeemed during the period	Outstanding units at end of period
Series A:					
2024	5,541	572	124	(666)	5,571
2023	4,747	532	153	(454)	4,978
Series B:					
2024	-	-	-	-	-
2023	11	-	-	(11)	-
Series F:					
2024	181	8	1	(37)	153
2023	1,578	12	14	(892)	712

LEITH WHEELER PREFERRED SHARE FUND

Notes to Financial Statements - Fund Specific Information (unaudited)

(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2024 and 2023

4. Financial risk management:

The investment objective of the Fund is to provide a source of monthly income with the potential for long term growth through capital appreciation and growth in dividends by investing primarily in a portfolio of common shares, convertible debentures and other equity related securities of Canadian issuers. The Fund is not exposed to significant credit, currency or interest rate risks.

For a comprehensive discussion of the risks applicable to the Fund refer to note 6 under the “General Information Related to all Leith Wheeler Investment Funds”. Financial risks applicable to the Fund are discussed in more detail below.

(a) Liquidity risk:

The Fund’s redeemable units are due on demand. The Fund’s remaining liabilities are due within twelve months of the period end of the Fund.

(b) Market risk:

(i) Other price risk:

For this Fund, the most significant exposure to other price risk arises from its investment in equity instruments. As at June 30, 2024 and December 31, 2023, had the relevant benchmark/ broad-based indices increased or decreased by 5%, with all other variables held constant, the net assets attributable to holders of redeemable units would have increased or decreased by approximately \$2,588,000 and \$2,215,000, respectively. In practice, actual results may differ from this sensitivity analysis and these differences could be material.

5. Fair value of financial instruments:

For a general discussion of the Fund’s fair value measurements, refer to note 7 under the “General Information Related to all Leith Wheeler Investment Funds”.

(a) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

June 30, 2024	Level 1	Level 2	Level 3	Total
Money market Securities	\$ -	\$ 299	\$ -	\$ 299
Bond and Guarantees	-	1,020	-	1,020
Preferred Shares	47,786	3,983	-	51,769
	\$ 47,786	\$ 5,302	\$ -	\$ 53,088

LEITH WHEELER PREFERRED SHARE FUND

Notes to Financial Statements - Fund Specific Information (unaudited)

(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2024 and 2023

5. Fair value of financial instruments (continued):

(a) Fair value hierarchy - financial instruments measured at fair value (continued):

December 31, 2023	Level 1	Level 2	Level 3	Total
Money market Securities	\$ -	\$ 247	\$ -	\$ 247
Bond and Guarantees	-	1,410	-	1,410
Preferred Shares	42,610	1,688	-	44,298
	\$ 42,610	\$ 3,345	\$ -	\$ 45,955

During 2024 and 2023, there were no transfers of financial instruments between the three levels.

The carrying amount of the Fund's net assets attributable to holders of redeemable units approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

6. Related party transactions:

At June 30, 2024, the Leith Wheeler Income Advantage Fund owned 543,258 Series A units (December 31, 2023 – 681,112) and the Leith Wheeler Corporate Advantage Fund owned 3,204,454 Series A units (December 31, 2023 - 3,119,603) of the Fund, which are both under common management. Combined, the holdings represent 65.5% (December 31, 2023 – 66.4%) of the Fund.

LEITH WHEELER PREFERRED SHARE FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2024 and 2023

1. Reporting entities:

The Leith Wheeler Investment Funds (individually, a “Fund” and collectively, the “Funds”) consist of:

Fund	Inception
Leith Wheeler Balanced Fund	September 22, 1987
Leith Wheeler Canadian Dividend Fund	December 21, 2010
Leith Wheeler Canadian Equity Fund	April 27, 1994
Leith Wheeler Carbon Constrained Canadian Equity Fund	September 27, 2017
Leith Wheeler Corporate Advantage Fund	May 29, 2015
Leith Wheeler High Yield Bond Fund	May 27, 2015
Leith Wheeler Income Advantage Fund	December 21, 2010
Leith Wheeler International Equity Plus Fund	October 31, 2007
Leith Wheeler Money Market Fund	April 27, 1994
Leith Wheeler Multi Credit Fund	May 30, 2017
Leith Wheeler Preferred Share Fund	May 22, 2018
Leith Wheeler U.S. Small/Mid-Cap Equity Fund	October 27, 2016

