

Leith Wheeler Short Term Income 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 investors with an improved rate of return for short term investments, while preserving the value of their investment. This Fund invests primarily in cash, short term notes, banker's acceptances, treasury bills, corporate paper, and other similar investments. The Fund may also invest in securities issued by corporations, including fixed coupon bonds, step-up bonds, sinking funds and amortizing bonds, medium term notes, callable and putable bonds, floating rate notes, zero coupon bonds, and other similar securities.

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 were decreased by 16.0% in 2019, shrinking to \$128.7 million from \$153.3 million at the end of 2018. Of this change, \$3.9 million was attributable to investment gains and \$28.5 million attributable to net outflows.

In 2019, Series A of the Fund returned 2.5% before fees and expenses compared to the FTSE 91-day T-Bill Index return of 1.6%. After fees and expenses, Series B of the Fund returned 2.1%, Series I1 of the Fund returned 2.3% and Series F of the Fund returned 2.2%.

Our strategy for the Short-Term Income Fund is to provide an improved rate of return for short-term investments. The funds are designed for investors who desire safety of capital with a high degree of liquidity. The Fund invests in Government and Corporate short-term fixed income securities and cash equivalents.

As of December 31, 2019, the Fund held 90% of its securities in Corporate short-term issues, and 10% in Federal short-term issues. For liquidity reasons, federal and provincial issues will make up a minimum of 10% of the portfolio. The corporate holdings are diversified across six broad corporate sectors including Consumers, Financials, Industrials, Real Estate, Utilities and Resources.

Capital preservation is the first objective of the Short-Term Income Fund, with all holdings being investment grade. As of December 31, 2019, the fund held 15% in AAA securities, 27% in AA, 28% in A and 30% in BBB. The Fund continues to provide high liquidity and preservation of capital.

Recent Developments

In the first quarter of 2020, growing fears about the economic impact of the COVID-19 virus have been impacting fixed income markets. While we cannot forecast the ultimate hit to GDP growth or the shape of the recovery, it is clear that markets are communicating a high level of alarm, with sovereign bonds rallying and high yield bond returns in negative territory year to date. Central bank cuts – meant to ameliorate skittish traders – have been undermined by instability in world oil prices. It will take time to work through the full impact of COVID-19 but for now we are keeping our discipline. We continue to see opportunities to add to issues at prices that are becoming increasingly attractive, and are actively tilting fixed income allocations to areas offering the best relative value.

Management Discussion of Fund Performance (cont.)

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 is 0.65% for the Series B, 0.45% for the Series I1 and 0.45% for the Series F units of the Fund. During the year, the Fund paid the Manager \$69,743 for Series B, \$58,712 for Series I1 and \$2,154 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.

Leith Wheeler has temporarily reduced the fee on its Short Term Income Fund from 0.65% to 0.35% for Series B (effective April 25, 2017), 0.45% to 0.15% for Series I1 (effective March 20, 2018), and 0.45% to 0.25% for Series F (effective May 18, 2018) to help maintain a positive yield for investors. The amount of this waiver is determined by us, in our discretion, and the full fees may be restored by us at any time.

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 December 15, 2016)	2019	2018	2017	2016	2015
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$9.93	\$9.98	\$9.99	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.25	0.25	0.36	n/a	n/a
Total expenses	-	-	-	n/a	n/a
Realized gains (losses) for the year	(0.02)	(0.04)	(0.06)	n/a	n/a
Unrealized gains (losses) for the year	0.01	(0.02)	(0.02)	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.24	0.19	0.28	n/a	n/a
Distributions:					
From income (excluding dividends)	(0.26)	(0.24)	(0.15)	n/a	n/a
From dividends	-	-	-	n/a	n/a
From capital gains	-	-	-	n/a	n/a
Return of capital	-	-	-	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.26)	(0.24)	(0.15)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$9.91	\$9.93	\$9.98	n/a	n/a
Series B (inception December 15, 2016)	2019	2018	2017	2016	2015
Net assets attributable to holders of redeemable units - per unit, beginning of year ^{(1) (3)}	\$9.86	\$9.96	\$9.99	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.25	0.24	0.26	n/a	n/a
Total expenses	(0.02)	(0.01)	(0.04)	n/a	n/a
Realized gains (losses) for the year	(0.02)	(0.04)	(0.04)	n/a	n/a
Unrealized gains (losses) for the year	0.01	(0.02)	(0.02)	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.22	0.17	0.16	n/a	n/a
Distributions:					
From income (excluding dividends)	(0.24)	(0.25)	(0.13)	n/a	n/a
From dividends	-	-	-	n/a	n/a
From capital gains	-	-	-	n/a	n/a
Return of capital	-	-	-	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.24)	(0.25)	(0.13)	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$9.83	\$9.86	\$9.96	n/a	n/a

Financial Highlights (cont.)

