

Financial Statements of

**LEITH WHEELER INCOME
ADVANTAGE FUND**

And Independent Auditor's Report thereon

Years ended December 31, 2023 and 2022



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of the Leith Wheeler Income Advantage Fund

Opinion

We have audited the financial statements of the Leith Wheeler Income Advantage Fund (the "Fund"), which comprise:

- the statements of financial position as at December 31, 2023 and December 31, 2022
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and December 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Information

The Manager is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Annual Management Report of Fund Performance filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Management Report of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of the Manager and Those Charged with Governance for the Financial Statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
April 1, 2024

LEITH WHEELER INCOME ADVANTAGE FUND

Statements of Financial Position

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

December 31, 2023 and 2022

	Note	2023	2022
Assets			
Cash		\$ 155	\$ 225
Interest and dividends receivable		244	234
Foreign currency forward contracts receivable		3	10
Bond futures receivable		-	3
Amounts due from brokers		100	-
Subscriptions receivable		19	-
Investments		56,459	61,345
		56,980	61,817
Liabilities			
Bond futures payable		7	-
Management fees payable	1	8	10
Administrative fees payable		2	-
Redemptions payable		3	1
		20	11
Net assets , attributable to holders of redeemable units		\$ 56,960	\$ 61,806
Represented by:			
Series A		\$ 46,183	\$ 44,135
Series B		-	7,097
Series F		10,777	10,574
		\$ 56,960	\$ 61,806
Net assets, attributable to holders of redeemable units per unit:			
Series A		\$ 11.61	\$ 11.02
Series B		-	11.50
Series F		10.77	10.25

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 INCOME ADVANTAGE FUND

Statements of Comprehensive Income

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

Years ended December 31, 2023 and 2022

	Note	2023	2022
Revenue:			
Interest income		\$ 2,107	\$ 2,058
Dividend income		581	1,033
Changes in fair value of investments and derivatives:			
Net realized gain (loss)		(486)	(721)
Net change in unrealized appreciation (depreciation)		3,388	(6,759)
Total revenue (loss)		5,590	(4,389)
Expenses:			
Management fees	1	109	171
Commissions and transaction costs		6	8
Filing fees		9	11
GST/HST		11	13
Audit fees		10	12
Custodial fees		12	6
Administrative fees		3	-
Legal fees		1	-
Independent review committee fees		2	2
Total operating expenses		163	223
Management fee distributions	1	-	(4)
Expenses waived or absorbed by Manager		(35)	(32)
Net operating expenses		128	187
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		5,462	(4,576)
Distributions to holders of redeemable units:			
From net investment income		(2,463)	(2,228)
Management fee distributions	1	-	(4)
		(2,463)	(2,232)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 2,999	\$ (6,808)
Increase (decrease) in net assets attributable to holders of redeemable units:			
Series A		\$ 2,399	\$ (4,338)
Series B		61	(1,351)
Series F		539	(1,119)
		\$ 2,999	\$ (6,808)
Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions):			
Series A		\$ 1.10	\$ (0.70)
Series B		0.32	(1.17)
Series F		0.92	(0.77)

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

LEITH WHEELER INCOME ADVANTAGE FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units
(Expressed in thousands of dollars)

Years ended December 31, 2023 and 2022

Series A	2023	2022
Balance, beginning of year	\$ 44,135	\$ 42,868
Increase (decrease) in net assets attributable to holders of redeemable units	2,399	(4,338)
Redeemable unit transactions:		
Issue of redeemable units	8,230	7,953
Reinvestment of distributions	1,967	1,700
Redemption of redeemable units	(10,548)	(4,048)
Net increase (decrease) from redeemable unit transactions	(351)	5,605
Balance, end of year	\$ 46,183	\$ 44,135
Series B	2023	2022
Balance, beginning of year	\$ 7,097	\$ 16,866
Increase (decrease) in net assets attributable to holders of redeemable units	61	(1,351)
Redeemable unit transactions:		
Issue of redeemable units	187	603
Reinvestment of distributions	62	162
Redemption of redeemable units	(7,407)	(9,183)
Net increase (decrease) from redeemable unit transactions	(7,158)	(8,418)
Balance, end of year	\$ -	\$ 7,097
Series F	2023	2022
Balance, beginning of year	\$ 10,574	\$ 10,576
Increase (decrease) in net assets attributable to holders of redeemable units	539	(1,119)
Redeemable unit transactions:		
Issue of redeemable units	1,408	2,083
Reinvestment of distributions	218	187
Redemption of redeemable units	(1,962)	(1,153)
Net increase (decrease) from redeemable unit transactions	(336)	1,117
Balance, end of year	\$ 10,777	\$ 10,574

