

# Leith Wheeler U.S. Small/Mid-Cap Equity 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](http://www.leithwheeler.com) or SEDAR+ at [www.sedarplus.ca](http://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 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 14.8% in this first half of 2024 to \$17.1 million from \$14.9 million at the end of 2023. Of this change, \$0.4 million is attributable to positive investment performance and \$1.8 million to net inflows from unitholders.

For the six months ended June 30, 2024, the US Small/Mid-Cap Equity Pooled Fund Series A increased +2.6% before fees, and Series F increased +2.1% after fees and expenses. The Russell 2500 (C\$) increased +5.6% over the same period.

In the first quarter, the Fund underperformed the Russell 2500 Index due to stock selection in Materials and Communication Services. An underweight allocation to Real Estate, and stock selection in Health Care and Industrials contributed positively to performance over the quarter. One of the top detractors was Cable One (-21.4%), which posted weaker earnings in the first quarter due to a challenging core residential broadband business and run-off of video and voice businesses. The company is addressing higher competition in the lower-end customer segment with promotional pricing.

The Fund also underperformed the Russell 2500 Index in the second quarter, which itself fell -3.3% with all sectors posting negative returns except Utilities (+7.3%). The Fund's underperformance was driven by stock selection in Financials and Utilities. Stock selection in Health Care and Information Technology contributed positively to performance over the quarter.

### Recent Developments

The Russell 2500 Index returned +8.4% 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.

As at June 30, 2024, the Leith Wheeler Balanced Fund owned 553,214 Series A units of the Fund, a fund under common management. This holding represents approximately 50% of this 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	*	0.95 %
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 <sup>(1)</sup>	\$15.13	\$14.33	\$16.02	\$14.50	\$13.84	\$11.27
Increase (decrease) from operations:						
Total revenue	0.12	0.26	0.17	0.23	0.28	0.14
Total expenses	(0.06)	(0.05)	-	-	-	-
Realized gains (losses) for the year	0.36	0.75	0.56	2.41	(0.32)	0.18
Unrealized gains (losses) for the year	(0.04)	(0.25)	(1.76)	1.53	1.70	2.31
Total increase (decrease) from operations <sup>(1)</sup>	0.38	0.71	(1.03)	4.17	1.66	2.62
Distributions:						
From income (excluding dividends) <sup>(4)</sup>	(0.06)	(0.21)	-	-	(0.01)	(0.01)
From dividends	-	-	(0.19)	(0.22)	(0.20)	(0.20)
From capital gains	-	-	(0.40)	(2.44)	(0.16)	(0.08)
Return of capital	-	(0.01)	-	-	-	-
Total Annual Distributions <sup>(2) (5)</sup>	(0.06)	(0.22)	(0.59)	(2.66)	(0.37)	(0.29)
Net assets attributable to holders of redeemable units - per unit, end of year <sup>(1)</sup>	\$15.47	\$15.13	\$14.33	\$16.02	\$14.50	\$13.84

Series B <sup>(3)</sup>	June 30, 2024	2023	2022	2021	2020	2019
Net assets attributable to holders of redeemable units - per unit, beginning of year <sup>(1)</sup>	n/a	\$14.58	\$15.88	\$14.38	\$13.81	\$11.24
Increase (decrease) from operations:						
Total revenue	n/a	0.26	0.44	0.25	0.39	0.15
Total expenses	n/a	(0.21)	(0.20)	(0.22)	(0.17)	(0.26)
Realized gains (losses) for the year	n/a	0.77	1.42	2.60	(0.45)	0.19
Unrealized gains (losses) for the year	n/a	(0.23)	(4.48)	1.64	2.34	2.52
Total increase (decrease) from operations <sup>(1)</sup>	n/a	0.60	(2.82)	4.27	2.11	2.60
Distributions:						
From income (excluding dividends) <sup>(4)</sup>	n/a	-	-	-	-	-
From dividends	n/a	-	(0.01)	(0.02)	(0.11)	(0.04)
From capital gains	n/a	-	-	(2.40)	(0.16)	(0.07)
Return of capital	n/a	-	-	-	-	-
Total Annual Distributions <sup>(2) (5)</sup>	n/a	-	(0.01)	(2.42)	(0.27)	(0.11)
Net assets attributable to holders of redeemable units - per unit, end of year <sup>(1)</sup>	n/a	-	\$14.58	\$15.88	\$14.38	\$13.81

