Leith Wheeler Corporate Advantage Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE
December 31, 2018

Leith Wheeler INVESTMENT COUNSEL LTD. | Quiet Money.®

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 relatively stable source of monthly income. The Fund will invest in fixed income securities (including corporate bonds, preferred shares, high-yield debt, loans, convertible debt and guaranteed mortgages). The Fund primarily invests in a range of Canadian securities and may also invest in foreign securities. The Fund will also invest in broad range of companies and is not restricted by capitalization or industry sector, although portfolio diversification is a consideration in the selection of securities of the Fund. Under normal circumstances, the Fund will keep its portfolio fully invested to the greatest extent possible.

This Fund invests in a mix of assets to provide a source of income. The asset mix includes investment-grade fixed income securities, providing the lower risk portion of the portfolio, and preferred shares, high-yield debt, loans, convertible debt and guaranteed mortgages, which provide additional income with less liquidity and potentially more credit risk. The allocation of investments in the Fund's portfolio is determined by the Manager to optimize the income and balance the risk of the portfolio using the follow target ranges for the asset mix: investment grade fixed income securities 25% - 100%; preferred shares 0% - 30%; high-yield debt 0% - 20%; loans 0% - 10%; convertible debt 0% - 20% and guaranteed mortgages 0% - 10%.

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 29.4% in 2018, rising to $161.3 million from $124.7 million at the end of 2017. Of this change, $0.8 million was attributable to investment loss and $37.4 million to net inflows.

The Corporate Advantage Fund was slightly negative during 2018 with Series A units falling -0.1%. Series B and Series F units declined by -0.9% and -0.7% respectively, both after fees and expenses, during the year.

The Corporate Advantage Fund is invested in a core portfolio of investment grade bonds with a concentration in high quality corporate issuers, including an allocation to preferred shares, high yield bonds and senior loans. The asset mix of the Fund at the end of December was 74.5% investment-grade corporate bonds, 1.1% municipal bonds, 11.4% preferred shares (through the Leith Wheeler Preferred Share Fund), 4.0% high yield bonds and 8.4% senior loans (through the Leith Wheeler Multi Credit Fund), and 0.6% cash & other net assets.

After a relatively benign first three quarters of the year, investment-grade corporate credit spreads widened sharply during the fourth quarter over concerns about higher debt servicing costs and weaker economic growth. Relative to the recent sell-off in global equity markets, however, the correction in corporate credit markets was relatively modest.

The investment-grade corporate bonds in the Fund are predominantly comprised of issues with short to mid-term maturities. The corporate bonds selected for inclusion in the Fund are biased toward higher-quality issuers, or senior issues within the capital structure, making the portfolio even more resilient to a widening in credit spreads. Being underweight Enbridge and overweight TransCanada Corporation issues at the beginning of the fourth quarter detracted from performance. We had the reverse trade on at the beginning of the year and captured some of Enbridge's upside, as their bonds rallied due to a corporate simplification (they collapsed their subsidiaries back into the parent and sold non-core assets to pay down debt - credit positive events which benefited bondholders). We reversed the trade slightly early, however, as Enbridge continued to outperform TransCanada as the momentum stayed with them.

Within investment-grade bonds, over the year we increased our exposure to the Utility sector, predominantly through Pipeline issuers Enbridge and Pembina Pipelines, and reduced our position in the Real Estate sector through REIT issuers Calloway REIT and Choice Properties REIT.

The Multi Credit Fund had strong performance over the first nine months of 2018. Positive returns were partially offset by the high yield bond issued by Diebold Nixdorf, a company that specializes in the sale, manufacture, installation and service of point-of-sale terminals. We were discouraged to hear that the promising new CEO, Gerrard Schmid, reduced full year earnings and revenue guidance by more than we expected, which will result in higher net leverage and increase the likelihood of the company breaching its debt covenants in 2019. Recognizing the breakdown of our original thesis resulted in a higher risk profile, we exited the position in August.

The broad high yield bond market saw credit spreads widen 200 basis points during the fourth quarter to just over 500 basis points. However, the magnitude of the sell-off in credit markets was modest relative to those corrections seen during the European financial crisis in 2011 and the collapse in oil prices in 2015-16, where broad high yield market spreads rose to near 900 basis points in anticipation of higher default rates. Fortunately, the portfolio's focus on higher-quality credit helped the portfolio to outperform during the fourth quarter. Lower rated bonds, namely CCC-rated bonds, sold off over 10% during the quarter, significantly underperforming higher quality debt. In addition, the portfolio was also invested in senior loans which outperformed high yield bonds during this down-market, due to their seniority in the capital structure and because these loans are typically secured by real assets.

