

Interim Financial Statements of (unaudited)

## **LEITH WHEELER CORE BOND FUND**

Six months ended June 30, 2022 and 2021



# LEITH WHEELER CORE BOND FUND

Statements of Financial Position (unaudited)

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

	Note	June 30, 2022	December 31, 2021
<b>Assets</b>			
Cash		\$ 299	\$ 192
Interest receivable		1,684	917
Subscription receivable		-	1
Investments		282,419	189,837
		284,402	190,947
<b>Liabilities</b>			
Management fees payable	1	16	21
Redemptions payable		128	-
		144	21
<b>Net assets</b> attributable to holders of redeemable units		\$ 284,258	\$ 190,926
Represented by:			
Series A		\$ 278,693	\$ 180,490
Series B		5,565	10,436
		\$ 284,258	\$ 190,926
Net assets attributable to holders of redeemable units per unit:			
Series A		\$ 9.47	\$ 10.91
Series B		9.76	11.19

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 CORE BOND FUND

Statements of Comprehensive Income (unaudited)

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

Six months ended June 30, 2022 and 2021

	Note	2022	2021
<b>Revenue:</b>			
Interest income		\$ 3,478	\$ 2,482
Changes in fair value of investments:			
Net realized gain (loss)		(7,884)	(606)
Net change in unrealized appreciation (depreciation)		(25,137)	(7,805)
<b>Total revenue (loss)</b>		<b>(29,543)</b>	<b>(5,929)</b>
<b>Expenses:</b>			
Management fees	1	33	42
Commissions and transaction costs		4	5
GST/HST		2	2
Independent review committee fees		1	1
<b>Total operating expenses</b>		<b>40</b>	<b>50</b>
Management fee distributions	1	-	(2)
Expenses waived or absorbed by Manager		(1)	(1)
<b>Net operating expenses</b>		<b>39</b>	<b>47</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions</b>			
		<b>(29,582)</b>	<b>(5,976)</b>
<b>Distributions to holders of redeemable units:</b>			
From net investment income		(3,636)	(2,644)
Management fee distributions	1	-	(2)
		<b>(3,636)</b>	<b>(2,646)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>			
		<b>\$ (33,218)</b>	<b>\$ (8,622)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>			
Series A		\$ (31,937)	\$ (8,071)
Series B		(1,281)	(551)
		<b>\$ (33,218)</b>	<b>\$ (8,622)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions):</b>			
Series A		\$ (1.21)	\$ (0.35)
Series B		(1.46)	(0.44)

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

# LEITH WHEELER CORE BOND FUND

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

Six months ended June 30, 2022 and 2021

Series A	Note	2022	2021
Balance, beginning of period		\$ 180,490	\$ 174,427
Increase (decrease) in net assets attributable to holders of redeemable units		(31,937)	(8,071)
Redeemable unit transactions:			
Issue of redeemable units		151,132	19,357
Reinvestment of distributions		3,602	2,535
Redemption of redeemable units		(24,594)	(8,081)
Net increase (decrease) from redeemable unit transactions		130,140	13,811
Balance, end of period		\$ 278,693	\$ 180,167

Series B	Note	2022	2021
Balance, beginning of period		\$ 10,436	\$ 12,309
Increase (decrease) in net assets attributable to holders of redeemable units		(1,281)	(551)
Redeemable unit transactions:			
Issue of redeemable units		358	952
Reinvestment of distributions		33	108
Redemption of redeemable units		(3,981)	(1,582)
Net increase (decrease) from redeemable unit transactions		(3,590)	(522)
Balance, end of period		\$ 5,565	\$ 11,236

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

# LEITH WHEELER CORE BOND FUND

Statements of Cash Flows (unaudited)

(Expressed in thousands of dollars)

Six months ended June 30, 2022 and 2021

	Note	2022	2021
Cash provided by (used in):			
Operating activities:			
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (33,218)	\$ (8,622)
Adjustments for:			
Net realized (gain) loss from investments		7,884	606
Net change in unrealized (appreciation) depreciation from investments		25,137	7,805
Amounts due from brokers		-	(637)
Interest income		(3,478)	(2,482)
Amounts due to broker		-	845
Management fees payable		(5)	(3)
Redemptions payable		128	1,098
Subscriptions receivable		1	-
Proceeds from sale of investments		290,476	132,722
Purchases of investments		(416,079)	(147,253)
Interest received		2,711	2,458
		(126,443)	(13,463)
Financing activities:			
Proceeds from issue of redeemable units		151,490	20,309
Reinvestment of distributions		3,635	2,643
Payments on redemption of redeemable units		(28,575)	(9,663)
		126,550	13,289
Net increase (decrease) in cash		107	(174)
Cash, beginning of period		192	194
Cash, end of period		\$ 299	\$ 20

