Leith Wheeler INVESTMENT FUNDS LTD. | Quiet Money®

Leith Wheeler Investment Funds
Quarterly Review – March 31, 2020

	MER %	3 Mo %	1 Yr %	3 Yrs %	5 Yrs %	10 Yrs %
LW Canadian Equity Fund	1.49	-23.1	-19.1	-5.2	0.8	4.3
LW Canadian Dividend Fund	1.51	-26.3	-21.6	-6.8	-0.5	n/a
LW Carbon Constrained Cdn Equity Fund	1.47	-19.5	-14.0	n/a	n/a	n/a
LW US Equity Fund (C$)	1.32	-26.4	-20.4	-4.1	1.1	7.6
LW US Dividend Fund (USD)	1.34	-30.1	-22.5	-5.7	n/a	n/a
LW US Small /Mid-Cap Fund (C$)	1.31	-25.0	-16.4	-1.3	n/a	n/a
LW International Equity Plus Fund (C$)	1.49	-16.6	-17.0	-3.8	-0.2	2.4
LW Emerging Markets Fund (C$)	1.63	-27.3	-25.1	n/a	n/a	n/a
LW Balanced Fund	1.17	-13.8	-10.2	-1.3	1.3	4.8
LW Income Advantage Fund**	0.85	-14.7	-11.2	-2.7	0.6	n/a
LW Core Bond Fund	0.79	0.8	3.4	2.9	2.0	3.8
LW Corporate Advantage Fund	0.79	-6.9	-4.5	-0.6	0.8	n/a
LW High Yield Bond Fund	0.87	-6.6	-4.3	1.4	n/a	n/a
LW High Yield Bond Fund (C$ Hedged)	0.87	-16.1	-12.1	-2.1	n/a	n/a
LW Multi Credit Fund	1.00	-16.3	-12.4	n/a	n/a	n/a
LW Preferred Share Fund	1.01	-26.7	-25.5	n/a	n/a	n/a
LW Short Term Income Fund***	0.37	0.2	1.7	n/a	n/a	n/a
LW Money Market Fund****	0.32	0.4	1.5	1.2	0.8	0.6
Peer Comparison*	**Median %**	**3 Mo %**	**1 Yr %**	**3 Yrs %**	**5 Yrs %**	**10 Yrs %**
Median Canadian Equity Fund	2.03	-19.2	-13.6	-2.8	-0.3	3.6
Median Dividend & Income Equity Fund	1.99	-19.9	-14.3	-2.7	0.4	4.1
Median US Equity Fund (C$)	1.95	-15.0	-6.6	3.0	4.4	10.1
Median International Equity Fund (C$)	1.99	-16.6	-9.9	-1.0	0.4	4.1
Median Global Equity Balanced Fund	2.26	-13.0	-7.7	-0.1	1.4	4.6
Median Cdn Fixed Income Balanced Fund	1.94	-5.5	-2.2	0.7	1.0	3.2
Median Fixed Income Fund	1.29	0.2	2.3	2.1	1.3	2.9
Median High Yield Fixed Income	1.35	-10.2	-6.3	-0.7	0.8	3.6
Median Money Market Fund	0.77	0.3	1.1	0.9	0.5	0.5

*Note: Returns reflect changes in unit value and distributions reinvested. Fund performance numbers are after Management Expense Ratios (MERs). They do not take into account, however, charges or commissions that an external broker may charge for purchasing/redeeming the mutual funds which would have reduced returns. Past returns do not necessarily indicate future performance. Returns are Compound Annual Returns for the periods ending March 31, 2020 with the exception of the 3 Month return.*Source: Fund Data. **Management fee on which the MER is based temporarily reduced from 1.00% to 0.80% per annum as long as the annualized yield on the Fund at quarter end is less than 4.50%.*** temporarily reduced from 0.65% at the discretion of Leith Wheeler based on current short-term yields **** temporarily reduced from 0.60% at the discretion of Leith Wheeler based on current short term yields*

Just three months ago, when we wrote to you on the outlook for your portfolio going into 2020, we felt that valuations were reasonable, given low interest rates and a calming of trade wars, but we knew that valuations were not cheap. We maintained a neutral asset mix positioning in our Balanced Fund, having reduced our overweight to equities earlier in 2019 as we became more cautious. We also highlighted that the companies we hold would weather any future economic storm and noted these were inevitable, although we could not predict when. Little did we know that in incredibly short order, we would be dealing with the most dramatic event in our lifetimes. It is not an exaggeration to label the first quarter of 2020 a “1 in 100-year” event.

