

Leith Wheeler Core Bond Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2021



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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 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.

Safety and liquidity are the focus of our approach to fixed income investing. Economic conditions are constantly monitored by Leith Wheeler to forecast interest rate changes. The added value for the Fixed Income Fund will come from Leith Wheeler identifying opportunities to shift investments between various maturities and between Federal, Provincial and Corporate bonds.

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 2.2% in 2021 to \$190.9 million from \$186.7 million at the end of 2020. Of this change, \$4 million was attributable to negative investment performance and \$8.2 million to net inflows from unitholders.

For the year ended December 31st, 2021, Series A of the Core Bond Fund returned -2.1% before fees and expenses compared to the FTSE Canada Universe Bond Index's total return of -2.5%. After fees and expenses, Series B returned -2.9%.

The Leith Wheeler Core Bond Fund seeks to provide a stable and attractive total return through investment in fixed-income securities. As of December 31, 2021, the Fund held 15.6% in Federal issues, 30.8% in Provincial issues, 4.8% in Municipal issues, 47.9% in investment-grade corporate bonds & maples, 0.3% in real return bonds and 0.6% in cash. The fund continues to invest in high-quality investment-grade securities. As of December 31, 2021, the fund held 18.2% in AAA securities, 35.3% in AA, 32.1% in A and 14.4% in BBB.

In the third quarter of 2021, the Core Bond Fund returned -0.45%, slightly outperforming the FTSE Canada Universe Bond Index, which returned -0.51%. This quarter saw yields across all maturities rise between five and 15 basis points. Corporate and provincial credit spreads were near unchanged during the quarter. Interest rate risk management drove the fund's outperformance, as it was positioned to benefit from rising interest rates and a steeper yield curve.

In the fourth quarter of 2021, the Core Bond Fund returned +1.60%, outperforming the FTSE Canada Universe Bond Index, which returned +1.47%. Despite the continued rise in short-term interest rates, the yields on longer-term (and more interest rate sensitive) bonds declined. This yield curve flattening is common in the mature phases of an economic recovery, particularly as central banks start raising policy rates. The Fund outperformed due to a combination of interest rate management and yield curve strategies.

The Bank of Canada held its target for the overnight rate at the effective lower bound of 0.25% but indicated it expects to start hiking short-term interest rates as early as April 2022 as economic slack is absorbed. The strength in the economic recovery has already resulted in a withdrawal of economic stimulus via the end of the Bank of Canada's quantitative easing program.

Recent elevated levels of inflation, at 4.7% year-over-year, exceeding the Bank's inflation target range of between 1-3%, and representing the highest inflation rate in Canada in 30 years, have also likely influenced the Bank's revision to earlier removal of monetary stimulus. The inflation outlook has become somewhat less clear in recent months as supply chain problems have persisted and the labour markets remain tight. There is a risk that if elevated inflation continues to push up prices for a longer period than expected, inflation expectations may become entrenched, resulting in wage pressure.

Credit markets were relatively stable during the quarter. Credit spreads widened slightly towards the end of the quarter as concerns regarding the impact of Omicron weighed on markets.

As the economic recovery progresses and inflation remains elevated, we continue to expect bond yields to rise slightly. However, uncertainty remains particularly high given risks related to the pandemic, while at the same time market volatility will likely be elevated as central banks maneuver the gradual reduction of economic stimulus. The longer-term path of inflation is uncertain at this time as there is insufficient data to get a full picture, and we continue to closely monitor economic releases for indications of price pressure. In this environment, we have positioned the portfolio modestly defensive to rising interest rates, with a lower portfolio interest rate sensitivity relative to the benchmark. We continue to be positioned with a bias for further yield curve flattening. We retain a conservative positioning in corporate bonds and favour high-quality, liquid issuers in order to take advantage of any market dislocations over the near term while continuing to provide an attractive risk-adjusted return.

Management Discussion of Fund Performance (cont.)

Recent Developments

In January 2022, the Bank of Canada kept the overnight rate at 0.25%.