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

# LEITH WHEELER CORE BOND FUND

Schedule of Investment Portfolio (unaudited)  
(Expressed in thousands of dollars)

June 30, 2022

Security	Coupon rate %	Maturity	Par value	Cost	Fair value	% of Net assets
<b>BONDS AND GUARANTEES</b>						
<b>Federal Bonds and Guarantees:</b>						
Canada Housing Trust No 1	1.600	15-Dec-31	\$ 21,069	\$ 18,007	\$ 17,587	
Canada Housing Trust No 1	3.800	15-Jun-27	11,665	11,668	11,843	
Canadian Government Bond	1.250	1-Mar-27	13,417	12,660	12,338	
Canadian Government Bond	1.500	1-Dec-31	7,638	6,699	6,574	
Canadian Government Bond	1.750	1-Dec-53	1,766	1,371	1,277	
Canadian Government Bond	2.000	1-Dec-51	233	195	181	
Canadian Government Bond	2.750	1-Dec-64	867	975	782	
Canadian Government Bond	3.500	1-Dec-45	502	544	525	
Canadian Government Bond	4.000	1-Jun-41	6,431	8,193	7,125	
Canadian Mortgage Pools	0.500	1-Oct-25	887	882	820	
Canadian Mortgage Pools	0.580	15-Dec-25	790	787	730	
Canadian Mortgage Pools	0.940	15-Apr-26	782	777	726	
Canadian Mortgage Pools	0.940	15-Sep-26	400	397	368	
Canadian Mortgage Pools	1.250	1-Mar-25	1,910	1,936	1,822	
Canadian Mortgage Pools	1.790	1-Sep-24	1,280	1,280	1,244	
				66,371	63,942	<b>22.5</b>
<b>Investment Grade Corporate Bonds and Guarantees:</b>						
407 International Inc	2.430	4-May-27	86	84	80	
407 International Inc	2.840	7-Mar-50	952	799	660	
407 International Inc	3.670	8-Mar-49	363	391	298	
407 International Inc	5.960	3-Dec-35	135	190	150	
407 International Inc	6.470	27-Jul-29	1,055	1,312	1,172	
Aeroports De Montreal	3.030	21-Apr-50	1,078	951	781	
AIMCo Realty Investors LP	3.040	1-Jun-28	95	99	88	
AIMCo Realty Investors LP	3.370	1-Jun-27	2,094	2,189	1,993	
Alectra Inc	1.750	11-Feb-31	493	462	397	
AltaGas Ltd	2.080	30-May-28	271	271	229	
AltaGas Ltd	3.980	4-Oct-27	400	403	381	
AltaLink LP	4.920	17-Sep-43	21	25	21	
Arrow Lakes Power	5.520	5-Apr-41	478	491	501	
Bank of Montreal	1.550	28-May-26	500	499	447	
Bank of Montreal	2.700	9-Dec-26	600	593	564	
Bank of Montreal	2.700	11-Sep-24	1,471	1,482	1,434	
Bank of Montreal	2.850	6-Mar-24	4,400	4,429	4,304	
Bank of Montreal	4.310	1-Jun-27	787	787	773	
Bank of Nova Scotia	2.380	1-May-23	5,000	5,056	4,937	
Bank of Nova Scotia	2.490	23-Sep-24	500	494	480	
Bank of Nova Scotia	2.950	8-Mar-27	1,129	1,113	1,046	
Bank of Nova Scotia	3.890	18-Jan-29	2,500	2,509	2,470	
Bank of Nova Scotia	3.930	3-May-32	495	495	468	
BCI QuadReal Realty	1.750	24-Jul-30	303	292	242	
BCI QuadReal Realty	2.550	24-Jun-26	682	668	637	
bciMC Realty Corp	3.000	31-Mar-27	1,802	1,792	1,692	
Bell MTS Inc	4.000	27-May-24	520	555	517	
Bell Telephone Co of Canada or Bell Canada	2.500	14-May-30	774	782	647	
Bell Telephone Co of Canada or Bell Canada	2.900	12-Aug-26	400	411	375	
Bell Telephone Co of Canada or Bell Canada	2.900	10-Sep-29	257	265	225	
Bell Telephone Co of Canada or Bell Canada	3.000	17-Mar-31	1,130	1,080	962	
Bell Telephone Co of Canada or Bell Canada	3.500	30-Sep-50	401	370	282	
Bell Telephone Co of Canada or Bell Canada	3.550	2-Mar-26	560	590	540	
Bell Telephone Co of Canada or Bell Canada	3.600	29-Sep-27	468	478	443	
Bell Telephone Co of Canada or Bell Canada	3.800	21-Aug-28	2,350	2,386	2,219	
Brookfield Infrastructure Finance ULC	3.320	22-Feb-24	128	132	126	
Brookfield Renewable Partners ULC	3.750	2-Jun-25	500	507	490	
Canadian Imperial Bank of Commerce	2.750	7-Mar-25	799	795	764	
Canadian Imperial Bank of Commerce	2.970	11-Jul-23	500	504	496	
Canadian Imperial Bank of Commerce	3.300	26-May-25	919	994	900	
Canadian Imperial Bank of Commerce	2.493	10-Jun-24	1,700	1,697	1,683	