Equity markets responded swiftly to the Coronavirus spread, falling from their recent highs in February and entering bear market territory with astonishing speed. This was exacerbated by the over 66% decline in oil prices due to Saudi Arabia and Russia production increases. This was a double whammy for value investors, as energy stocks as a group were more represented in value indices heading into this year.

Canadian, US and international equity indices all ended the first quarter down in the range of 20% in local currency. The depreciation of the Canadian dollar due to the decline in oil prices, provided a boost to global equity returns, with the S&P 500 down 12.2% and the MSCI EAFE down 15.7% in Canadian dollar terms.

Not surprisingly, the more economically sensitive industries have been among the hardest hit – Energy, Materials, Financials, and Consumer Discretionary businesses sold off significantly. Companies in more “expensive but defensive” industries of traditional Utilities, Gold, and Consumer Staples fared better in this environment, as well as the Technology sector. With very low interest rates and high valuations heading into 2020, these sectors were not attractive in our view. As it turned out, when fear set in, rates dropped even further. Given our positioning going into the quarter, with more exposure to the less expensive cyclical sectors, our equity portfolios underperformed their respective equity benchmarks.

Fixed income markets were close to flat over the quarter, as the gains from falling government bond yields were offset by widening corporate and provincial bond spreads. For balanced portfolios, bond returns were still a welcome offset to the declines in equity markets.

For many areas, it has felt as though valuations didn’t matter with fear driving market actions and cash being raised from all markets, equity and fixed income alike. This flight to liquidity impacted all equity managers. Market sentiment in March was somewhat similar to the fourth quarter of 2018, although it was much more extreme. Fear-driven investments such as gold, bonds, utilities and the US dollar outperformed, while riskier sectors underperformed by wide margins. This can create a narrow set of winners in the short term.

What have we been doing in our Funds?

Across our equity funds, we buy quality businesses with good balance sheets at a low valuation that we feel does not reflect the prospects for that business given its risks. The starting point is to ensure that the business has the financial strength to weather a prolonged economic downturn. In periods like this, it creates opportunities to find companies where the stock price has more pessimism embedded than we feel is warranted. Having said that, we are stress testing scenarios which could not have been contemplated, and are making modest adjustments to the funds as we consider relative values across the companies we own, and new names we want to buy. Throughout March we added to our equity weight in our Balanced Fund once markets had fallen significantly.

In our fixed income funds, with corporate and provincial bond credit spreads now at significantly more attractive valuations, we have been taking this opportunity to add to corporate bonds.

With the decline in equity markets, we have leaned a little towards becoming more aggressive and we added to equities in balanced accounts during the quarter.

When will the more value-oriented sectors rebound and beat the broad markets?

Our expectation is that the value in our holdings will be recognized once the markets return to focusing on fundamentals rather than short-term fears. A similar comparison can be made in the 2009 to 2013 period, coming out of the Global Financial Crisis. This was a very successful period for our equity strategies. Another recent example would be 2016, when we rebounded off a very weak 2015, a year when commodity prices collapsed, and cyclical sectors underperformed.

Valuation spreads between Growth and Value are now at historical extremes, particularly in global equity markets. We cannot predict when these spreads will contract but history shows that they will and will offer a great return opportunity for our clients.

The response from governments, including central banks, has been unprecedented. Both monetary and fiscal policy announcements have been significant, with the US’s planned fiscal measure equaling a 10% boost to regular GDP with more possibly on the way. These measures should provide a significant offset to the coming recession. With government stimulus bringing much needed support, and the possibility of medical solutions, we believe that the

market will rebound from whatever low it reaches. When that occurs, we expect cyclical sectors will recover more sharply from their now cheaper levels. This bodes well for our portfolio. In addition, with low interest rates and cheap debt, strong balance sheets have not been rewarded for several years. At some point there will be a flight to quality, which is when our funds will display their resilience.