Management Discussion of Fund Performance (cont.)

Results of Operations (cont.)

Leading up to the third quarter, the Canadian preferred share market was in good shape, with the preferred shares in the portfolio rising 3.7% year-to-date to September. Equity sentiment was positive and investors in fixed rate-reset preferreds were seeing their income increase, as dividends were re-setting at higher rates. Preferred share spreads continued to grind in tighter, driven by rising interest rates and an increasing appetite for risk. Volatility picked up in the fourth quarter with the preferred shares portfolio declining 12.8% over the quarter alone. Several factors drove negative performance: bearish equity market sentiment, a decline in 5-year Bank of Canada yields, wider corporate spreads, lower liquidity (versus the broad S&P/TSX Composite Index) and volatile ETF redemptions.

From a sector positioning standpoint, the Preferred Share Fund is overweight Utilities and underweight Financials. Our view is that bank preferred shares are expensive in comparison to bond equivalent spreads, and we expect Canadian banks to issue in 2019 and reprice the sector to more attractive levels. We have found better relative valuations within Utility issuers, although this sector was impacted more as the smaller sectors were penalized in an environment of lower liquidity (the three largest ETFs saw significant liquidations before Christmas). Structurally, having a substantial overweight in fixed rate-reset preferred shares at 93% of the portfolio detracted from performance, as the drop in 5-year yields negatively impacted rate reset preferreds, which “reset” at regular intervals and tend to outperform in rising rate environments. Straight perpetual preferred shares, which we are underweight in the portfolio, outperformed in the fourth quarter as perpetual issues fare better when yields fall.

Given the broad weakness in US credit and the recent sell off in the Canadian preferred share market, we used this opportunity to tactically increase allocations of the Multi Credit Fund and the Preferred Share Fund at the end of November. We continue to look for opportunities to add high quality assets at attractive prices to the Corporate Advantage Fund.

Recent Developments

The Bank of Canada held its key interest rate steady at 1.75% in January, while the Canadian preferred share market was slightly negative in the month.

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.

As at December 31, 2018, the Fund owned 2,115,182 Series A units of the Leith Wheeler Multi Credit Fund and 2,139,771 Series A units of the Leith Wheeler Preferred Share Fund, which are funds under common management.

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 0.75% and 0.50%, respectively. During the year, the Fund paid the Manager $61,572 for Series B and $131,291 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 May 29, 2014)*	2018	2017	2016	2015	2014
Net assets attributable to holders of redeemable units - per unit, beginning of period (1) (3)	$10.21	$10.18	$10.00	$10.04	$10.00
Increase (decrease) from operations:					
Total revenue	0.36	0.37	0.38	0.30	0.19
Total expenses	-	-	-	-	-
Realized gains (losses) for the year	(0.03)	0.12	-	(0.09)	-
Unrealized gains (losses) for the year	(0.38)	(0.10)	0.12	(0.08)	0.10
Total increase (decrease) from operations(1)	(0.05)	0.38	0.50	0.13	0.29
Distributions:					
From income (excluding dividends)	(0.23)	(0.31)	(0.28)	(0.21)	(0.03)
From dividends	(0.08)	(0.04)	(0.06)	(0.07)	(0.01)
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total Annual Distributions(2)	(0.31)	(0.36)	(0.34)	(0.28)	(0.04)
Net assets attributable to holders of redeemable units - per unit, end of year (1)	$9.89	$10.21	$10.18	$10.00	$10.04

Series B *(inception May 29, 2014)*	2018	2017	2016	2015	2014
Net assets attributable to holders of redeemable units - per unit, beginning of period (1) (3)	$9.95	$10.02	$9.84	$10.08	$10.00
Increase (decrease) from operations:					
Total revenue	(0.68)	0.62	0.55	0.92	0.18
Total expenses	(0.18)	(0.39)	(0.07)	(0.08)	(0.05)
Realized gains (losses) for the year	0.06	0.19	0.01	(0.28)	-
Unrealized gains (losses) for the year	0.71	(0.17)	0.18	(0.25)	0.09
Total increase (decrease) from operations(1)	(0.09)	0.25	0.66	0.31	0.22
Distributions:					
From income (excluding dividends)	(0.11)	(0.29)	(0.18)	(0.29)	(0.01)
From dividends	(0.07)	(0.08)	(0.05)	(0.11)	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total Annual Distributions(2)	(0.18)	(0.36)	(0.22)	(0.40)	(0.01)
Net assets attributable to holders of redeemable units - per unit, end of year (1)	$9.69	$9.95	$10.02	$9.84	$10.08

Financial Highlights (cont.)

