

Leith Wheeler Carbon Constrained Canadian Equity Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE
December 31, 2019



This annual management report of fund performance contains financial highlights, but does not contain complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-888-292-1122, by writing to us at 1500 – 400 Burrard Street, Vancouver, BC V6C 3A6 or by visiting our website at www.leithwheeler.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

To provide superior long-term investment returns by investing primarily in a diversified portfolio of common shares and other equity related securities of Canadian issuers, while excluding companies with significant activity in the fossil fuel industries.

We utilize a value approach to stock selection, applying bottom-up, fundamental analysis to all investment decisions. Our investment goal is to protect our clients' capital while offering superior investment growth, regardless of economic conditions. We seek to invest in solid companies run by strong management teams that can navigate variable market conditions.

The Fund will not invest in companies which derive greater than 30% of their revenue from the extraction or sale of fossil fuels, or from royalties earned from third parties performing such activities. The Fund will not invest in companies which derive greater than 30% of their revenue from services (including transportation and refining) provided to companies involved in the extraction or sales of fossil fuels. The Fund will not invest in companies which derive greater than 30% of their revenue from the sale of power produced from the consumption of fossil fuels.

Risk

The overall risks of investing in the Fund are as described in the Simplified Prospectus. There were no material changes to the Fund during the year that affected the overall level of risk.

Results of Operations

The Fund's net assets increased by 636.1% in 2019 to \$53 million from \$7.2 million at the end of 2018. Of this change, \$1.2 million was attributable to investment gains and \$44.6 million to net inflows.

The Carbon Constrained Canadian Equity Fund (CCCE) follows the same investment process as our core Canadian Equity Fund, where environmental, social and governance issues are addressed in our bottom-up stock analysis. The CCCE Fund adds an additional layer of analysis in which companies with more than 30% of their revenues tied to fossil fuel-related activities are screened out of the portfolio. More specifically, investments are excluded if they derive more than 30% of their revenues from:

- The extraction and sale of fossil fuels, or from royalties earned from third parties performing such activities
- Services (including transportation and refining) provided to companies involved in the extraction or sales of fossil fuels
- The sale of power produced by the consumption of fossil fuels

The year ended December 31, 2019 was very strong. Series A units of the Carbon Constrained Canadian Equity Fund (CCCE) returned 22.4%, outperforming the S&P/TSX 60 Fossil Fuel Free Index (TSX FFF) by 0.8%. Series B and Series F units returned 20.6% and 21.2%, respectively, after fees and expenses. Many TSX FFF sectors posted strong returns with Information Technology (+40.4%), Energy (+31.8%), and Materials (+24.2%) leading the way.

Several companies in the portfolio provided strong returns for the year on the order of 50-70%, including holdings in the Consumer Discretionary, Technology, and Financials sectors.

Our decision not to own gold stocks hurt relative performance versus the TSX FFF Index, as gold stocks rose (+40.3%) in 2019. Gold has done well recently amid economic uncertainty and falling interest rates. We have not owned gold companies due to their expensive valuations and poor record of capital allocation. The long-term performance of the gold sub-sector continues to materially lag that of the overall market.

With the strength in equities, we have generally been trimming companies that have performed well and seen returns narrow and used the proceeds to add selectively to companies where we see attractive value.

Among them was a position we initiated in Cineplex over the third quarter. Cineplex is the dominant theatre exhibition company in Canada with over 70% market share. Following a tough couple of years at the box office, investors have feared that the industry will see ongoing declines in attendance. There has also been skepticism around the company's recent diversification efforts such as non-theatre media, and the "Rec Room", which combines restaurants with recreational activities such as arcade games. However, there are positive signs that these investments are working and creating value. Going forward, we expect a modest decline in theatre attendance will be offset by opportunities to increase ticket pricing and grow concession sales, particularly with the expansion of alcohol sales now allowed in regular theatres in Alberta, Ontario and Manitoba. We purchased Cineplex at an attractive valuation for a stable business that generates high free cash flow. Cineplex rose sharply in December following the announcement of a takeover bid by UK-based Cineworld Group for \$2.8 billion, creating one of the world's largest cinema companies. With an offer of \$34/share representing a 42% premium to where shares were

trading prior to the announcement, the deal represents attractive value for shareholders. The stock was up 41.9% during the fourth quarter. We continue to hold Cineplex but will look to trim our position to fund more attractive opportunities as they arise.