The Funds were established under the laws of British Columbia pursuant to various trust indentures between Leith Wheeler Investment Counsel Ltd., as manager (the “Manager”), and Canada Trust Company, as trustee. The Funds’ current trustee is CIBC Mellon Trust Company and the Funds’ custodian is CIBC Mellon.

The trust indentures for all the above Funds allow for an unlimited number of series and an unlimited number of units of each series. Currently, authorized and issued series of units are as follows: Series A Series F, Series F (CAD Hedged) and Series I.

Series A units have no management fees. Unitholders of Series units pay a negotiated fee directly to the Manager and are available to investors that satisfy certain criteria related to the nature of the investors and certain other matters as established by the Manager. Series F and Series F (CAD Hedged) units carry management fees and are available to all investors. Series I units carry reduced management fees and are available to investors who have accounts with dealers who have signed a fee-based agreement with the Manager.

LEITH WHEELER PREFERRED SHARE FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2024 and 2023

1. Reporting entities (continued):

The information provided in these financial statements and notes thereto is for the periods ended June 30, 2023 and 2024. In the period a Fund or series is established, "period" represents the period from inception to June 30 of that fiscal period.

The general information related to all Funds presented here should be read in conjunction with each respective Fund's "Notes to Financial Statements - Fund Specific Information".

The Funds are unit trusts domiciled in Canada. The address of the Funds' registered office is at 1500 - 400 Burrard Street, Vancouver B.C., V6C 3A6.

2. Basis of preparation:

(a) Statement of compliance:

The financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards ("IFRS"). These condensed interim financial statements of the Funds have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information required for full annual financial statements. The financial statements were authorized for issue by the Manager on August 27, 2024.

(b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments and derivatives, which are measured at fair value.

(c) Functional and presentation currency:

The Funds' have their subscriptions, redemptions, price and performance denominated in Canadian dollars, which is their functional and presentation currency.

(d) Use of estimates and judgment:

The preparation of financial statements in conformity with IFRS Accounting Standards requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

LEITH WHEELER PREFERRED SHARE FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2024 and 2023

2. Basis of preparation (continued):

(d) Use of estimates and judgment (continued):

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

3. Material accounting policy information:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Effective January 1, 2023, the Funds adopted amendments to IAS 1 Presentation of Financial Statements, which require the disclosure of 'material' rather than 'significant' accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in this note in certain instances.

(a) Financial instruments:

(i) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Funds have a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset that is a debt instrument is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

A financial asset that is a debt instrument is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and sell financial assets; and

LEITH WHEELER PREFERRED SHARE FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2024 and 2023

3. Material accounting policy information (continued):

(a) Financial instruments (continued):

(i) Recognition and measurement (continued):

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Fund may irrevocably elect to measure financial assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Funds have not classified any of its financial assets as FVOCI.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Fund may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

(ii) Fair value through profit or loss:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur. The Fund's derivative financial assets and derivative financial liabilities and investments in securities and investments sold short are classified as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

LEITH WHEELER PREFERRED SHARE FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2024 and 2023

3. Material accounting policy information (continued):

(a) Financial instruments (continued):

(ii) Fair value through profit or loss (continued):

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

(iii) Amortized cost:

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Funds classify cash, dividends receivable, interest receivable, subscriptions receivable, amounts due from brokers, bank overdraft, management fees payable, administration fees payable, redemptions payable, amounts due to brokers and distributions payable as amortized cost.

(b) Redeemable units:

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The redeemable units are designated as financial liabilities at FVTPL because they are managed and their performance evaluated on a fair value basis. The redeemable units provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Funds' valuation policies at each redemption date. Distributions to holders of redeemable units are recognized in comprehensive income when they are authorized and no longer at the discretion of the Manager.