When will the markets recover?

The near-term outlook for equities is always subject to a wide range of outcomes – a funnel of doubt – and we buy companies with a three to five-year view. In this case, uncertainty is high over the near term. Returns will be affected by many things, including (not exhaustively) the effects of monetary and fiscal stimulus on the markets, any medical breakthroughs via medicines or vaccines, and the slowdown of new COVID-19 cases or re-emergence of cases.

We know that we are experiencing a significant shock to economic activity, but it is not a permanent one. Our focus is on owning companies that will be able to weather the tough period. Indeed, some companies get stronger through a period like this as they can acquire assets at attractive prices.

Eventually, things will get back to normal. While it is not "business as usual" in our daily personal lives, it is very much business as usual for our investment process and our team at Leith Wheeler, who are connected daily and working normally.

We have gone through bear markets and experienced challenging periods before. We are staying focused on our process and what we do best, delivering for our clients over the long term. We made it through difficult periods before. Today is no different – we believe our funds are well positioned to weather the current crisis and perform in the long term.

Canadian Equity Fund

The S&P/TSX Composite (TSX) declined 20.9%, turning in its worst quarterly performance since 2008. Among the worst performing areas were the more cyclically oriented sectors including Energy (-37.2%) and Consumer Discretionary (-32.8%). All 11 sectors declined, but more defensive sectors fared relatively better, including Utilities (-5.2%), Communications (-8.1%), and Consumer Staples (-9.3%). Information Technology (-3.7%) was helped by the continued strength in Shopify (+14.2%).

The downturn in cyclical stocks over the quarter, resulted in the underperformance of the Canadian Equity Fund relative to the TSX. The Canadian Equity Fund declined 23.1% after fees and expenses during the quarter. Relative results were also impacted by a lack of gold stocks (-10.7%), which held up better as investors sought out their perceived safety. We have not owned gold companies due to their expensive valuations and poor record of capital allocation. Similarly, not owning Shopify was a relative detractor, but it is an expensive growth stock we continue to choose not to hold. Overall, our sector weights were a positive including no exposure to Health Care (-37.1%), and an overweight in Information Technology.

In Energy, our underweight versus the TSX has been a positive this year as it has been the worst performing sector with the 66% drop in oil prices over the quarter. Our holdings have not been immune to the significant price decline. Our smaller positions with more exposure to oil and liquids production have been hurt the most –NuVista Energy (-84.8%), and Cardinal Energy (-82.5%). Ultimately, we expect oil prices will move higher from current levels as some higher cost US production declines. In January, we reduced our exposure to oil companies modestly with a trim of Canadian Natural Resources. More recently, we have added a small amount to our holdings of natural gas producer Tourmaline. At this stage, we continue to see attractive value in the sector but are closely monitoring the dynamic situation.

Individual businesses will be impacted differently depending on the extent and duration of the economic slowdown. We remain focused on our process of investing in quality businesses, with good balance sheets and management teams, that will be profitable over the long term. Having said that, we are facing scenarios that were not contemplated a few months ago. We have conducted additional stress testing on the companies we own to ensure, as much as possible, that our companies have the financial flexibility to be able to navigate the weaker economic environment in the near term, and that their business model remains successful in the long term.

We have added modestly to a number of companies in the Fund on recent price weakness – where current low valuations more than price in the current risks. For example, we added to Financials, including Royal Bank, Manulife, and a new position in Bank of Montreal. Similarly, we added to Brookfield Infrastructure as the company traded at one

of the lowest valuations in its history. The company has a strong track record of making attractive acquisitions in distressed markets and should be able to take advantage in this environment.

Our experience tells us that markets do eventually recover. We have been through other challenging periods in our history and our clients' portfolios outperformed in the years that followed. Today is no different, when the recovery takes place we expect the Canadian Equity Fund will benefit.