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

Series I1 (inception March 20, 2018)	2019	2018	2017	2016	2015
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾⁽⁴⁾	\$10.02	\$10.00	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.24	0.19	n/a	n/a	n/a
Total expenses	(0.02)	(0.01)	n/a	n/a	n/a
Realized gains (losses) for the year	(0.02)	(0.03)	n/a	n/a	n/a
Unrealized gains (losses) for the year	0.01	(0.02)	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.21	0.13	n/a	n/a	n/a
Distributions:					
From income (excluding dividends)	(0.21)	(0.22)	n/a	n/a	n/a
From dividends	-	-	n/a	n/a	n/a
From capital gains	-	-	n/a	n/a	n/a
Return of capital	-	-	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.21)	(0.22)	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$10.04	\$10.02	n/a	n/a	n/a
Series F (inception May 18, 2018)	2019	2018	2017	2016	2015
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾⁽⁵⁾	\$9.69	\$10.00	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.23	0.16	n/a	n/a	n/a
Total expenses	(0.02)	(0.01)	n/a	n/a	n/a
Realized gains (losses) for the year	(0.02)	(0.02)	n/a	n/a	n/a
Unrealized gains (losses) for the year	0.01	(0.01)	n/a	n/a	n/a
Total increase (decrease) from operations ⁽¹⁾	0.20	0.12	n/a	n/a	n/a
Distributions:					
From income (excluding dividends)	(0.25)	(0.11)	n/a	n/a	n/a
From dividends	-	-	n/a	n/a	n/a
From capital gains	-	-	n/a	n/a	n/a
Return of capital	-	-	n/a	n/a	n/a
Total Annual Distributions ⁽²⁾	(0.25)	(0.11)	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$9.65	\$9.69	n/a	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 December 15, 2016, inception date of Series A and B units of the Fund.

(4) From March 20, 2018, inception date of Series I1 units of the Fund. Series I1 net asset value per unit offering commenced at the closing net asset value per unit of Series B on March 20, 2018 of \$9.99.

(5) From May 18, 2018, inception date of Series F units of the Fund. Series F net asset value per unit offering commenced at the closing net asset value per unit of Series B on May 18, 2018 of \$9.96.

Financial Highlights (cont.)**Ratios and Supplemental Data**

Series A (inception December 15, 2016)	2019	2018	2017	2016	2015
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	86,918	108,166	90,648	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	8,769	10,890	9,082	n/a	n/a
Management expense ratio (%) ⁽²⁾	-	-	-	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.02	0.02	0.07	n/a	n/a
Trading expense ratio (%) ⁽³⁾	-	-	0.01	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	134.83	208.92	455.08	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	9.91	9.93	9.98	n/a	n/a

Series B (inception December 15, 2016)	2019	2018	2017	2016	2015
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	25,262	16,642	8,192	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	2,569	1,687	823	n/a	n/a
Management expense ratio (%) ⁽²⁾	0.37	0.37	0.40	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.71	0.71	0.75	n/a	n/a
Trading expense ratio (%) ⁽³⁾	-	-	0.01	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	134.83	208.92	445.08	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	9.83	9.86	9.96	n/a	n/a

Series I1 (inception March 20, 2018)	2019	2018	2017	2016	2015
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	15,578	27,840	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	1,551	2,777	n/a	n/a	n/a
Management expense ratio (%) ⁽²⁾	0.17	0.16	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.54	0.49	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	-	-	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	134.83	208.92	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	10.04	10.02	n/a	n/a	n/a

Financial Highlights (cont.)

Ratios and Supplemental Data (cont.)

Series F (inception March 20, 2018)	2019	2018	2017	2016	2015
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	935	676	n/a	n/a	n/a
Number of units outstanding (000s) ⁽¹⁾	97	70	n/a	n/a	n/a
Management expense ratio (%) ⁽²⁾	0.28	0.26	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	0.53	0.49	n/a	n/a	n/a
Trading expense ratio (%) ⁽³⁾	-	-	n/a	n/a	n/a
Portfolio turnover rate (%) ⁽⁴⁾	134.83	208.92	n/a	n/a	n/a
Net assets attributable to holders of redeemable units - per unit (\$)	9.65	9.69	n/a	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