(c) Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions):

The increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions) is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units, prior to the deduction of distributions recognized in comprehensive income, by the weighted average number of units outstanding during the period.

LEITH WHEELER PREFERRED SHARE FUND

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(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2024 and 2023

3. Material accounting policy information (continued):

(d) Foreign exchange:

Foreign denominated investments and other foreign denominated assets and liabilities are translated into functional currency using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the statement of comprehensive income.

(e) Income recognition:

Interest income is recognized on an accrual basis. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. "Income from investment funds" includes distributed income from underlying investment funds and is recorded at the distribution date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments and unrealized appreciation/depreciation in investments are determined on the average cost basis of the respective investments.

(f) Income taxes:

The Funds qualify as unit trusts under the Income Tax Act (Canada). All of the Funds' net income for tax purposes and net capital gains realized in any year are required to be distributed to unitholders such that no income tax is payable by the Funds. As a result, the Funds do not record income taxes.

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income.

4. Related party transactions:

(a) Management fees:

The Manager is paid a management fee by the Funds, calculated daily and paid monthly, as compensation for its services. No management fees are paid by the Funds with respect to Series A and Series A (CAD Hedged) units. Series A and Series A (CAD Hedged) unitholders pay a negotiated fee directly to the Manager outside of the Fund for investment management services.

(b) Operating expenses:

The Manager is also entitled to reimbursement of reasonable operating expenses incurred on behalf of the Funds in connection with charges made for registry and transfer agency services, dividend and distribution crediting services, services required in connection with the provision of information and reports to unitholders and holding unitholders' meetings, independent review committee, interest expense, accounting, audit, recordkeeping and legal fees, and custodian and safekeeping charges. The Funds pay brokerage commissions, transaction costs and applicable taxes.

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4. Related party transactions (continued):

(b) Operating expenses (continued):

The Manager has at times absorbed certain expenses incurred on behalf of the Funds, in which case such amounts are shown as a deduction from expenses in the respective Fund's statement of comprehensive income. The Manager is under no legal obligation to continue these arrangements and may terminate them at any time.

Effective November 1, 2023, the Funds pay a fixed administration fee to the Manager. The fixed administration fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. The Manager in turn pays certain operating expenses of the Funds. These expenses include, but are not limited to: annual fees, normal course meeting fees and reimbursement of normal course expenses for members of the IRC; accounting and fund valuation costs; custody fees; audit and legal fees; and the costs of preparing and distributing annual and interim financial reports, prospectuses, fund facts documents and investor communications.

5. Capital management:

The redeemable units issued by the Funds represent the capital of the Funds. The Funds are not subject to any internally or externally imposed restrictions on its capital. The Funds' objectives in managing the redeemable units are to ensure a stable base to maximize returns to all investors and to manage liquidity risk arising from redemptions.

6. Financial risk management:

The following is a general discussion of the financial risks to which the Funds are exposed. Refer to the discussion on financial risk management (note 4) in the Fund Specific Information following each Fund's financial statements for information specific to the respective Fund.

Risk management framework:

The Funds use financial instruments in order to achieve their respective investment objectives. The Funds' investments are presented in each Fund's respective schedule of investment portfolio, which groups securities by asset type, geographic region and/or market segment.

The use of financial instruments subjects the Funds to a variety of financial instrument risks. The Funds' risk management practices include setting investment policies to limit exposures to financial instrument risks and employing experienced and professional investment advisors to invest the Funds' capital in securities within the constraints of investment policies. The Manager regularly monitors the Funds' performance and compliance with the investment policies.

LEITH WHEELER PREFERRED SHARE FUND

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6. Financial risk management (continued):

The significant financial instrument risks, to which the Funds are exposed, along with the specific risk management practices related to those risks, are discussed below.

(a) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds, resulting in a financial loss to the Fund. It arises principally from debt securities held, derivative financial assets, cash, and other receivables due to the Funds. The carrying value of these financial instruments as recorded in the statements of financial position reflects the Fund's maximum exposure to credit risk.