**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 <sup>(1)</sup>	\$15.05	\$14.34	\$16.04	\$14.54	\$13.93	\$11.32
Increase (decrease) from operations:						
Total revenue	0.12	0.26	0.17	0.23	0.43	0.14
Total expenses	(0.14)	(0.20)	(0.15)	(0.18)	(0.19)	(0.03)
Realized gains (losses) for the year	0.33	0.75	0.56	2.38	(0.49)	0.19
Unrealized gains (losses) for the year	0.05	0.12	(1.77)	1.50	2.56	2.46
Total increase (decrease) from operations <sup>(1)</sup>	0.36	0.93	(1.19)	3.93	2.31	2.77
Distributions:						
From income (excluding dividends) <sup>(4)</sup>	-	(0.15)	-	-	-	-
From dividends	-	-	(0.04)	(0.07)	(0.12)	(0.06)
From capital gains	-	-	(0.41)	(2.45)	(0.17)	(0.07)
Return of capital	-	(0.01)	-	-	-	-
Total Annual Distributions <sup>(2) (5)</sup>	-	(0.16)	(0.45)	(2.52)	(0.29)	(0.13)
Net assets attributable to holders of redeemable units - per unit, end of year <sup>(1)</sup>	\$15.35	\$15.05	\$14.34	\$16.04	\$14.54	\$13.93

(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 October 18, 2023, Series B has been discontinued as there are no unitholders.

(4) Effective 2023, distributions per unit for income derived from foreign countries, including foreign dividends, is included in "from income".

(5) 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) <sup>(1)</sup>	15,069	13,257	18,162	16,740	13,228	9,767
Number of units outstanding (000s) <sup>(1)</sup>	974	876	1,268	1,045	912	706
Management expense ratio (%) <sup>(2)</sup>	0.01	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	0.01	0.16	0.16	0.14	0.23	0.38
Trading expense ratio (%) <sup>(3)</sup>	0.05	0.07	0.06	0.09	0.15	0.09
Portfolio turnover rate (%) <sup>(4)</sup>	10.38	24.37	31.50	40.53	51.70	19.08
Net assets attributable to holders of redeemable units - per unit (\$)	15.47	15.13	14.33	16.02	14.50	13.84

Series B <sup>(5)</sup>	June 30, 2024	2023	2022	2021	2020	2019
Total net assets attributable to holders of redeemable units (\$000s) <sup>(1)</sup>	n/a	n/a	168	1,096	1,502	693
Number of units outstanding (000s) <sup>(1)</sup>	n/a	n/a	12	69	104	50
Management expense ratio (%) <sup>(2)</sup>	n/a	n/a	1.33	1.32	1.33	1.32
Management expense ratio before waivers or absorptions (%)	n/a	n/a	1.49	1.46	1.56	1.70
Trading expense ratio (%) <sup>(3)</sup>	n/a	n/a	0.06	0.09	0.15	0.09
Portfolio turnover rate (%) <sup>(4)</sup>	n/a	n/a	31.50	40.53	51.70	19.08
Net assets attributable to holders of redeemable units - per unit (\$)	n/a	n/a	14.58	15.88	14.38	13.81

Series F	June 30, 2024	2023	2022	2021	2020	2019
Total net assets attributable to holders of redeemable units (\$000s) <sup>(1)</sup>	2,051	1,619	1,502	1,542	1,032	479
Number of units outstanding (000s) <sup>(1)</sup>	134	108	105	96	71	34
Management expense ratio (%) <sup>(2)</sup>	1.20	1.06	1.04	1.03	1.00	1.00
Management expense ratio before waivers or absorptions (%)	1.20	1.22	1.20	1.17	1.23	1.38
Trading expense ratio (%) <sup>(3)</sup>	0.05	0.07	0.06	0.09	0.15	0.09
Portfolio turnover rate (%) <sup>(4)</sup>	10.38	24.37	31.50	40.53	51.70	19.08
Net assets attributable to holders of redeemable units - per unit (\$)	15.35	15.05	14.34	16.04	14.54	13.93

(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 October 18, 2023, Series B has been discontinued as there are no unitholders.