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

LEITH WHEELER INCOME ADVANTAGE FUND

Statements of Cash Flows

(Expressed in thousands of dollars)

Years ended December 31, 2023 and 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 2,999	\$ (6,808)
Adjustments for:		
Interest income	(2,107)	(2,058)
Dividend income	(581)	(1,033)
Net realized (gain) loss from investments and derivatives	486	721
Net change in unrealized (appreciation) depreciation from investments and derivatives	(3,388)	6,759
Non-cash distributions	2,247	2,049
Amounts due to brokers	(100)	-
Management fees payable	(2)	(8)
Administrative fees payable	2	-
Proceeds from sale of investments	49,783	59,980
Purchases of investments	(41,978)	(58,807)
Interest received	1,863	2,014
Dividends received	815	1,033
	10,039	3,842
Financing activities:		
Proceeds from issue of redeemable units	9,806	10,640
Payments on redemption of redeemable units	(19,915)	(14,362)
	(10,109)	(3,722)
Net increase (decrease) in cash	(70)	120
Cash, beginning of year	225	105
Cash, end of year	\$ 155	\$ 225

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

LEITH WHEELER INCOME ADVANTAGE FUND

Schedule of Investment Portfolio
(Expressed in thousands of dollars)

December 31, 2023

Security	Coupon rate %	Maturity	Par value	Cost	Fair value	% of Net assets
BONDS AND GUARANTEES						
Investment Grade Corporate Bonds and Guarantees:						
407 International Inc., Callable	3.430	1-Jun-33	\$ 100	\$ 89	\$ 94	
407 International Inc., Callable	3.140	6-Mar-30	150	157	143	
407 International Inc., Callable	2.590	25-May-32	246	211	219	
AIMCo Realty Investors Limited Partnership, Callable	2.712	1-Jun-29	218	210	200	
Air Lease Corporation, Callable	2.625	5-Dec-24	87	85	85	
Allied Properties Real Estate Investment Trust, Series 'E', Callable	3.113	8-Apr-27	300	271	274	
Allied Properties Real Estate Investment Trust, Series 'H', Callable	1.726	12-Feb-26	250	223	230	
AltaGas Limited, Variable, Callable	8.900	10-Nov-83	400	400	419	
ARC Resources Limited, Callable	3.465	10-Mar-31	238	248	219	
Bank of Montreal, Callable	1.551	28-May-26	100	91	94	
Bank of Montreal, Callable	4.709	7-Dec-27	250	245	252	
Bank of Montreal, Callable	5.039	29-May-28	100	100	102	
Bank of Montreal, Variable, Callable	2.077	17-Jun-30	121	113	116	
Bank of Montreal, Variable, Callable	6.534	27-Oct-32	186	189	196	