# LEITH WHEELER CORE BOND FUND

Schedule of Investment Portfolio (unaudited)  
(Expressed in thousands of dollars)

June 30, 2022

Security	Coupon rate %	Maturity	Par value	Cost	Fair value	% of Net assets
<b>BONDS AND GUARANTEES (continued)</b>						
<b>Investment Grade Corporate Bonds and Guarantees (continued):</b>						
Canadian National Railway Co	3.000	8-Feb-29	\$ 650	\$ 637	\$ 596	
Canadian National Railway Co	3.200	31-Jul-28	1,230	1,273	1,152	
CU Inc	2.960	7-Sep-49	60	58	43	
CU Inc	3.550	22-Nov-47	1,330	1,304	1,072	
CU Inc	4.720	9-Sep-43	100	115	98	
CU Inc	5.900	20-Nov-34	157	200	171	
Canadian Western Bank	3.860	21-Apr-25	475	475	464	
Cards II Trust	4.330	15-May-25	2,267	2,269	2,260	
Carleton University	3.260	5-Jul-61	43	43	32	
Choice Properties Real Estate Investment Trust	2.850	21-May-27	510	515	463	
Choice Properties Real Estate Investment Trust	3.530	11-Jun-29	889	792	798	
Choice Properties Real Estate Investment Trust	3.550	10-Jan-25	956	960	930	
Choice Properties Real Estate Investment Trust	3.560	9-Sep-24	1,844	1,883	1,802	
Choice Properties Real Estate Investment Trust	4.290	8-Feb-24	2,452	2,586	2,442	
Crombie Real Estate Investment Trust	2.690	31-Mar-28	822	803	714	
Crombie Real Estate Investment Trust	3.130	12-Aug-31	308	289	249	
Crombie Real Estate Investment Trust	3.210	9-Oct-30	118	120	98	
Crombie Real Estate Investment Trust	3.680	26-Aug-26	1,420	1,447	1,344	
Daimler Trucks Finance Canada Inc	2.140	13-Dec-24	892	886	840	
Eagle Credit Card Trust	3.040	17-Jul-23	500	512	495	
Enbridge Gas Inc	2.350	15-Sep-31	658	567	543	
Enbridge Gas Inc	2.500	5-Aug-26	843	834	790	
Enbridge Gas Inc	3.010	9-Aug-49	651	564	464	
Enbridge Gas Inc	3.650	1-Apr-50	170	197	137	
Enbridge Gas Inc	4.950	22-Nov-50	109	139	109	
Energir LP	3.040	9-Feb-32	715	705	627	
Federation des Caisses Desjardins du Quebec	4.410	19-May-27	503	503	496	
FortisBC Energy Inc	3.380	13-Apr-45	1,169	1,110	938	
FortisBC Energy Inc	5.800	13-May-38	505	627	555	
Glacier Credit Card Trust	3.140	20-Sep-23	1,354	1,375	1,339	
Greater Toronto Airports Authority	1.540	3-May-28	532	533	457	
Greater Toronto Airports Authority	2.730	3-Apr-29	1,609	1,604	1,454	
Greater Toronto Airports Authority	6.450	3-Dec-27	655	758	714	
Greater Toronto Airports Authority	7.050	12-Jun-30	362	508	416	
Great-West Lifeco Inc	3.340	28-Feb-28	655	670	612	
Hospital for Sick Children	5.220	16-Dec-49	63	86	69	
Hydro One Inc	3.020	5-Apr-29	1,160	1,201	1,069	
Hydro One Inc	3.630	25-Jun-49	1,498	1,498	1,229	
Hydro One Inc	3.720	18-Nov-47	202	201	169	
IGM Financial Inc	3.440	26-Jan-27	1,500	1,505	1,427	
Institutional Mortgage Securities Canada Inc	2.340	12-Feb-25	453	452	441	
Intact Financial Corp	2.180	18-May-28	1,367	1,316	1,192	
Ivanhoe Cambridge II Inc	2.910	27-Jun-23	1,300	1,302	1,287	
Lower Mattagami Energy LP	2.430	14-May-31	961	961	816	
Manufacturers Life Insurance Co	3.180	22-Nov-27	2,500	2,554	2,497	
Manulife Financial Corp	2.820	13-May-35	100	84	84	
Manulife Financial Corp	3.050	20-Aug-29	754	750	730	
Mcmaster University	3.400	17-Jun-71	40	40	30	
National Bank of Canada	1.530	15-Jun-26	1,307	1,257	1,164	
National Bank of Canada	2.980	4-Mar-24	500	523	490	
North West Redwater Partnership / NWR Financing Co Ltd	1.200	1-Dec-23	3,336	3,294	3,207	
North West Redwater Partnership / NWR Financing Co Ltd	2.800	1-Jun-27	1,413	1,372	1,307	
North West Redwater Partnership / NWR Financing Co Ltd	3.200	24-Apr-26	1,356	1,388	1,300	
North West Redwater Partnership / NWR Financing Co Ltd	3.200	22-Jul-24	42	44	41	
North West Redwater Partnership / NWR Financing Co Ltd	3.650	1-Jun-35	416	406	355	
North West Redwater Partnership / NWR Financing Co Ltd	4.050	22-Jul-44	309	298	260	