Canadian Dividend Fund

Similar to the Canadian Equity Fund, the Canadian Dividend Fund lagged the TSX during the first quarter, declining 26.3% after fees and expenses.

We have added three new companies to the portfolio on recent price weakness – Stella Jones, NFI Group, and Bank of Montreal – where current low valuations more than price in the current risks.

Carbon Constrained Canadian Equity Fund

As Energy prices were under severe pressure in the first quarter, the Carbon Constrained Canadian Equity Fund performed better than our Canadian Equity Fund, declining 19.5% after fees and expenses during the quarter.

US Equity Fund

The negative market reaction to the COVID-19 was sharp and swift. The S&P 500 Index lost one-third of its market value over a four-week period with value stocks suffering even further losses. While the world continues to seek a medical solution to the virus, central banks and governments across the globe have announced a number of financial countermeasures, with the goal of alleviating some of the damage caused by the ongoing shutdown of economic activity.

The US Equity Fund declined 26.4% after fees and expenses in the first quarter of 2020, underperforming the S&P 500 Index, which returned -12.2%. The market decline was not only the fastest on record but also atypical in many important respects. Our performance during the market decline (so far) has not lived up to your, or our, expectation to provide downside protection, by declining less than the overall market. While the US Equity Fund had the same "value" characteristics as always, the rapid market decline did not follow the historical pattern of the cheapest stocks holding up better than the most expensive stocks. In fact, the reverse was true, growth stocks massively outperformed value stocks — pushing the valuation disparity between the two to multi-decade extremes. The level of fear and swiftness of the global economic shutdown caused investors to cling more closely to what had already worked (e.g. technology stocks).

In recent years, valuations for defensive and technology stocks have drifted to historically high levels, areas which as value managers, we have generally avoided. By seeking out the cheaper areas of the market, the Fund has a modest pro-cyclical tilt, which benefits from a stable-to improving economic cycle. In this extraordinary pandemic situation, certain stocks and sectors, such as Energy and Consumer Discretionary, have been disproportionately and severely impacted. As an example, one of our holdings, Aramark, a company with a stable business as a leading food services and uniform provider, experienced a peak to trough decline of over 70% within three weeks. This is despite having a strong management team, variable cost structure and business interruption insurance that covers much of the negative revenue impact. The Fund positioning put us on the wrong side of sentiment regarding the pandemic's effects, providing challenges to recent performance.

The greatest uncertainty is the duration in which US economic activity will continue to remain shut down. Income statements and cash flows of most companies are impaired and could remain so for an extended period. In this environment, balance sheet analysis becomes paramount. Many of the more leveraged companies with weaker balance sheets are finding credit markets very restricted or closed to them. As of quarter end, the US Equity Fund consists of only investment-grade companies and each company's debt outlook continues to be closely monitored. The US equity team is supported by a fixed income team of 15 experienced investment professionals to help navigate these issues. We have added companies that we believe "high grades" the Fund at attractive valuations and exited companies that we feel are not set up as well for the recovery.

Our portfolio construction process has always been to buy attractively valued businesses that have good management teams and strong fundamentals. While no company will escape the realities of the market if a prolonged shutdown of

economic activity were to occur, we believe that we have a portfolio of high-quality companies that will provide excellent returns when the economy returns to a semblance of normalcy.

US Dividend Fund (USD)

The US Dividend Fund declined by 30.1% after fees and expenses (in USD), lagging the S&P 500 which declined 19.6% in the same time period. The largest contributor to Fund underperformance was its overweight to Energy stocks.

We added one new holding and eliminated three holdings during the first quarter.

US Small/Mid Cap Equity Fund

Compared to their large-cap peers, US small/mid-cap equities experienced a more profound selloff during the first quarter amid the extreme market volatility. The Russell 2500 Index ("the Index") was down 23.2% (-29.7% in USD terms), with all eleven sectors down double digits in USD terms. The US Small/Mid Cap Equity Fund lagged the market, declining 25.0% after fees and expenses in Canadian dollar terms.