Bank of Montreal, Variable, Callable	6.034	7-Sep-33	60	60	63	
BCI QuadReal Realty, Callable	1.747	24-Jul-30	45	45	38	
BCI QuadReal Realty, Callable	1.073	4-Feb-26	100	100	93	
Bell Canada, Callable	3.000	17-Mar-31	250	234	227	
Bell Canada, Callable	5.850	10-Nov-32	212	223	230	
Bell Canada, Callable	4.550	9-Feb-30	299	298	301	
Bell Canada, Callable	2.900	10-Sep-29	145	131	135	
Bell Canada, Callable	2.500	14-May-30	395	405	353	
Brookfield Infrastructure Finance ULC, Callable	4.193	11-Sep-28	300	297	294	
Brookfield Infrastructure Finance ULC, Callable	5.616	14-Nov-27	75	75	78	
Bruce Power Limited Partnership, Callable	4.132	21-Jun-33	111	101	107	
Bruce Power Limited Partnership, Series '17-2', Callable	4.010	21-Jun-29	190	196	187	
Bruce Power Limited Partnership, Series '21-1', Callable	2.680	21-Dec-28	105	105	97	
Canadian Imperial Bank of Commerce, Callable	4.950	29-Jun-27	217	217	220	
Canadian Imperial Bank of Commerce	2.250	7-Jan-27	80	74	75	
Canadian Imperial Bank of Commerce	2.750	7-Mar-25	199	190	194	
Canadian National Railway Company, Callable	4.150	10-May-30	92	92	92	
Canadian Western Bank	3.859	21-Apr-25	165	165	162	
Canadian Western Bank, Callable	2.606	30-Jan-25	105	108	102	
Canadian Western Bank, Callable	1.926	16-Apr-26	100	100	94	
Capital Power Corporation	5.378	25-Jan-27	300	300	305	
Capital Power Corporation, Callable	4.424	8-Feb-30	105	119	102	
Capital Power Corporation, Callable	3.147	1-Oct-32	181	149	155	
Capital Power Corporation, Callable	5.816	15-Sep-28	200	200	208	
CARDS II Trust, Series 'A'	4.331	15-May-25	119	119	118	
Cenovus Energy Inc., Callable	3.600	10-Mar-27	275	266	268	
CHIP Mortgage Trust, Callable	1.738	15-Dec-45	221	221	206	
Choice Properties Real Estate Investment Trust, Series 'M', Callable	3.532	11-Jun-29	508	466	480	
Choice Properties Real Estate Investment Trust, Series 'P', Callable	2.848	21-May-27	450	437	425	
Crombie Real Estate Investment Trust, Series 'H', Callable	2.686	31-Mar-28	184	186	167	
Crombie Real Estate Investment Trust, Series 'J', Callable	3.133	12-Aug-31	275	275	235	
CT Real Estate Investment Trust, Callable	5.828	14-Jun-28	233	233	241	
CT Real Estate Investment Trust, Series 'F', Callable	3.865	7-Dec-27	80	87	77	
CT Real Estate Investment Trust, Series 'G', Callable	2.371	6-Jan-31	40	40	33	

LEITH WHEELER INCOME ADVANTAGE FUND

Schedule of Investment Portfolio (continued)

(Expressed in thousands of dollars)