The risk management strategy for the Funds is to invest primarily in debt obligations of high credit quality issuers and to limit the amount of credit exposure with respect to any one corporate issuer.

Credit risk is mitigated by investing primarily in rated instruments. The Funds receive daily rating updates, which are reviewed accordingly. Credit risk is monitored on a daily basis by the Manager in accordance with the Funds' investment policies. If the credit risk is not in accordance with the investment policy or guidelines of the Fund, then the Manager is obliged to rebalance the portfolio as soon as practicable.

The Funds' activities may give rise to settlement risk. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities, or other assets as contractually agreed. For the majority of transactions, the Funds mitigate this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

(b) Liquidity risk:

Liquidity risk is the risk that the Funds will encounter difficulty in meeting the obligations associated with their financial liabilities that are settled by delivering cash or another financial asset.

The Funds' policy and the Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, including estimated redemptions of units, without incurring unacceptable losses or risking damage to the Funds' reputation.

The Funds' prospectus provides for the daily cash redemptions of redeemable units and the Funds are therefore exposed to the liquidity risk of meeting unitholder redemptions at any time.

Liquidity risk is managed by investing the majority of a Funds' assets in investments that are traded in an active market and can be readily disposed. In addition, the Funds retain sufficient cash positions to maintain liquidity. The Funds are also subject to the requirements of National Instrument ("NI") 81-102, where each respective Fund shall not purchase an illiquid asset if, immediately after the purchase, more than 10 percent of the net assets of that particular Fund, taken at market value at the time of purchase, would consist of illiquid assets.

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(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2024 and 2023

6. Financial risk management (continued):

(c) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Funds' income or the fair value of their holdings of financial instruments.

The Funds' market risk is managed on a daily basis by the Manager in accordance with the policies and procedures in place.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of interest-bearing financial instruments will fluctuate as a result of changes in market interest rates. In general, as interest rates rise, the fair value of interest bearing financial instruments will fall. Financial instruments with a longer term to maturity will generally have a higher interest rate risk.

Interest rate risk management practices include setting target durations based on the appropriate benchmark indices and monitoring the Funds' durations relative to the benchmarks. If interest rates are anticipated to rise, the Funds' durations can be shortened to limit potential losses. Conversely, if interest rates are anticipated to fall, the durations can be lengthened to increase potential gains.

(ii) Currency risk:

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Equities in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value.

Currency risk may be moderated by the Manager through the use of foreign currency contacts to hedge foreign currency exposures.

(iii) Other price risk:

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer, or factors affecting all instruments traded in the market.

Other price risk is moderated by the Manager through a careful selection of securities within specified limits and the Funds' price risk is managed through diversification of the respective Fund. The Manager monitors the Funds' overall market positions on a daily basis and positions are maintained within established ranges.

LEITH WHEELER PREFERRED SHARE FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
(Tabular amounts expressed in thousands of dollars)

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7. Fair value of financial instruments:

(a) Valuation models:

The Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs that are unobservable.

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. Observable prices and model inputs are usually available in the market for listed debt and equity securities, and exchange-traded derivatives, such as futures. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values. Where observable market prices and model inputs are not available, the Funds determine fair values using other valuation techniques. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Refer to the fair value of financial instruments (note 5) in the Fund Specific Information following each Fund's respective financial statements for further discussion of the respective Fund's fair value measurements.

(b) Financial instruments not measured at fair value:

The carrying value of cash, dividends receivable, interest receivable, subscriptions receivable, amounts due from brokers, bank overdraft, management fees payable, administration fees payable, redemptions payable, amounts due to brokers and distributions payable, approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

8. Audit Fees:

The fees paid or payable by Leith Wheeler Investment Counsel Ltd. to KPMG LLP and its network firms for the audits of the Canadian Reporting Issuer funds within the Leith Wheeler Family of funds are as follows:

Fee Type	June 30, 2024	December 31, 2023
Audit Fees	\$ 68,213	\$ 136,425
Fees for other services	\$ 5,270	\$ 10,539