# LEITH WHEELER CORE BOND FUND

Schedule of Investment Portfolio (unaudited)

(Expressed in thousands of dollars)

June 30, 2022

Security	Coupon rate %	Maturity	Par value	Cost	Fair value	% of Net assets
<b>BONDS AND GUARANTEES (continued)</b>						
<b>Investment Grade Corporate Bonds and Guarantees (continued):</b>						
Northern Courier Pipeline LP	3.360	30-Jun-42	\$ 451	\$ 428	\$ 394	
OMERS Finance Trust	2.600	14-May-29	466	472	427	
Ontario Power Generation Inc	1.170	22-Apr-26	463	449	413	
Ontario Power Generation Inc	2.950	21-Feb-51	461	388	315	
Ontario Power Generation Inc	3.840	22-Jun-48	118	132	97	
Ontario School Boards Financing Corp	5.380	25-Jun-32	408	477	431	
Pembina Pipeline Corp	4.020	27-Mar-28	1,401	1,477	1,326	
Pembina Pipeline Corp	4.240	15-Jun-27	2,533	2,683	2,450	
Pembina Pipeline Corp	4.740	21-Jan-47	630	594	516	
Plenary Properties LTAP LP	6.290	31-Jan-44	738	849	812	
Prime Structured Mortgage Trust	1.860	15-Nov-24	750	750	708	
Prime Structured Mortgage Trust	1.970	15-Feb-23	3,000	3,006	2,967	
Real Estate Asset Liquidity Trust	2.400	12-Jan-30	313	295	282	
Rogers Communications Inc	3.650	31-Mar-27	227	226	216	
Rogers Communications Inc	4.250	15-Apr-32	627	579	576	
Royal Bank of Canada	1.590	4-May-26	1,266	1,222	1,136	
Royal Bank of Canada	2.330	5-Dec-23	900	892	881	
Royal Bank of Canada	2.350	2-Jul-24	298	296	287	
Royal Bank of Canada	2.610	1-Nov-24	1,000	1,014	962	
Royal Bank of Canada	3.300	26-Sep-23	2,250	2,317	2,228	
Royal Bank of Canada	3.370	29-Sep-25	1,306	1,306	1,263	
Royal Bank of Canada	4.930	16-Jul-25	1,100	1,236	1,127	
Ryerson University	3.540	4-May-61	60	60	46	
Saputo Inc	3.600	14-Aug-25	737	741	714	
Shaw Communications Inc	3.300	10-Dec-29	1,075	1,042	950	
Shaw Communications Inc	3.800	1-Mar-27	482	490	460	
Shaw Communications Inc	4.350	31-Jan-24	151	161	151	
Sun Life Assurance Co of Canada	6.300	15-May-28	300	342	322	
Sun Life Financial Inc	3.050	19-Sep-28	3,193	3,302	3,138	
Suncor Energy Inc	3.100	24-May-29	625	626	557	
Suncor Energy Inc	5.000	9-Apr-30	400	428	396	
TELUS Corp	2.850	13-Nov-31	839	766	693	
TELUS Corp	3.620	1-Mar-28	995	992	936	
TELUS Corp	3.750	10-Mar-26	287	291	279	
TELUS Corp	5.150	26-Nov-43	428	472	395	
Toromont Industries Ltd	3.840	27-Oct-27	1,138	1,146	1,095	
Toronto Hydro Corp	2.430	11-Dec-29	674	660	595	
Toronto-Dominion Bank	1.130	9-Dec-25	1,910	1,840	1,707	
Toronto-Dominion Bank	1.910	18-Jul-23	2,000	2,047	1,962	
Toronto-Dominion Bank	1.940	13-Mar-25	4,500	4,424	4,217	
Toronto-Dominion Bank	2.260	7-Jan-27	810	797	732	
Toronto-Dominion Bank	2.670	9-Sep-25	1,564	1,553	1,481	
Toronto-Dominion Bank	2.850	8-Mar-24	1,825	1,890	1,785	
Toronto-Dominion Bank	3.230	24-Jul-24	470	469	464	
Toronto-Dominion Bank	4.210	1-Jun-27	2,504	2,503	2,451	
Toronto-Dominion Bank	4.860	4-Mar-31	500	528	497	
Toyota Credit Canada Inc	3.040	12-Jul-23	549	552	544	
TransCanada PipeLines Ltd	3.800	5-Apr-27	721	738	690	
TransCanada PipeLines Ltd	4.180	3-Jul-48	2,167	2,022	1,675	
TransCanada PipeLines Ltd	4.330	16-Sep-47	425	432	338	
TransCanada PipeLines Ltd	4.350	6-Jun-46	328	330	263	
TriSummit Utilities Inc	4.260	5-Dec-28	309	317	298	
University of Ontario Institute of Technology	6.350	15-Oct-34	822	884	873	
Vancouver Airport Authority	2.800	21-Sep-50	365	314	257	
Vancouver Airport Fuel Facilities Corp	2.170	23-Jun-25	455	455	425	
Ventas Canada Finance Ltd	2.450	4-Jan-27	362	332	327	
				142,849	133,319	<b>46.9</b>

# LEITH WHEELER CORE BOND FUND

Schedule of Investment Portfolio (unaudited)

(Expressed in thousands of dollars)