Management Discussion of Fund Performance (cont.)

Results of Operations (cont.)

As always, we remain disciplined and focused on our approach – investing in established businesses, trading at attractive valuations – which we expect will deliver value for clients over the long term.

Recent Developments

In the first quarter of 2020, global equity markets have been declining dramatically as fears have grown about the economic impact of the COVID-19 virus, and an instability in world oil prices prompted by a price war between Russia and Saudi Arabia. Central banks have been active in cutting rates, but it will take time to work through the full impact of these shocks. We cannot forecast the ultimate hit to GDP growth or the shape of the recovery, but it is clear that markets are communicating a high level of alarm. In the meantime, we are keeping our discipline. As value investors, we continue to see opportunities to add to high quality businesses at prices that are becoming increasingly attractive, and are doing so across all equity portfolios.

Related Party Transactions

Leith Wheeler Investment Counsel Ltd. (the “Manager”) is the manager and portfolio advisor of the Fund and is responsible for the Fund’s day-to-day operations. The Fund pays the Manager a management fee as compensation for managing the investment portfolio of the Fund.

Management Fees

The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The annualized management fee for the Series B and Series F units of the Fund are 1.40% and 0.95%, respectively. During the year, the Fund paid the Manager \$9,529 for Series B and \$2,653 for Series F (exclusive of GST/HST) of its net assets as management fees. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund. The Manager paid all operating expenses except brokerage commissions, transaction charges and taxes. In respect of Series A units, the unitholder pays the Manager a negotiated management fee outside the Fund.

We do not, directly or indirectly, pay fees, sales commissions or trailing commissions, nor do we provide any non-monetary benefits to registered dealers for distributions of units of the Fund. If a broker charges you a commission or fee, that is a matter between you and the dealer.

Financial Highlights

The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements.

Series A (inception September 27, 2017)	2019	2018	2017	2016	2015
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾⁽³⁾	\$9.52	\$10.57	\$10.00	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.28	0.28	0.07	n/a	n/a
Total expenses	-	-	-	n/a	n/a
Realized gains (losses) for the year	0.03	0.06	0.02	n/a	n/a
Unrealized gains (losses) for the year	0.60	(1.82)	0.49	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.89	(1.48)	0.58	n/a	n/a
Distributions:					
From income (excluding dividends)	-	-	-	n/a	n/a
From dividends	(0.24)	(0.22)	(0.06)	n/a	n/a
From capital gains	(0.01)	(0.04)	(0.01)	n/a	n/a
Return of capital	-	-	-	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.25)	(0.26)	(0.07)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$11.39	\$9.52	\$10.57	n/a	n/a

Series B (inception September 27, 2017)	2019	2018	2017	2016	2015
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾⁽³⁾	\$9.48	\$10.57	\$10.00	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.65	0.29	0.08	n/a	n/a
Total expenses	(0.20)	(0.18)	(0.06)	n/a	n/a
Realized gains (losses) for the year	0.06	0.06	0.03	n/a	n/a
Unrealized gains (losses) for the year	1.38	(1.89)	0.55	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	1.89	(1.72)	0.60	n/a	n/a
Distributions:					
From income (excluding dividends)	-	-	-	n/a	n/a
From dividends	(0.11)	(0.11)	(0.02)	n/a	n/a
From capital gains	(0.01)	(0.04)	(0.01)	n/a	n/a
Return of capital	-	-	-	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.12)	(0.15)	(0.03)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$11.31	\$9.48	\$10.57	n/a	n/a

Financial Highlights (cont.)

The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit (cont.)