A weaker Canadian dollar helped results in Canadian dollar terms. Health Care (-7.3%), Utilities (-9.3%), and Information Technology (-13.1%) fared the best during the selloff, while the Energy sector (-63.4%) saw the sharpest decline as oil prices dropped 66% over the quarter. Consumer Discretionary (-35.1%) and Financials (-29.0%) were among the hardest hit sectors during the coronavirus pandemic.

Having no exposure to the Health Care sector, which accounted for approximately 16.8% of the Index, was the single largest detractor from relative performance. Our overweight position to Consumer Discretionary also hurt performance. This was partially offset by not having an exposure to the distressed Energy sector. Several leisure and travel related holdings in the portfolio were directly and meaningfully impacted by COVID-19 related shutdowns.

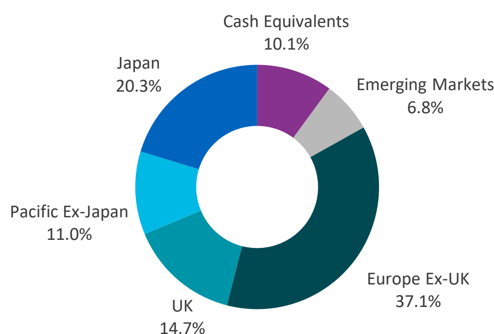
As long-term value investors, we remain level-headed and disciplined, focusing on our independent, bottom up business analysis. As a result, during this market dislocation we made many position adjustments to capitalize on significant security under-valuation in some cases, and in other cases to reduce exposure to positions whose risk profiles materially worsened.

International Equity Plus Fund

The International Equity Plus Fund declined 16.6% after fees and expenses during the first quarter, slightly behind the MSCI EAFE Index which returned -15.7% in the same period. Fund performance was helped by holdings in the Healthcare and Materials sectors. The largest detractors from performance came from holdings in the Financials and Energy sectors.

As with our other equity funds, we have used the significant volatility of the equity markets to improve the risk/reward balance of the Fund's holdings.

The country weightings of the International Equity Plus Fund at March 31, 2020 were:

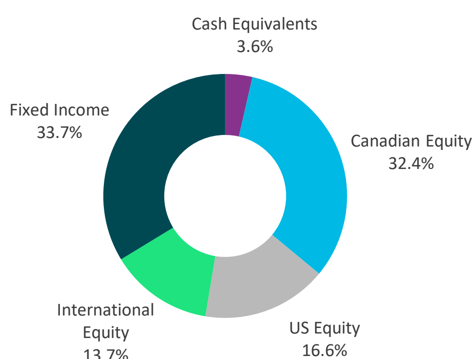


Emerging Markets Equity Fund

The Emerging Markets Fund declined 27.3% after fees and expenses during the quarter. The Fund's mid-smaller capitalization bias, value orientation and emphasis on higher yielding stocks were all challenging headwinds relative to the MSCI Emerging Markets Index this quarter, which declined 16.6%. Holdings in the Materials sector were the largest contributor to performance, while holdings in the Consumer Discretionary and Telecommunications sector were the weakest. Despite this disappointment, we are excited about the value in the market.

Balanced Fund

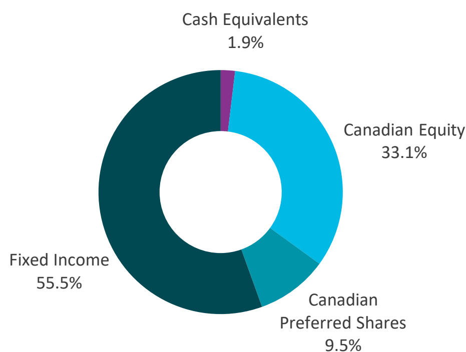
The Balanced Fund declined by 13.8% after fees and expenses in the first quarter of 2020. The asset mix for the Fund at March 31, 2020 was:



Income Advantage Fund

The Income Advantage Fund declined by 14.7% after fees and expenses in the first quarter. The Fund's preferred share and Dividend paying Canadian equity holdings were the largest detractors from performance. The Fund's fixed income holdings also declined during the quarter as credit markets experienced severe liquidity challenges.