June 30, 2022

Security	Coupon rate %	Maturity	Par value	Cost	Fair value	% of Net assets
<b>BONDS AND GUARANTEES (continued)</b>						
<b>Maples:</b>						
Bank of America Corp	2.930	25-Apr-25	\$ 1,552	\$ 1,552	\$ 1,510	
Wells Fargo & Co	2.510	27-Oct-23	824	823	805	
				2,375	2,315	<b>0.8</b>
<b>Provincial/Municipal Bonds and Guarantees:</b>						
City of Greater Sudbury	3.460	15-Mar-47	577	563	478	
City of Montreal	1.750	1-Sep-30	229	220	192	
City of Montreal	2.000	1-Sep-31	2,788	2,496	2,336	
City of Montreal	3.000	1-Sep-27	1,727	1,755	1,668	
City of Montreal	4.250	1-Dec-32	1,578	1,736	1,581	
City of Toronto	2.150	25-Aug-40	1,124	987	799	
City of Toronto	2.850	23-Nov-41	124	117	98	
City of Toronto	4.700	10-Jun-41	168	224	172	
First Nations Finance Authority	1.710	16-Jun-30	3,199	3,049	2,705	
First Nations Finance Authority	2.850	1-Jun-32	279	279	251	
First Nations Finance Authority	3.050	1-Jun-28	661	675	636	
Fair Hydro Trust	3.360	15-May-33	1,204	1,203	1,098	
Fair Hydro Trust	3.520	15-May-38	291	291	258	
Hydro-Quebec	2.100	15-Feb-60	3,991	3,089	2,437	
Hydro-Quebec	4.000	15-Feb-55	1,712	1,936	1,661	
Hydro-Quebec	6.500	15-Feb-35	1,627	2,357	2,002	
Ontario Electricity Financial Corp	8.500	26-May-25	1,175	1,454	1,333	
Ontario Electricity Financial Corp	9.000	26-May-25	1,175	1,473	1,349	
Ontario Province Interest Package Bonds	1.300	2-Jun-34	608	527	444	
Ontario Teachers' Finance Trust	1.100	19-Oct-27	1,406	1,347	1,226	
Province of Alberta	4.500	1-Dec-40	469	552	487	
Province of Alberta	3.050	1-Dec-48	2,408	2,356	1,981	
Province of Alberta	3.100	1-Jun-50	1,056	1,085	876	
Province of Alberta	2.950	1-Jun-52	315	307	253	
Province of Manitoba	2.050	2-Jun-31	540	495	461	
Province of Manitoba	5.700	5-Mar-37	1,306	1,764	1,506	
Province of Manitoba	4.650	5-Mar-40	2,106	2,434	2,187	
Province of Manitoba	4.100	5-Mar-41	2,742	3,213	2,661	
Province of Manitoba	4.050	5-Sep-45	533	580	511	
Province of Manitoba	3.400	5-Sep-48	1,663	1,674	1,426	
Province of Manitoba	2.050	5-Sep-52	1,858	1,489	1,164	
Province of Manitoba	3.800	5-Sep-53	49	47	45	
Province of New Brunswick	4.550	26-Mar-37	904	1,077	929	
Province of New Brunswick	3.050	14-Aug-50	605	604	483	
Province of New Brunswick	3.550	3-Jun-65	201	228	172	