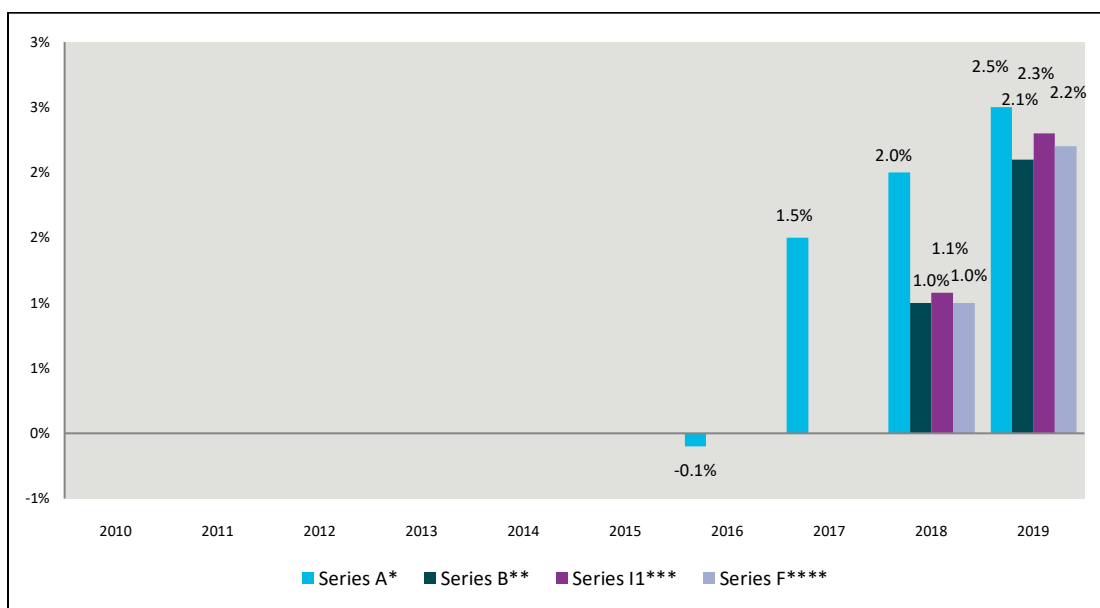
General

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 December 15, 2016. Return from inception on December 15, 2016 to December 31, 2016, not annualized.
 ** Series B units were created December 15, 2016, however, these units were not offered under Simplified Prospectus until May 25, 2018. Return from May 25, 2018 to December 31, 2018, not annualized.
 *** Series I1 units were created March 20, 2018, however, these units were not offered under Simplified Prospectus until May 25, 2018. Return from inception on May 25, 2018 to December 31, 2018, not annualized.
 **** Series F units were created May 18, 2018, however, these units were not offered under Simplified Prospectus until May 25, 2018. Return from inception on 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, F and I1 with the FTSE Canada 91 Day T-Bill Index, in each case for the year ended December 31, 2019. The FTSE Canada 91 Day T-Bill Index measures the return attributable to 91 Day Treasury Bills. 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*	2.5%	2.0%	n/a	n/a
Benchmark	1.6%	1.2%	n/a	n/a
Fund – Series B**	2.1%	n/a	n/a	n/a
Benchmark	1.6%	n/a	n/a	n/a
Fund – Series I1***	2.3%	n/a	n/a	n/a
Benchmark	1.6%	n/a	n/a	n/a
Fund – Series F****	2.2%	n/a	n/a	n/a
Benchmark	1.6%	n/a	n/a	n/a

* Series A units were created December 15, 2016.

** Series B units were created December 15, 2016, 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.

*** Series I1 units were created March 20, 2018. Past performance information will not be available until such units have been offered for at least 12 consecutive months.

**** Series F units were created May 18, 2018, 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
Royal Bank of Canada 2.119% July 28, 2020	7.8%
Canada Housing Trust No 1 1.937% September 15, 2023	7.3%
Federation des Caisses Desjardins du Quebec 2.056% December 17, 2020	5.8%
Brookfield Asset Management Inc 5.3% March 01, 2021	5.6%
Manulife Bank of Canada 2.34% March 04, 2021	5.6%
John Deere Canada Funding Inc 2.37% September 21, 2020	5.4%
Ford Credit Canada Co 2.45% May 07, 2020	4.7%
Canadian Natural Resources Ltd 2.89% August 14, 2020	4.3%
Wells Fargo Canada Corp 3.04% January 29, 2021	3.9%
Husky Energy Inc 5% March 12, 2020	3.9%
Enbridge Inc 4.53% March 09, 2020	3.9%
Toronto-Dominion Bank 2.012% October 06, 2020	3.9%
Wells Fargo & Co 2.222% March 15, 2021	3.9%
Canadian Imperial Bank of Commerce 2.226% December 08, 2020	3.5%
RioCan Real Estate Investment Trust 3.62% June 01, 2020	3.1%
SmartCentres Real Estate Investment Trust 2.71% December 21, 2020	3.1%
Dollarama Inc 2.241% February 01, 2021	2.7%
Canadian Government Bond 1.75% May 01, 2021	2.7%
Finning International Inc 3.232% July 03, 2020	2.3%
Canadian Imperial Bank of Commerce 1.9% April 26, 2021	2.3%
Silver Arrow Canada LP 2.129% July 15, 2020	2.2%
GMF Canada Leasing Trust 2.154% June 20, 2020	1.9%
Toyota Credit Canada Inc 2.279% October 13, 2020	1.9%
Toyota Credit Canada Inc 2.421% September 27, 2021	1.8%
Ventas Canada Finance Ltd 2.51% November 12, 2021	1.6%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Corporate Bonds	85.6%
Federal Bonds	10.0%
Maple Bonds	3.9%
Cash & Other Net Assets	0.5%

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.