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

Series F *(inception September 10, 2015)*	**2018**	**2017**	**2016**	**2015**	**2014**
Net assets attributable to holders of redeemable units - per unit, beginning of period (1) (4)	$9.69	$9.69	$9.55	$10.07	n/a
Increase (decrease) from operations:					
Total revenue	0.37	0.29	0.35	1.09	n/a
Total expenses	(0.02)	(0.01)	(0.05)	-	n/a
Realized gains (losses) for the year	(0.04)	0.09	-	(0.33)	n/a
Unrealized gains (losses) for the year	(0.38)	(0.08)	0.11	(0.29)	n/a
Total increase (decrease) from operations(1)	(0.07)	0.28	0.41	0.47	n/a
Distributions:					
From income (excluding dividends)	(0.13)	(0.27)	(0.25)	(0.39)	n/a
From dividends	(0.05)	(0.05)	(0.06)	(0.16)	n/a
From capital gains	-	-	-	-	n/a
Return of capital	-	-	-	-	n/a
Total Annual Distributions(2)	(0.18)	(0.32)	(0.31)	(0.55)	n/a
Net assets attributable to holders of redeemable units - per unit, end of year (1)	$9.44	$9.69	$9.69	$9.55	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 May 29, 2014, inception date of Series A and Series B units of the Fund.

(4) From September 10, 2015, inception date of Series F units of the Fund. Series F initial net asset value per unit offering commenced at the closing net asset value per unit of Series B on September 10, 2015 of $10.07.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A *(inception May 29, 2014)*	**2018**	**2017**	**2016**	**2015**	**2014**
Total net assets attributable to holders of redeemable units ($000s) (1)	128,309	92,593	39,959	31,425	15,924
Number of units outstanding (000s) (1)	12,971	9,067	3,926	3,143	1,586
Management expense ratio (%)(2)	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	0.02	0.03	0.05	0.08	0.23
Trading expense ratio (%)(3)	0.01	0.04	0.06	0.09	0.06
Portfolio turnover rate (%)(4)	112.09	93.08	101.94	152.78	127.91
Net assets attributable to holders of redeemable units - per unit ($)	9.89	10.21	10.18	10.00	10.04

Series B *(inception May 29, 2014)*	**2018**	**2017**	**2016**	**2015**	**2014**
Total net assets attributable to holders of redeemable units ($000s) (1)	8,111	6,047	1,230	1,402	314
Number of units outstanding (000s)(1)	837	607	123	143	31
Management expense ratio (%)(2)	0.79	0.79	0.79	0.79	0.79
Management expense ratio before waivers or absorptions (%)	0.81	0.82	0.84	0.87	1.02
Trading expense ratio (%)(3)	0.01	0.04	0.06	0.09	0.06
Portfolio turnover rate (%)(4)	112.09	93.08	101.94	152.78	127.91
Net assets attributable to holders of redeemable units - per unit ($)	9.69	9.95	10.02	9.84	10.08

Series F *(inception September 10, 2015)*	**2018**	**2017**	**2016**	**2015**	**2014**
Total net assets attributable to holders of redeemable units ($000s) (1)	24,915	26,105	9,838	4,609	n/a
Number of units outstanding (000s)(1)	2,638	2,694	1,015	482	n/a
Management expense ratio (%)(2)	0.53	0.53	0.53	0.53	n/a
Management expense ratio before waivers or absorptions (%)	0.55	0.56	0.57	0.61	n/a
Trading expense ratio (%)(3)	0.01	0.04	0.06	0.09	n/a
Portfolio turnover rate (%)(4)	112.09	93.08	101.94	152.78	n/a
Net assets attributable to holders of redeemable units - per unit ($)	9.44	9.69	9.69	9.95	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