Province of Newfoundland and Labrador	1.750	2-Jun-30	2,474	2,447	2,091	
Province of Newfoundland and Labrador	2.050	2-Jun-31	4,142	3,727	3,504	
Province of Nova Scotia	2.400	1-Dec-31	2,234	2,027	1,950	
Province of Nova Scotia	4.700	1-Jun-41	393	483	413	
Province of Nova Scotia	3.150	1-Dec-51	1,302	1,349	1,060	
Province of Ontario	2.250	2-Dec-31	1,902	1,764	1,643	
Province of Ontario	3.750	2-Jun-32	1,162	1,158	1,136	
Province of Ontario	5.600	2-Jun-35	4,634	5,727	5,288	
Province of Ontario	4.600	2-Jun-39	794	809	828	
Province of Ontario	3.450	2-Jun-45	5,692	5,815	5,028	
Province of Ontario	2.900	2-Dec-46	320	331	255	
Province of Ontario	2.800	2-Jun-48	808	616	628	
Province of Ontario	2.900	2-Jun-49	6,180	6,043	4,879	
Province of Ontario	1.900	2-Dec-51	2,163	1,441	1,331	
Province of Ontario	2.550	2-Dec-52	1,613	1,475	1,165	
Province of Ontario	3.750	2-Dec-53	360	342	334	
Province of Ontario Generic Coupon Strip	-	2-Dec-34	2,193	1,532	1,302	
Province of Prince Edward Island	3.600	17-Jan-53	249	323	217	
Province of Quebec	2.850	1-Dec-53	3,200	2,649	2,482	

# LEITH WHEELER CORE BOND FUND

Schedule of Investment Portfolio (unaudited)

(Expressed in thousands of dollars)

June 30, 2022

Security	Coupon rate %	Maturity	Par value	Cost	Fair value	% of Net assets
<b>BONDS AND GUARANTEES (continued)</b>						
<b>Provincial/Municipal Bonds and Guarantees (continued):</b>						
Province of Saskatchewan	2.800	2-Dec-52	\$ 2,756	\$ 2,507	\$ 2,106	
Province of Saskatchewan	3.100	2-Jun-50	1,074	1,150	879	
Province of Saskatchewan	3.300	2-Jun-48	3,207	3,200	2,739	
Province of Saskatchewan	3.900	2-Jun-45	314	373	298	
Province of Saskatchewan	4.750	1-Jun-40	1,302	1,562	1,382	
Province of Saskatchewan	5.800	5-Sep-33	399	473	459	
Quebec Province Interest Package Bonds	2.300	1-Apr-35	721	688	585	
				93,694	81,848	<b>28.8</b>
<b>TOTAL BONDS AND GUARANTEES</b>				<b>\$ 305,288</b>	<b>\$ 281,424</b>	<b>99.0</b>
<b>MONEY MARKET SECURITIES</b>				<b>995</b>	<b>995</b>	<b>0.4</b>
<b>TOTAL INVESTMENT PORTFOLIO</b>				<b>\$ 306,283</b>	<b>\$ 282,419</b>	<b>99.4</b>
<b>OTHER ASSETS LESS LIABILITIES</b>					<b>1,839</b>	<b>0.6</b>
<b>NET ASSETS</b>					<b>\$ 284,258</b>	<b>100.0</b>