**Past Performance**

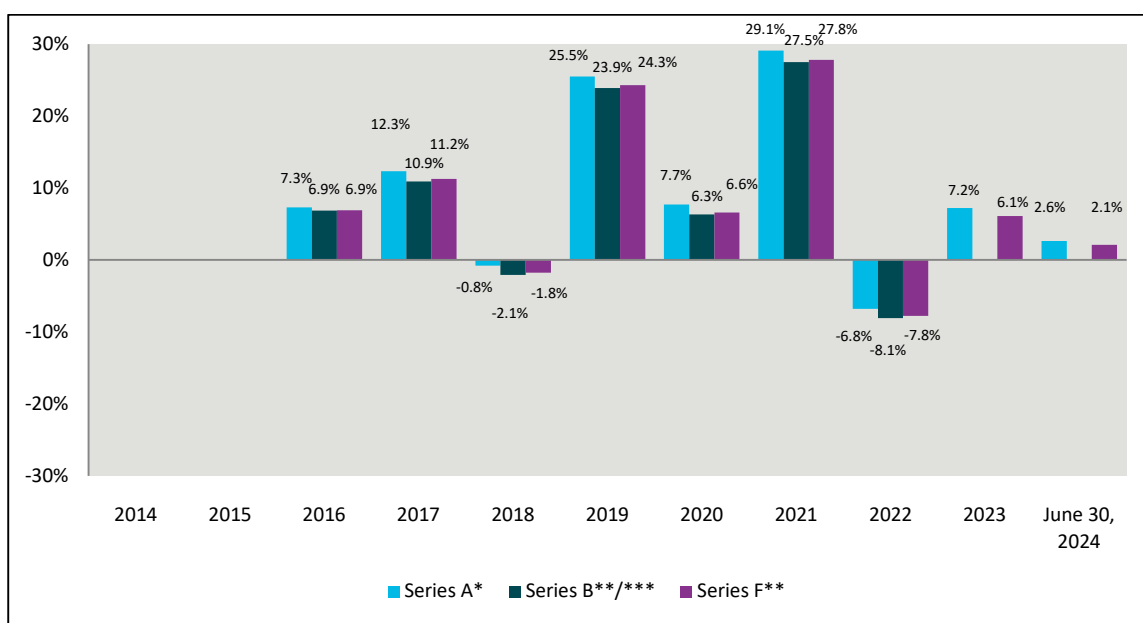
**General**

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 units were created on October 27, 2016. Return from October 27, 2016 to December 31, 2016, not annualized.

\*\* Series B and Series F units were created on October 27, 2016. Performance start date for Series B and Series F is October 31, 2016 which is the date by which the fund was offered under a prospectus. Returns from October 31, 2016 to December 31, 2016, not annualized.

\*\*\* Effective October 18, 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
Cash & Other Net Assets	7.6%
Henry Schein Inc.	5.4%
Corpay Inc.	5.1%
SEI Investments Company	5.0%
Keysight Technologies Inc.	4.5%
Globus Medical Inc.	4.4%
Universal Health Services Inc., Class 'B'	4.3%
Carlisle Companies Inc.	4.3%
Booz Allen Hamilton Holding Corporation, Class 'A'	4.1%
Brookfield Infrastructure Partners Limited Partnership	4.0%
Lamb Weston Holdings Inc.	3.9%
Gentex Corporation	3.9%
Globe Life Inc.	3.6%
MKS Instruments Inc.	3.6%
Lamar Advertising Company, Class 'A'	3.6%
First Advantage Corporation	3.4%
Old Republic International Corporation	3.4%
Snap-on Inc.	3.1%
Crown Holdings Inc.	3.0%
CarMax Inc.	3.0%
ASGN Inc.	2.9%
Perficient Inc.	2.9%
Wyndham Hotels & Resorts Inc.	2.7%
Hillman Solutions Corporation	2.2%
The Middleby Corporation	2.1%

**Portfolio Allocation**

Portfolio Breakdown	% of Net Asset Value
Industrials	18.8%
Financials	17.1%
Consumer Discretionary	15.1%
Health Care	14.2%
Information Technology	10.9%
Cash & Other Net Assets	7.6%
Utilities	4.0%
Consumer Staple	3.9%
Real Estate	3.6%
Materials	3.0%
Communication Services	1.8%

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](http://www.leithwheeler.com).*