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 units of the Fund is 0.75%. During the year, the Fund paid the Manager \$83,843 (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	2021	2020	2019	2018	2017
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$11.45	\$10.98	\$10.52	\$10.68	\$10.71
Increase (decrease) from operations:					
Total revenue	0.29	0.31	0.31	0.32	0.32
Total expenses	-	-	-	-	-
Realized gains (losses) for the year	(0.11)	0.39	0.20	(0.12)	(0.13)
Unrealized gains (losses) for the year	(0.40)	0.29	0.26	(0.03)	0.11
Total increase (decrease) from operations ⁽¹⁾	(0.22)	0.99	0.77	0.17	0.30
Distributions:					
From income (excluding dividends)	(0.29)	(0.33)	(0.31)	(0.31)	(0.32)
From dividends	-	-	-	-	-
From capital gains	-	(0.16)	-	-	-
Return of capital	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.29)	(0.49)	(0.31)	(0.31)	(0.32)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.91	\$11.45	\$10.98	\$10.52	\$10.68

Series B	2021	2020	2019	2018	2017
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$11.73	\$11.17	\$10.71	\$10.79	\$10.80
Increase (decrease) from operations:					
Total revenue	0.37	0.32	0.32	0.26	0.31
Total expenses	(0.09)	(0.08)	(0.09)	(0.09)	(0.08)
Realized gains (losses) for the year	(0.14)	0.41	0.20	(0.09)	(0.12)
Unrealized gains (losses) for the year	(0.51)	0.32	0.26	(0.03)	0.10
Total increase (decrease) from operations ⁽¹⁾	(0.37)	0.97	0.69	0.05	0.21
Distributions:					
From income (excluding dividends)	(0.20)	(0.16)	(0.23)	(0.16)	(0.21)
From dividends	-	-	-	-	-
From capital gains	-	(0.16)	-	-	-
Return of capital	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.20)	(0.32)	(0.23)	(0.16)	(0.21)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$11.19	\$11.73	\$11.17	\$10.71	\$10.79

(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.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A	2021	2020	2019	2018	2017
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	180,490	174,427	192,997	172,793	161,816
Number of units outstanding (000s) ⁽¹⁾	16,545	15,236	17,581	16,418	15,158
Management expense ratio (%) ⁽²⁾	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	-	-	-	-	-
Trading expense ratio (%) ⁽³⁾	0.01	-	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	126.46	135.10	134.62	148.39	154.60
Net assets attributable to holders of redeemable units - per unit (\$)	10.91	11.45	10.98	10.52	10.68

Series B	2021	2020	2019	2018	2017
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	10,436	12,309	22,857	22,971	31,508
Number of units outstanding (000s) ⁽¹⁾	933	1,049	2,047	2,145	2,920
Management expense ratio (%) ⁽²⁾	0.79	0.79	0.79	0.79	0.79
Management expense ratio before waivers or absorptions (%)	0.79	0.79	0.79	0.79	0.79
Trading expense ratio (%) ⁽³⁾	0.01	-	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	126.46	135.10	134.62	148.39	154.60
Net assets attributable to holders of redeemable units - per unit (\$)	11.19	11.73	11.17	10.71	10.79