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

# LEITH WHEELER CORE BOND FUND

Notes to Financial Statements - Fund Specific Information (unaudited)

(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2022 and 2021

The Fund Specific Information for the Leith Wheeler Core Bond 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 fees in respect of Series B are calculated at a maximum of 0.75% per annum, before GST/HST, of the daily Net Asset Value of Series B. Management fee distributions for the period ended June 30, 2022 were approximately nil (2021 - \$2,000). No management fees were paid with respect to Series A units.

## 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, 2021 - between 0% and 35%).

The Fund has capital losses of \$1,373,000 (December 31, 2021 - \$ 1,373,000) available for utilization against capital gains in future years. The Fund has non-capital losses of nil (December 31, 2021 - 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, 2022 and 2021, 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:					
2022	16,545	14,890	370	(2,383)	29,422
2021	15,236	1,767	233	(740)	16,496
Series B:					
2022	933	34	3	(400)	570
2021	1,049	86	10	(141)	1,004

## 4. Financial risk management:

The investment objective of the Fund is to provide a stable and attractive total return through investment in Canadian fixed income securities. The Fund will invest in government and high-grade corporate bonds, with a varying mix between short term, medium term and longer term maturities depending on the assessment of interest rate trends and prospective returns. The Fund is not exposed to significant currency risk or other price 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". Financial risks applicable to the Fund are discussed in more detail below.

# LEITH WHEELER CORE BOND FUND

Notes to Financial Statements - Fund Specific Information (unaudited)

(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2022 and 2021

## 4. Financial risk management (continued):

### (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 June 30, 2022 and December 31, 2021, the Fund was invested in debt securities with the following credit quality:

	June 30, 2022	December 31, 2021
<b>Rating:</b>		
AAA	25.6%	18.2%
AA	27.3%	35.3%
A	34.9%	32.1%
BBB	12.2%	14.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

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 remaining liabilities are due within twelve months of the period 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:

	June 30, 2022	December 31, 2021
Term to maturity	% of total debt securities	% of total debt securities
Less than 1 year	4.1%	9.8%
1 - 5 years	40.7%	32.7%
5 - 10 years	25.3%	23.3%
> 10 years	29.9%	34.2%
<b>Total debt securities</b>	<b>100.0%</b>	<b>100.0%</b>

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 June 30, 2022 and December 31, 2021, 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 \$20,968,000 and \$15,730,000, respectively. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

# LEITH WHEELER CORE BOND FUND

Notes to Financial Statements - Fund Specific Information (unaudited)

(Tabular amounts expressed in thousands of dollars)

Six months ended June 30, 2022 and 2021

## 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.

<b>June 30, 2022</b>	Level 1	Level 2	Level 3	Total
Short Term Notes	\$ -	\$ 995	\$ -	\$ 995
Bonds (including Mortgage Backed Securities)	-	281,424	-	281,424
	\$ -	\$ 282,419	\$ -	\$ 282,419

<b>December 31, 2021</b>	Level 1	Level 2	Level 3	Total
Short Term Notes	\$ -	\$ -	\$ -	\$ -
Bonds (including Mortgage Backed Securities)	-	189,837	-	189,837
	\$ -	\$ 189,837	\$ -	\$ 189,837

During the period, there were no transfers of financial instruments between the three levels (2021 - nil).

# LEITH WHEELER CORE BOND 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, 2022 and 2021

## 1. Reporting entity:

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. Currently 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), Series FP1 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), Series FP1 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 U.S. Dividend Fund has Series A, Series B and Series F units outstanding. The Leith Wheeler Short Term Income Fund has Series A, Series B, Series F and Series I1 units outstanding. The Leith Wheeler Balanced Fund, Leith Wheeler Canadian Dividend Fund, Leith Wheeler Carbon Constrained Canadian Equity Fund, Leith Wheeler Corporate Advantage Fund, Leith Wheeler Emerging Markets Equity Fund, Leith Wheeler Income Advantage Fund, Leith Wheeler International Equity Plus Fund, Leith Wheeler Multi Credit Fund, Leith Wheeler Preferred Share Fund, Leith Wheeler U.S. Equity Fund and Leith Wheeler U.S. Small/Mid-Cap Equity Fund have Series A, Series B and Series F units outstanding. All other remaining Funds have Series A and Series B units outstanding.