December 31, 2023

Security	Coupon rate %	Maturity	Par value	Cost	Fair value	% of Net assets
BONDS AND GUARANTEES (continued)						
Investment Grade Corporate Bonds and Guarantees (continued):						
Daimler Truck Finance Canada Inc.	5.810	25-Sep-26	\$ 200	\$ 200	\$ 206	
Dollarama Inc., Callable	2.443	9-Jul-29	222	197	202	
Dollarama Inc., Callable	5.165	26-Apr-30	100	99	104	
Eagle Credit Card Trust	1.273	17-Jul-25	135	135	128	
Enbridge Gas Inc., Callable	2.900	1-Apr-30	200	174	186	
Enbridge Gas Inc., Callable	2.350	15-Sep-31	468	438	411	
Enbridge Gas Inc., Callable	4.150	17-Aug-32	250	242	247	
Enbridge Inc., Callable	3.200	8-Jun-27	50	53	48	
Enbridge Inc., Callable	3.100	21-Sep-33	120	98	104	
Enbridge Pipelines Inc., Callable	2.820	12-May-31	335	304	299	
Federation des caisses Desjardins du Quebec	1.587	10-Sep-26	200	184	187	
Ford Auto Securitization Trust II, Series '23-A', Class 'A2', Callable	5.097	15-Oct-27	126	126	126	
Ford Credit Canada Company, Callable	6.382	10-Nov-28	77	77	80	
Fortis Inc., Callable	4.431	31-May-29	200	200	200	
Granite REIT Holdings Limited Partnership, Callable	6.074	12-Apr-29	135	135	143	
Greater Toronto Airports Authority, Callable	2.730	3-Apr-29	200	214	190	
HSBC Bank Canada	1.782	20-May-26	172	172	162	
HSBC Bank Canada	4.810	16-Dec-24	100	100	100	
Hydro One Inc., Callable	2.230	17-Sep-31	200	165	176	
Hydro One Inc., Callable	4.160	27-Jan-33	311	309	311	
Hyundai Capital Canada Inc., Callable	2.008	12-May-26	125	113	118	
Hyundai Capital Canada Inc., Callable	5.565	8-Mar-28	275	275	283	
iA Financial Corporation Inc., Variable, Callable	5.685	20-Jun-33	149	149	153	
iA Financial Corporation Inc., Variable, Callable	3.072	24-Sep-31	175	163	167	
IGM Financial Inc., Callable	3.440	26-Jan-27	275	297	265	
Institutional Mortgage Securities Canada Inc., Series '15-6', Class 'A1', Callable	1.936	12-Sep-24	1	1	1	
Intact Financial Corporation, Callable	1.928	16-Dec-30	100	81	86	
Inter Pipeline Limited, Callable	6.590	9-Feb-34	295	295	318	
JPMorgan Chase & Company, Variable, Callable	1.896	5-Mar-28	400	357	370	
Keyera Corporation, Callable	3.959	29-May-30	220	208	209	
Keyera Corporation, Callable	5.022	28-Mar-32	180	179	181	
Keyera Corporation, Variable, Callable	5.950	10-Mar-81	300	261	266	
Loblaw Companies Limited, Callable	5.008	13-Sep-32	259	258	268	
Manulife Financial Corporation, Series '1', Variable, Callable	3.375	19-Jun-81	16	12	13	
Manulife Financial Corporation, Variable, Callable	5.409	10-Mar-33	100	100	102	
Manulife Financial Corporation, Variable, Callable	2.818	13-May-35	505	451	449	
National Bank of Canada	1.534	15-Jun-26	165	165	154	
National Bank of Canada	5.023	1-Feb-29	47	47	48	
National Grid Electricity Transmission PLC, Callable	2.301	22-Jun-29	89	89	80	
North West Redwater Partnership/NWR Financing Company Limited, Series 'F', Callable	4.250	1-Jun-29	360	399	360	
North West Redwater Partnership/NWR Financing Company Limited, Series 'H', Callable	4.150	1-Jun-33	150	136	146	
Nova Scotia Power Inc., Callable	4.951	15-Nov-32	119	121	120	
Ontario Power Generation Inc., Callable	3.215	8-Apr-30	200	205	189	
Ontario Power Generation Inc., Callable	4.922	19-Jul-32	299	308	311	
Ontario Teachers' Cadillac Fairview Properties Trust, Callable	3.875	20-Mar-27	165	212	208	
Pembina Pipeline Corporation, Callable	4.240	15-Jun-27	200	222	198	
Pembina Pipeline Corporation, Callable	3.620	3-Apr-29	361	357	344	
Pembina Pipeline Corporation, Callable	3.530	10-Dec-31	185	167	169	

LEITH WHEELER INCOME ADVANTAGE FUND

Schedule of Investment Portfolio (continued)

(Expressed in thousands of dollars)