The asset mix for the Income Advantage Fund at March 31, 2020 was:



Core Bond Fund

The impact of the coronavirus on fixed income markets – particularly when combined with the supply shock in energy markets on Canadian issuers -- was significant, multifaceted, and continues to evolve rapidly.

After strong returns through the 2019 calendar year, the Core Bond Fund was up by 0.8% during the quarter as we saw a significant decline in government bond yields. This was partially offset by widening credit spreads and a marked deterioration in fixed income market liquidity.

The Fund lagged the FTSE Canada Universe Bond Index which advanced by 1.6% during the quarter due to an overweight position in real return bonds which were impacted by the collapse in inflation expectations due to the short-term demand shock caused by the coronavirus. In addition, our credit positioning in short-term, focussed on high quality issues, was disproportionately impacted as illiquid market conditions resulted in selling pressure being focused on these more liquid issues.

Government bond yields fell sharply during the quarter. The Bank of Canada lowered the overnight lending rate by a total of 150 basis points to 0.25%, reducing yields on short-term bonds by a similar amount.

As the market correction across all risk-seeking asset classes (particularly equities) accelerated into March, many market participants were forced to rebalance portfolios by selling bonds to buy equities. This occurred just as liquidity in fixed income markets deteriorated sharply. As a result, selling pressures became more concentrated on those sectors of the credit market where liquidity was still available, which is typically in larger issue sizes, and in shorter-dated, higher quality issues.

The demand shock from the coronavirus pandemic, combined with the supply shock to oil markets, has created a perfect storm that was nearly impossible to have predicted in advance, and very difficult to assess in terms of a forward-looking investment outlook. Although a recession is now almost certain, the focus of our attention is on assessing the risks of default of those companies in the Fund in order to avoid any permanent impairment of capital.

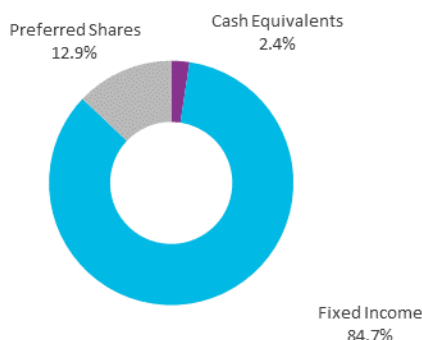
We believe that the monetary and fiscal policy response will have a significant impact over the medium term. The Bank of Canada has demonstrated its willingness to rapidly lower policy rates to near zero and has also taken the unprecedented step of direct purchases of government bonds in the secondary market. The mandate of the Bank of Canada also provides them with a near limitless toolkit to intervene in markets in order to achieve its objective. In addition, the Canadian Federal Government has significant fiscal firepower that it can deploy and is far less encumbered than other nations by the level of its Federal government debt. Finally, the Canadian banking system, following the Global Financial Crisis in 2008, has significantly improved its capital position and is in a much stronger position to weather the current crisis.

Our view is that the Core Bond Fund is well positioned in high quality, liquid issuers to weather the current crisis over the long-term.

Corporate Advantage Fund

The Corporate Advantage Fund declined by 6.9% after fees and expenses in the first quarter of 2020. The largest detractor from performance came from the Fund's preferred share holdings, followed by the Fund's non-investment grade fixed income holdings. Even the Fund's holdings of shorter-term, high quality investment grade bonds were disproportionately impacted as illiquid market conditions resulted in selling pressure being focused on these more liquid issues.

The asset mix of the Corporate Advantage Fund at March 31, 2020 was:



High Yield Bond Fund

Sub-investment grade credit sold off alongside other risk assets in late March due to the escalating concerns over the medical and economic impact of COVID-19. After trading in a relatively tight range in early 2020, high yield credit spreads widened significantly to more than 1,000 basis points and ended the quarter close to 900 basis points.

The selloff was very broad-based, with little discrimination between maturity, credit quality, security and seniority in the capital structure. This was due to a rapid deterioration in market liquidity in March, as broker dealers became unwilling, or unable, to commit balance sheet capital to facilitate trading. As a result, the high yield market was disproportionately impacted relative to other, more liquid, asset classes such as equities.