Series F (inception September 27, 2017)	2019	2018	2017	2016	2015
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾⁽³⁾	\$9.54	\$10.57	\$10.00	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.49	0.22	0.07	n/a	n/a
Total expenses	(0.02)	(0.01)	-	n/a	n/a
Realized gains (losses) for the year	0.05	0.06	0.02	n/a	n/a
Unrealized gains (losses) for the year	1.05	(1.45)	0.52	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	1.58	(1.18)	0.61	n/a	n/a
Distributions:					
From income (excluding dividends)	-	-	-	n/a	n/a
From dividends	(0.17)	(0.09)	(0.03)	n/a	n/a
From capital gains	(0.01)	(0.04)	(0.01)	n/a	n/a
Return of capital	-	-	-	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.18)	(0.13)	(0.04)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$11.38	\$9.54	\$10.57	n/a	n/a

(1) Net assets attributable to holders of redeemable units and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(2) Distributions are reinvested in additional units of the Fund or paid in cash.

(3) From September 27, 2017, inception date of Series A, B and F units of the Fund.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A (inception September 27, 2017)	2019	2018	2017	2016	2015
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	51,787	6,498	1,577	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	4,548	683	149	n/a	n/a
Management expense ratio (%) ⁽²⁾	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	0.17	0.41	0.50	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.09	0.11	0.07	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	11.82	9.21	11.64	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	11.39	9.52	10.57	n/a	n/a

Series B (inception September 27, 2017)	2019	2018	2017	2016	2015
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	777	553	79	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	69	58	8	n/a	n/a
Management expense ratio (%) ⁽²⁾	1.48	1.47	1.47	n/a	n/a
Management expense ratio before waivers or absorptions (%)	1.65	1.88	1.97	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.09	0.11	0.07	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	11.82	9.21	11.64	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	11.31	9.48	10.57	n/a	n/a

Series F (inception September 27, 2017)	2019	2018	2017	2016	2015
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	414	110	80	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	36	12	8	n/a	n/a
Management expense ratio (%) ⁽²⁾	1.01	1.00	1.00	n/a	n/a
Management expense ratio before waivers or absorptions (%)	1.18	1.41	1.50	n/a	n/a
Trading expense ratio (%) ⁽³⁾	0.09	0.11	0.07	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	11.82	9.21	11.64	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	11.38	9.54	10.57	n/a	n/a

(1) This information is provided as at December 31 of the year shown; unless noted otherwise.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of the daily average net asset value during the period.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Past Performance