December 31, 2023

Security	Coupon rate %	Maturity	Par value	Cost	Fair value	% of Net assets
BONDS AND GUARANTEES (continued)						
Investment Grade Corporate Bonds and Guarantees (continued):						
Primaris Real Estate Investment Trust, Callable	5.934	29-Mar-28	\$ 150	\$ 150	\$ 153	
Primaris Real Estate Investment Trust, Callable	4.727	30-Mar-27	86	82	84	
Real Estate Asset Liquidity Trust, Callable	2.356	12-May-50	34	34	33	
RioCan Real Estate Investment Trust, Callable	6.488	29-Sep-26	130	130	131	
Rogers Communications Inc., Callable	3.250	1-May-29	125	127	117	
Rogers Communications Inc., Callable	3.750	15-Apr-29	170	158	164	
Rogers Communications Inc., Callable	4.250	15-Apr-32	250	234	241	
Rogers Communications Inc., Callable	3.300	10-Dec-29	61	61	57	
Rogers Communications Inc., Callable	2.900	9-Dec-30	475	456	426	
Rogers Communications Inc., Callable	5.900	21-Sep-33	249	240	268	
Royal Bank of Canada	1.589	4-May-26	400	368	376	
Royal Bank of Canada	1.833	31-Jul-28	600	502	543	
Royal Bank of Canada	5.228	24-Jun-30	450	440	470	
Saputo Inc., Callable	2.242	16-Jun-27	200	194	186	
Saputo Inc., Callable	5.250	29-Nov-29	86	87	89	
Saputo Inc., Callable	5.492	20-Nov-30	53	53	56	
Stantec Inc., Callable	5.393	27-Jun-30	182	181	188	
Sun Life Financial Inc., Variable, Callable	2.060	1-Oct-35	185	167	156	
Sun Life Financial Inc., Variable, Callable	4.780	10-Aug-34	378	370	378	
Suncor Energy Inc.	5.600	17-Nov-25	90	90	91	
TELUS Corporation, Callable	3.150	19-Feb-30	101	102	94	
TELUS Corporation, Callable	2.850	13-Nov-31	325	308	287	
TELUS Corporation, Callable	5.250	15-Nov-32	135	137	140	
TELUS Corporation, Callable	5.750	8-Sep-33	106	106	113	
The Bank of Nova Scotia	2.620	2-Dec-26	150	137	144	
The Bank of Nova Scotia	1.850	2-Nov-26	262	237	245	
The Bank of Nova Scotia	2.950	8-Mar-27	126	126	120	
The Bank of Nova Scotia, Variable, Callable	3.934	3-May-32	255	238	246	
The Bank of Nova Scotia, Variable, Callable	5.679	2-Aug-33	129	129	133	
The Bank of Nova Scotia	1.400	1-Nov-27	261	246	235	
The Goldman Sachs Group Inc., Variable, Callable	2.599	30-Nov-27	86	86	81	
The Toronto-Dominion Bank	4.344	27-Jan-26	498	481	496	
The Toronto-Dominion Bank	2.260	7-Jan-27	106	106	100	
The Toronto-Dominion Bank	7.232	31-Dec-49	79	79	79	
The Toronto-Dominion Bank	4.680	8-Jan-29	198	198	200	
The Toronto-Dominion Bank, Series '1', Variable, Callable	3.600	31-Oct-81	88	66	67	
The Toronto-Dominion Bank, Variable, Callable	3.105	22-Apr-30	807	838	785	
The Toronto-Dominion Bank	1.896	11-Sep-28	337	312	304	
The Toronto-Dominion Bank	5.491	8-Sep-28	140	143	146	
TMX Group Limited, Callable	2.016	12-Feb-31	72	72	61	
Tourmaline Oil Corporation, Series '1', Callable	2.077	25-Jan-28	180	178	164	
TransCanada PipeLines Limited, Callable	3.000	18-Sep-29	491	443	454	
TransCanada PipeLines Limited, Callable	5.277	15-Jul-30	358	360	370	
Vancouver Airport Fuel Facilities Corporation, Series 'I', Callable	2.168	23-Jun-25	300	294	289	
Ventas Canada Finance Limited, Callable	2.450	4-Jan-27	300	270	280	
Ventas Canada Finance Limited, Series 'H', Callable	5.398	21-Apr-28	100	100	102	
VW Credit Canada Inc.	5.860	15-Nov-27	100	100	104	
VW Credit Canada Inc.	5.730	20-Sep-28	45	45	47	
WSP Global Inc., Callable	2.408	19-Apr-28	200	197	184	
WSP Global Inc., Callable	5.548	22-Nov-30	68	68	72	
				28,522	28,340	49.7

LEITH WHEELER INCOME ADVANTAGE FUND

Schedule of Investment Portfolio (continued)