The sudden stop to economic activity called into question the solvency of companies over the short term. High yield credit investors can typically take comfort in the equity cushion below, which is valued based on a company's long-term earnings potential. However, in times of crisis where the solvency of a company is in question, the correlation between high yield bonds and equity increases. The sectors of the market that were most impacted by this deterioration in liquidity and concern over solvency were cyclical sectors such as Energy and Leisure (hospitality, gaming and events etc.)

The High Yield Bond Fund declined by 6.3% after fees and expenses during the first quarter, while the currency hedged version declined by 16.1% after fees and expenses during the same time period.

In this period of changing circumstances, which will continue to evolve, our focus has been on revisiting our analysis on all holdings within the Fund to ensure that the companies we hold have adequate liquidity for at least the remainder of 2020 and should therefore be able to fund their debt and other operating obligations in the short term.

We have eliminated positions where we are not comfortable with the strength of their balance sheet – particularly companies in the leisure sector, which were not prepared for this unexpected and sudden shock to revenues. On the other hand, we bought and continue to add names which have robust balance sheets at significantly more attractive valuations.

Since the end of the first quarter, sentiment and liquidity in the high yield bond market appears to be improving. In the first week of April, six new first lien high yield bond issuances successfully came to market, which raised a total of $40 billion, surpassing the volume in a typical month. High demand of these new issues resulted in tighter-than-expected spreads

At this point, it is too early to fully assess the human and economic impact of the Coronavirus Pandemic. However, with our ongoing research and due diligence, combined with adjustments to our portfolios where required, we believe that the High Yield Bond Fund is well positioned weather the current crisis over the long-term.

Multi Credit Fund

Similar to the High Yield Bond Fund, the Multi Credit Fund declined by 16.3% after fees and expenses during the quarter. While both high yield bonds and senior secured loans sold off equally when the market reached for liquidity, loans in the Fund outperformed high yield bonds by approximately 2%. We fortunately trimmed our allocation to loans in the first week of March, based on relative valuation, which helped to protect capital in this market correction. We also continue to look for opportunities to allocate capital to sectors of the market that are most attractive, including extending maturities for high yield bond issuers in the Fund.

Preferred Share Fund

Preferred shares declined along with common shares during the first quarter, and the Preferred Share Fund declined 26.7% after fees and expenses during the time period. Lack of liquidity negatively impacted the preferred share market, with preferred share ETFs redeeming large quantities as investors fled to more stable investments including Government bonds and cash.

Given the severe sell-off in Canadian preferred shares, current credit spreads are at some of the most attractive levels we have ever seen. Since the end of the first quarter, preferred share credit spreads have tightened in slightly and we have seen improved liquidity conditions.

We expect the markets to recover eventually and feel the Preferred Share Fund will participate in this recovery.

Questions about your portfolio?

If you have questions about your Leith Wheeler portfolio, funds or services, please contact your Investment Funds Advisor at 604-683-3391 or 1-888-292-1122.

FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Leith Wheeler Funds. Forward-looking statements include statements that predict future events, conditions or results - including strategy, expected performance or prospects, opportunities, risks and possible future actions. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to risks, uncertainties and assumptions about the Funds and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in the forward-looking statements. These statements require us to make assumptions and are subject to inherent risks and uncertainties. Our predictions and other forward-looking statements may not prove to be accurate, or a number of factors could cause actual events, results, performance, etc. to differ materially from the targets, expectations, estimates or intentions. These factors could include, among others, market and general economic conditions, interest rates, regulation, competition and the risks set out in the Funds' Simplified Prospectus. Do not place undue reliance on our forward-looking statements. Please note the Funds have no intention of updating any forward-looking statements, whether as a result of new information, future events or otherwise.

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Additional information about the Leith Wheeler Funds is available in the Funds' Annual Information Form, Fund Facts, Management Report of Fund Performance and financial statements. You can get a copy of the Simplified Prospectus, and the other documents, at no cost by calling 1-866-292-1122, on our website at http://www.leithwheeler.com or by contacting your dealer. These documents and other information about the Funds, such as information circulars and material contracts, are available at www.sedar.com.

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