# LEITH WHEELER CORE BOND 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, 2022 and 2021

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## 1. Reporting entity (continued):

The information provided in these financial statements and notes thereto is for the periods ended June 30, 2022 and 2021. In the period a Fund or series is established, "period" represents the time 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") as issued by the International Accounting Standards Board ("IASB"). 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 26, 2022.

### (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 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.

# LEITH WHEELER CORE BOND 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, 2022 and 2021

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### 3. Significant accounting policies:

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

(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 Fund becomes a party to the contractual provisions of the instrument. The Fund derecognizes 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 Fund has 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 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 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 CORE BOND 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, 2022 and 2021

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### 3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(i) Recognition and measurement (continued):

The Fund has 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 and loss:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statements 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 Fund uses 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 Fund's 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.

# LEITH WHEELER CORE BOND 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, 2022 and 2021

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### 3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(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 Fund classifies cash, dividends receivable, interest receivable, subscriptions receivable, balances due from brokers, daily variation margins, other receivables, bank indebtedness, management fees payable, performance fees payable, redemptions payable, balances due to brokers and other accrued liabilities 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.

(d) Foreign exchange:

The financial statements of the Funds are denominated in Canadian dollars, with the exception of the Leith Wheeler U.S. Dividend Fund, which is denominated in U.S. dollars. 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.

# LEITH WHEELER CORE BOND 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, 2022 and 2021

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### 3. Significant accounting policies (continued):

(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

(g) New standards and interpretations not yet adopted:

The Manager has determined there are no material implications to the Funds' financial statements arising from IFRS issued but not yet effective.

### 4. Related party transactions:

(a) Management fees:

The Manager is paid a management fee by the Funds, calculated daily and paid quarterly, 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 Fund 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 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.

# LEITH WHEELER CORE BOND 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, 2022 and 2021

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## 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.

On March 11, 2020, the emergence and rapid spread of the coronavirus disease 2019 ("COVID-19") was officially declared a pandemic by the World Health Organization. As a result, there has been significant volatility in equity prices, interest rates, bond yields, and foreign exchange rates, which have impacted the market value of the net assets of the Fund(s). The effect of COVID-19 remains an emerging and rapidly evolving issue, leading to a high degree of volatility and uncertainty that will likely impact worldwide financial markets beyond 2020.

In February 2022, events concerning Russia and Ukraine resulted in sanctions being levied against Russian interests by numerous countries. As a result of this ongoing situation, the price and liquidity of securities of issuers connected to Russia have declined significantly. The duration and extent of the impact of this situation remain unclear at this time. As at December 31, 2021, Leith Wheeler Emerging Markets Equity Fund had direct exposure to Russian securities, which represented 2.9% of the net asset value of the fund. These securities have subsequently been written down to nil due to the inability to trade them. The Manager is actively monitoring the situation.

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 CORE BOND 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, 2022 and 2021

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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 Fund, 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 Fund. 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 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.

# LEITH WHEELER CORE BOND 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, 2022 and 2021

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## 6. Financial risk management (continued):

### (c) Market risk (continued):

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 a Fund, 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 a Fund's 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.

#### (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 CORE BOND 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, 2022 and 2021

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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.

The Funds' equity and futures positions are classified as Level 1 when the security is actively traded and a reliable quoted market price is observable.

Investments in securities of another investment fund are classified as Level 1 when the investment fund is actively traded and a reliable price is observable.

Bonds and other debt securities are valued based on a matrix pricing process using multiple dealer quotations or alternative pricing sources supported by observable inputs and are classified within Level 2.

Forward foreign currency contracts are valued using present value techniques and market observable input data and accordingly are classified as Level 2.

Short-term investments and money market securities are classified as Level 2 as these instruments are valued at amortized cost, which approximates their fair value.

The Funds' net assets attributable to holders of redeemable units are classified as Level 2 since the carrying amount approximates fair value as the units are measured at the redemption amount.

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.

# LEITH WHEELER CORE BOND 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, 2022 and 2021

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## 7. Fair value of financial instruments (continued):

### (b) Financial instruments not measured at fair value:

The carrying value of cash, subscriptions receivable, amounts due from brokers, interest and dividends receivable, redemptions payable, amounts due to or from brokers, management fees payable, due to Manager, accounts payable, 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.