(Expressed in thousands of dollars)

December 31, 2023

Security	Number of holdings	Cost	Fair value	% of Net assets
Bond Fund:				
Leith Wheeler Multi Credit Fund Series A	233,754	\$ 2,129	\$ 2,051	
		2,129	2,051	3.6
TOTAL BONDS AND GUARANTEES		\$ 30,651	\$ 30,391	53.3
CANADIAN EQUITIES				
Mutual Fund:				
Leith Wheeler Canadian Dividend Fund Series A	1,426,458	\$ 16,869	\$ 20,568	
Leith Wheeler Preferred Share Fund Series A	681,112	5,898	5,500	
		22,767	26,068	45.8
TOTAL CANADIAN EQUITIES		\$ 22,767	\$ 26,068	45.8
TOTAL INVESTMENT PORTFOLIO		\$ 53,418	\$ 56,459	99.1
FOREIGN CURRENCY FORWARD CONTRACTS:				
US Dollars Currency Forwards expiring March 2024		-	3	-
BOND FUTURES:				
Five-Year US Note (Expiring March 2024, 3 contracts with an average open price of USD\$106.95 per contract)		-	(7)	-
OTHER ASSETS LESS LIABILITIES			505	0.9
NET ASSETS			\$ 56,960	100.0

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

LEITH WHEELER INCOME ADVANTAGE FUND

Notes to Financial Statements - Fund Specific Information
(Tabular amounts expressed in thousands of dollars or units)

Years ended December 31, 2023 and 2022

The Fund Specific Information 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 administration fees:

Management fee distributions for the year ended December 31, 2023 were nil (2022 - \$4,000).

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 B	Series F
Management Fees	*	1.00%	0.70%
Administration Fees	0.02%	0.10%	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 are subject to withholding tax imposed in the country of origin. During the year, withholding tax rates were between 0% and 35% (2022 - between 0% and 35%).

The Fund has capital losses of approximately \$34,000 (2022 - nil) available for utilization against capital gains in future years. The Fund has non-capital losses of nil (2022 - 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 years ended December 31, 2023 and 2022 are as follows:

	Outstanding units at beginning of year	Issued during the year	Issued on reinvestment of distributions	Redeemed during the year	Outstanding units at end of year
Series A:					
2023	4,005	805	176	(1,007)	3,979
2022	3,506	707	150	(358)	4,005
Series B:					
2023	617	29	5	(651)	-
2022	1,347	50	13	(793)	617
Series F:					
2023	1,032	146	21	(198)	1,001
2022	932	191	18	(109)	1,032

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4. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of interest rate risk and other price risk. The Fund is not exposed to significant currency risk.

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".

(a) Credit risk:

The majority of the credit risk to which the Fund is exposed is concentrated in debt securities. Credit risk arising from other financial instruments is not considered significant. At December 31, 2023 and 2022, the Fund was invested in debt securities with the following credit quality:

	2023	2022
Rating:		
AAA	2.2%	2.8%
AA	1.4%	2.2%
A	37.1%	36.1%
BBB	56.9%	46.1%
Below BBB	2.4%	-
BB	-	7.4%
B	-	5.4%
Total	100.0%	100.0%

Credit ratings are obtained from Standard & Poor's, Moody's, Fitch and/or Dominion Bond Rating Services. Where one or more rating is obtained for a security, the most common rating has been used.

(b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's derivative liabilities are due within three months of the year-end of the Fund. The Fund's remaining liabilities are due within twelve months of the year-end of the Fund.