(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

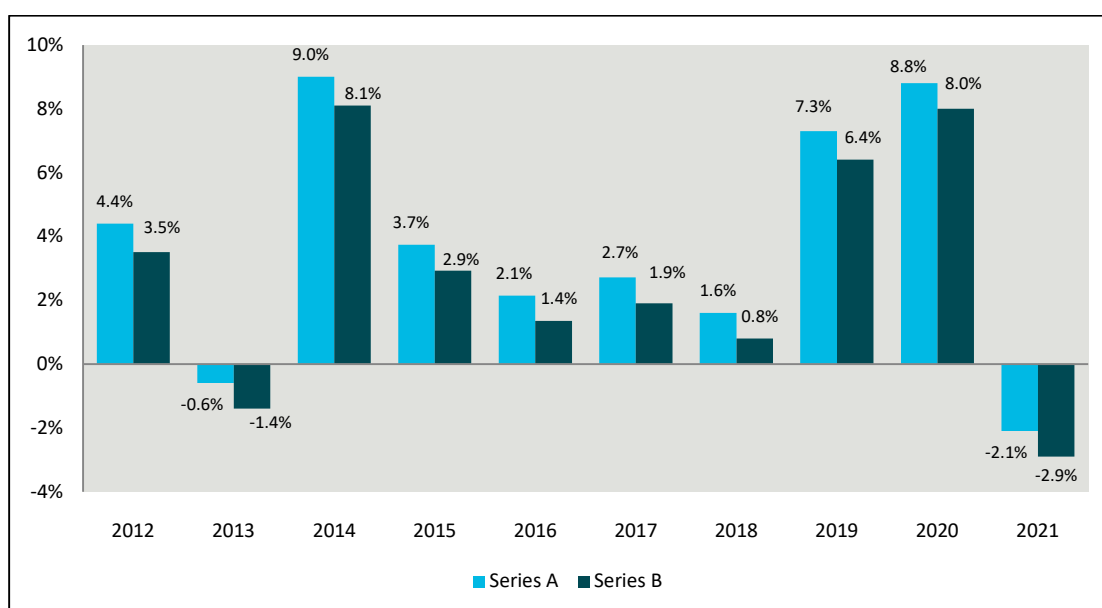
General

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.



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) with the FTSE Canada Universe Bond Index, in each case for the year ended December 31, 2021. The FTSE Canada Universe Bond Index measures the total return attributable to bonds, and includes representative bond issues by issuer, quality, and term. 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	-2.1%	4.5%	3.6%	3.6%
Benchmark	-2.5%	4.2%	3.3%	3.3%
Fund – Series B	-2.9%	3.7%	2.8%	2.8%
Benchmark	-2.5%	4.2%	3.3%	3.3%

Summary of Investment Portfolio

As at December 31, 2021

Top 25 Positions

Issuer	% of Net Asset Value
Canada Housing Trust No 1 1.6% December 15, 2031	2.9%
Canada Housing Trust No 1 1.55% December 15, 2026	2.8%
Canadian Government Bond 4% June 01, 2041	2.4%
Canadian Imperial Bank of Commerce 2.47% December 05, 2022	2.4%
Province of Ontario 2.9% June 02, 2049	2.0%
Manufacturers Life Insurance Co 3.18% November 22, 2027	1.6%
First Nations Finance Authority 1.71% June 16, 2030	1.6%
Province of Alberta 1.65% June 01, 2031	1.5%
Province of Manitoba 4.1% March 05, 2041	1.5%
North West Redwater Partnership / NWR Financing Co Ltd 1.2% December 01, 2023	1.5%
Province of Ontario 4.65% June 02, 2041	1.4%
Choice Properties Real Estate Investment Trust 4.29% February 08, 2024	1.3%
Bank of Nova Scotia 2.38% May 01, 2023	1.3%
Province of Alberta 3.1% June 01, 2050	1.3%
Hydro-Quebec 4% February 15, 2055	1.3%
Bank of Nova Scotia 2.36% November 08, 2022	1.3%
First Nations Finance Authority 3.05% June 01, 2028	1.3%
Province of Newfoundland and Labrador 1.75% June 02, 2030	1.3%
Royal Bank of Canada 3.3% September 26, 2023	1.2%
Province of Ontario Generic Coupon Strip December 02, 2030	1.2%
Province of Ontario 2.9% December 02, 2046	1.2%
Canada Housing Trust No 1 1.1% December 15, 2026	1.1%
Province of Alberta 2.05% June 01, 2030	1.1%
Province of Quebec 3.1% December 01, 2051	1.1%
Canadian Mortgage Pools 1.25% March 01, 2025	1.1%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Corporate Bonds	47.8%
Provincials Bonds	30.8%
Federal Bonds	15.6%
Municipal Bonds	4.8%
Cash & Other Net Assets	0.6%
Real Return Bonds	0.3%
Maple Bonds	0.1%

The Fund held no short positions as at December 31, 2021.

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.