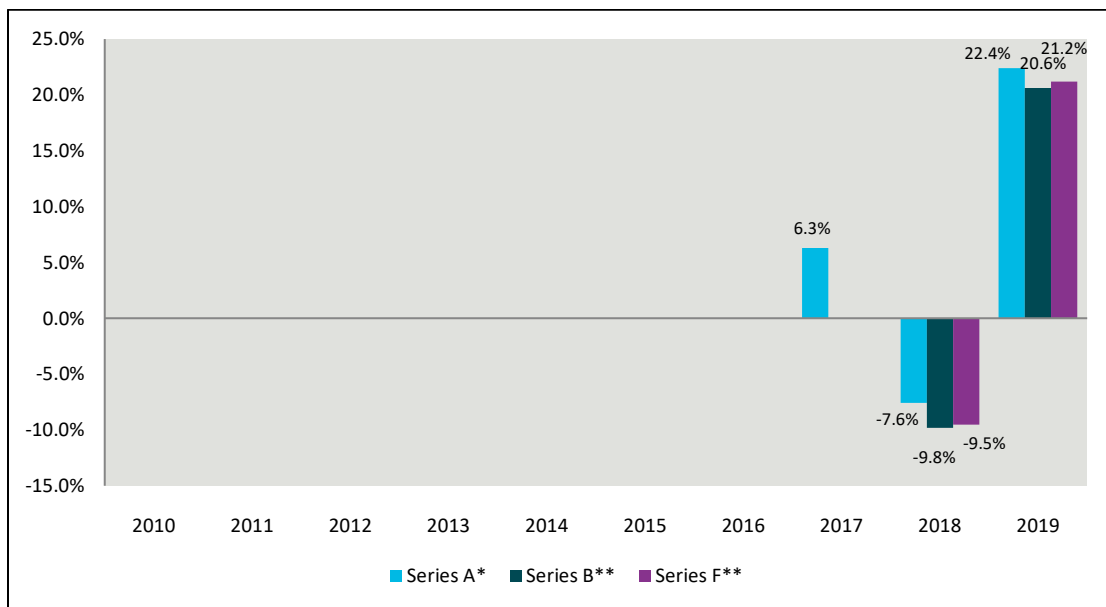
General

The Fund’s performance assumes all distributions made by the Fund in the years shown were reinvested in units of the Fund and is based on net asset value per unit. If you hold the Fund outside a Registered Plan, you will be taxed on these distributions.

The performance information does not take into account sales charges, other charges or taxes that, if applicable, would have reduced returns or performance; but includes management fees and other expenses borne directly by the Fund. Past performance does not necessarily indicate how the Fund may perform in the future.

Year-by-Year Returns

The following bar chart shows the Fund’s historical return, which changes each year and illustrates how the Fund’s performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each year.



* Series A units were created September 27, 2017. Return from inception on September 27, 2017 to December 31, 2017, not annualized.

** Series B and Series F units were created September 27, 2017, however, these units were not offered under Simplified Prospectus until May 25, 2018. Return from May 25, 2018 to December 31, 2018, not annualized.

Past Performance (cont.)**Annual Compound Returns**

The following table compares the historical annual compound return of the Fund (before fees for Series A and after fees for Series B and F) with the S&P/TSX 60 Fossil Fuel Free (Total Return) Index, in each case for the year ended December 31, 2019. The S&P/TSX 60 Fossil Fuel Free (Total Return) Index measures the performance of companies in the S&P/TSX 60 while excluding companies with the largest relative carbon footprint. A discussion of the performance of the Fund as compared to the benchmark is found in the Results of Operations section of this document.

For the Years ended December 31	1 Year	3 Years	5 Years	10 Years
Fund – Series A*	22.4%	n/a	n/a	n/a
Benchmark	21.6%	n/a	n/a	n/a
Fund – Series B**	20.6%	n/a	n/a	n/a
Benchmark	21.6%	n/a	n/a	n/a
Fund – Series F**	21.2%	n/a	n/a	n/a
Benchmark	21.6%	n/a	n/a	n/a

* Series A units were created September 27, 2017.

** Series B and Series F units were created September 27, 2017, however, these units were not offered under Simplified Prospectus until May 25, 2018. Past performance information will not be available until such units have been offered under a Simplified Prospectus for at least 12 consecutive months.

Summary of Investment Portfolio

As at December 31, 2019

Top 25 Positions

Issuer	% of Net Asset Value
Toromont Industries Ltd	7.8%
Royal Bank of Canada	7.1%
Toronto-Dominion Bank	6.7%
Canadian National Railway Co	6.3%
Brookfield Asset Management Inc	6.1%
Open Text Corp	5.9%
Saputo Inc	5.3%
Manulife Financial Corp	5.0%
Bank of Nova Scotia	4.3%
Constellation Software Inc	4.2%
Brookfield Infrastructure Partners LP	4.1%
Canadian Imperial Bank of Commerce	3.5%
Progressive Waste Solutions Ltd	3.3%
Canadian Tire Corp Ltd	3.1%
Finning International Inc	3.1%
Rogers Communications Inc	2.9%
iA Financial Corp Inc	2.4%
First Quantum Minerals Ltd	2.2%
Cineplex Inc	2.1%
Canadian Western Bank	1.8%
Hydro One Ltd	1.7%
CGI Inc	1.7%
Great-West Lifeco Inc	1.7%
Nutrien Ltd	1.5%
Winpak Ltd	1.4%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Financials	39.2%
Industrials	20.4%
Information Technology	11.8%
Utilities	5.9%
Communication Services	5.4%
Materials	5.3%
Consumer Staple	5.3%
Consumer Discretionary	4.5%
Real Estate	1.2%
Energy	0.6%
Cash & Other Net Assets	0.4%

The Fund held no short positions as at December 31, 2019.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.leithwheeler.com.