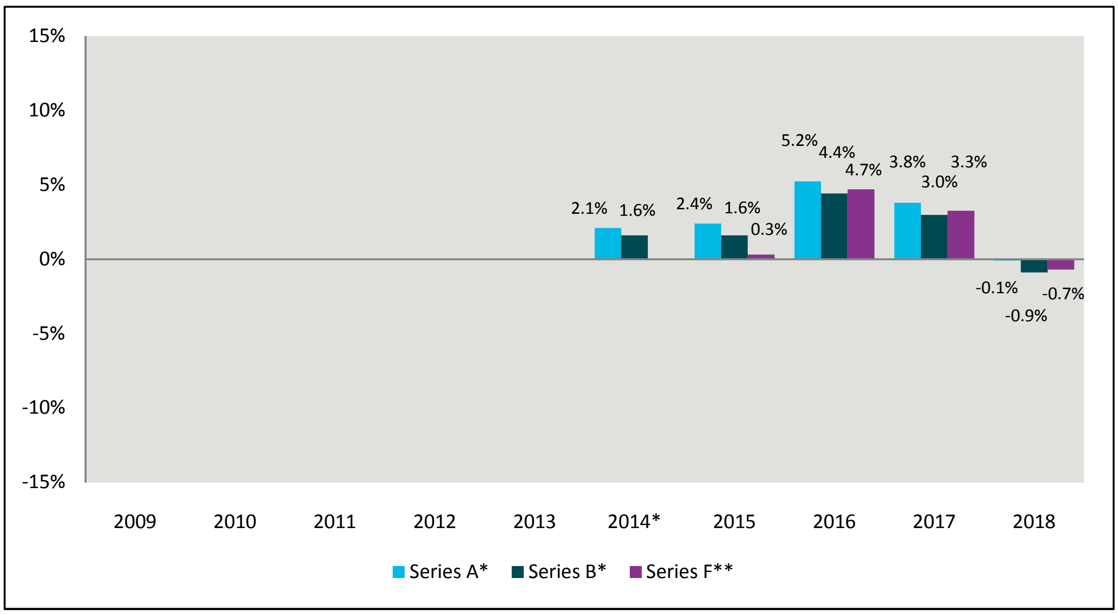
General

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 and Series B units were created May 29, 2014. Return from May 29, 2014 to December 31, 2014, not annualized.*

*** Series F units were created on September 10, 2015. Return from September 10, 2015 to December 31, 2015, 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 FTSE TMX Canada Universe Bond Index, in each case for the year ended December 31, 2018. The FTSE TMX 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 this broad-based index 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 *	-0.1%	2.9%	n/a	n/a
FTSE TMX Canada Universe Bond Index	1.4%	1.9%	n/a	n/a
Fund – Series B *	-0.9%	2.0%	n/a	n/a
FTSE TMX Canada Universe Bond Index	1.4%	1.9%	n/a	n/a
Fund – Series F **	-0.7%	2.4%	n/a	n/a
FTSE TMX Canada Universe Bond Index	1.4%	1.9%	n/a	n/a

** Series A and Series B units were created May 29, 2014.*

*** Series F units were created on September 10, 2015.*

Summary of Investment Portfolio

As at December 31, 2018

Top 25 Positions

Issuer	% of Net Asset Value
Leith Wheeler Multi Credit Fund Series A	12.4%
Leith Wheeler Preferred Share Fund Series A	11.5%
Toronto-Dominion Bank 2.98% September 30, 2025	2.7%
Bank of Nova Scotia 1.83% April 27, 2022	2.2%
Bank of Montreal 2.27% July 11, 2022	1.9%
Canadian Imperial Bank of Commerce 2.90% September 14, 2021	1.7%
Royal Bank of Canada 3.30% September 26, 2023	1.6%
Bank of Montreal 2.89% June 20, 2023	1.5%
Enbridge Pipelines Inc 3.45% September 29, 2025	1.5%
Toronto-Dominion Bank 3.00% May 30, 2023	1.4%
Royal Bank of Canada 2.03% March 15, 2021	1.3%
North West Redwater Partnership / NWR Financing Co Ltd 3.20% April 24, 2026	1.2%
Bank of Nova Scotia 2.29% June 28, 2024	1.2%
Inter Pipeline Ltd 2.61% September 13, 2023	1.2%
North West Redwater Partnership / NWR Financing Co Ltd 3.20% July 22, 2024	1.2%
TransCanada PipeLines Ltd 4.65% May 18, 2077	1.1%
First Nations Finance Authority 3.40% June 26, 2024	1.1%
Canadian Imperial Bank of Commerce 3.30% May 26, 2025	1.0%
Royal Bank of Canada 3.31% January 20, 2026	1.0%
Bell Canada 2.70% February 27, 2024	1.0%
Bank of Montreal 3.19% March 01, 2028	0.9%
Bank of Nova Scotia 1.90% December 02, 2021	0.9%
AltaGas Ltd 3.84% January 15, 2025	0.9%
Bank of Nova Scotia 3.10% February 02, 2028	0.9%
Shaw Communications Inc 3.80% March 01, 2027	0.8%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Bonds	79.6%
Preferred Shares	11.4%
Loans	8.4%
Cash & Other Net Assets	0.6%

The Fund held no short positions as at December 31, 2018.

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