(c) Market risk:

(i) Interest rate risk:

The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at December 31:

	2023	2022
	% of total debt securities	% of total debt securities
Term to maturity		
Less than 1 year	0.7%	0.6%
1 to 5 years	39.9%	51.2%
5 to 10 years	51.0%	47.4%
More than 10 years	8.4%	0.8%
Total debt securities	100.0%	100.0%

LEITH WHEELER INCOME ADVANTAGE FUND

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Years ended December 31, 2023 and 2022

4. Financial risk management (continued):

(c) Market risk (continued):

(i) Interest rate risk (continued):

The Manager has determined that a fluctuation in interest rates of 1% is reasonably possible, considering the economic environment in which the Fund operates. As at December 31, 2023 and 2022, had interest rates increased or decreased by 1%, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$1,259,000 and \$1,372,000, respectively. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Other price risk:

For this Fund, the most significant exposure to other price risk arises from its investment in equity securities, both directly and indirectly through holdings in underlying investment funds. As at December 31, 2023 and 2022, 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 \$1,303,000 and \$1,352,000, 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.

December 31, 2023	Level 1	Level 2	Level 3	Total
Bonds and Guarantees	\$ -	\$ 28,340	\$ -	\$ 28,340
Investment Fund	-	28,119	-	28,119
Foreign currency forward contracts	-	3	-	3
Bond Futures	(7)	-	-	(7)
	\$ (7)	\$ 56,462	\$ -	\$ 56,455

LEITH WHEELER INCOME ADVANTAGE FUND

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Years ended December 31, 2023 and 2022

5. Fair value of financial instruments (continued):

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

December 31, 2022	Level 1	Level 2	Level 3	Total
Bonds and Guarantees	\$ -	\$ 29,885	\$ -	\$ 29,885
Equities	136	-	-	136
Investment Fund	-	31,324	-	31,324
Foreign currency forward contracts	-	10	-	10
Bond Futures	3	-	-	3
	\$ 139	\$ 61,219	\$ -	\$ 61,358

During 2023 and 2022, 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. Involvement with structured entities:

The table below describes the types of structured entities that in which the Fund holds an interest.

Entity	Nature and purpose	Interest held by the Fund
Investment Funds	To manage assets on behalf of third party investors and generate fees for the investment manager. These vehicles are financed through the issue of units to Investors.	Investment in units issued by the underlying investment funds.

LEITH WHEELER INCOME ADVANTAGE FUND

Notes to Financial Statements - Fund Specific Information
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Years ended December 31, 2023 and 2022

6. Involvement with structured entities (continued):

The table below sets out interests held by the Fund in structured entities. The maximum exposure to loss is the carrying amount of the investment in the underlying funds held.

December 31, 2023				
		Number of investee funds held	Total net assets of investee funds	Carrying amount included in investments
Investment fund		3	\$ 383,914	\$ 28,119

Underlying Fund	Principal place of business	Country of domicile	Ownership interest	Carrying amount included in investments in statement of financial position
Leith Wheeler Canadian Dividend Fund Series A	Canada	Canada	11.1%	\$ 20,568
Leith Wheeler Multi Credit Fund Series A	Canada	Canada	1.4%	2,051
Leith Wheeler Preferred Share Fund Series A	Canada	Canada	11.9%	5,500

December 31, 2022				
		Number of investee funds held	Total net assets of investee funds	Carrying amount included in investments
Investment fund		3	\$ 397,504	\$ 31,324

Underlying Fund	Principal place of business	Country of domicile	Ownership interest	Carrying amount included in investments in statement of financial position
Leith Wheeler Canadian Dividend Fund Series A	Canada	Canada	11.7%	\$ 21,693
Leith Wheeler Multi Credit Fund Series A	Canada	Canada	2.7%	4,412
Leith Wheeler Preferred Share Fund Series A	Canada	Canada	10.6%	5,219

During 2023 and 2022, the Fund did not provide financial support to this structured entity and has no intention of providing financial or other support. The Fund can redeem its units in the above investment fund at any time, subject to their being sufficient liquidity in the underlying fund.

LEITH WHEELER INCOME ADVANTAGE FUND

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7. Related party transactions:

At December 31, 2023, the Fund owned 1,426,458 Series A units (2022 - 1,606,774) of the Leith Wheeler Canadian Dividend Fund, 233,754 Series A units (2022 - 520,822) of the Leith Wheeler Multi Credit Fund and 681,112 Series A units (2022 - 665,032) of the Leith Wheeler Preferred Share Fund, which are funds under common management.

During the year, the Fund earned approximately \$953,000 in dividend income (2022 - \$1,025,000), \$233,000 in interest income (2022 - \$259,000), nil in other income (2022 - \$107,000), \$426,000 in capital gains (2022 - \$703,000) and \$15,000 in return of capital (2022 - nil) on those investments. No additional management fees are paid by the Fund to the Manager in respect of holding units of this underlying investment pool.

LEITH WHEELER INCOME ADVANTAGE FUND

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

Years ended December 31, 2023 and 2022

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 Core Bond Fund	April 27, 1994
Leith Wheeler Corporate Advantage Fund	May 29, 2015
Leith Wheeler Emerging Markets Equity Fund	May 19, 2017
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 Short Term Income Fund	December 15, 2016
Leith Wheeler U.S. Dividend Fund	September 26, 2016
Leith Wheeler U.S. Equity Fund	April 27, 1994
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. Authorized series of units are as follows: Series A and Series A (CAD Hedged), Series B and Series B (CAD Hedged), Series F and Series F (CAD Hedged) and Series I1.

Series A and Series A (CAD Hedged) units have no management fees. Unitholders of Series A and Series A (CAD Hedged) 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 B and Series B (CAD Hedged) units carry management fees and are available to all investors. Series F, Series F (CAD Hedged) and Series I1 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.

The Leith Wheeler High Yield Bond Fund has Series A, Series A (CAD Hedged), Series B and Series B (CAD Hedged) and Series F and Series F (CAD Hedged) units outstanding. The Leith Wheeler Short Term Income Fund has Series A, Series B, Series F and Series I1 units outstanding. All other remaining Funds have Series A, Series B, and Series F units outstanding. Effective on or about October 18, 2023, Series B units are no longer available. The information provided in these financial statements and notes thereto is for the years ended December 31, 2023 and 2022. In the year a Fund or series is established, “period” represents the period from inception to December 31 of that fiscal year.

LEITH WHEELER INCOME ADVANTAGE FUND

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

Years ended December 31, 2023 and 2022

1. Reporting entities (continued):

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 IFRS Accounting Standards. The financial statements were authorized for issue by the Manager on April 1, 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', with the exception of the Leith Wheeler U.S. Dividend Fund, have their subscriptions, redemptions, price and performance denominated in Canadian dollars, which is their functional and presentation currency. The Leith Wheeler U.S. Dividend Fund has its subscriptions, redemptions, price and performance denominated in U.S. dollars, which is the functional and presentation currency of that respective Fund.

(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.

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.

LEITH WHEELER INCOME ADVANTAGE FUND

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

Years ended December 31, 2023 and 2022

3. Material accounting policy information (continued):

(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
- 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.

LEITH WHEELER INCOME ADVANTAGE FUND

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

Years ended December 31, 2023 and 2022

3. Material accounting policy information (continued):

(a) Financial instruments (continued):

(i) Recognition and measurement (continued):

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.

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.

LEITH WHEELER INCOME ADVANTAGE FUND

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3. Material accounting policy information (continued):

(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.

(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 and capital gains distributions from pooled fund investments are recorded at the distribution date and maintain the same classification. 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.

LEITH WHEELER INCOME ADVANTAGE FUND

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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.

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.

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Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
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6. Financial risk management (continued):

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.

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.

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6. Financial risk management (continued):

(b) Liquidity risk (continued):

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.

(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 contracts to hedge foreign currency exposures.

LEITH WHEELER INCOME ADVANTAGE FUND

Notes to Financial Statements - General Information Related to All Leith Wheeler Investment Funds
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Years ended December 31, 2023 and 2022

6. Financial risk management (continued):

(c) Market risk (continued):

(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.

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.

LEITH WHEELER INCOME ADVANTAGE FUND

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

Years ended December 31, 2023 and 2022

8. Audit fees:

For the year ended December 31, 2023, fees paid or payable to KPMG LLP and its network firms for the audits of the Canadian Reporting Issuer funds within the Leith Wheeler Family of funds were \$136,425 (2022 - \$136,425). Fees for other services were \$10,539 (2022 - \$10,539).