

Leith Wheeler U.S. Small/Mid-Cap Equity Fund Series F Summary of Investment Portfolio as of July 31, 2017

Fund Objective:

To provide superior long term investment returns by investment primarily in a broad range of small and mid-capitalization U.S. companies. The Fund is not restricted by industry sector or size, although portfolio diversification is a consideration in the selection of securities for the fund.

Investment Style:

We utilize a value approach to stock selection, applying bottom-up, fundamental analysis to all investment decisions. Our investment goal is to protect our client’s capital while offering superior investment growth, regardless of economic conditions. We seek to invest in companies with stable earnings with a long term business model and management team that we have a high level of comfort in. We focus on finding companies with a proven track record of paying and increasing their dividend over time.

As value investors, we tend to invest in companies when they are viewed as “out of favour” by the market and have declined in price. Companies can become undervalued when there is a lack of investor awareness, when an entire industry is out of favour with investors, or when a company experiences a short-term difficulty which, following careful analysis, we believe can be overcome. By purchasing these companies after a price decline, we find we are able to control risk in the portfolio as these investments often have less downside risk while offering a decent potential return.

Fund Details:

Asset Class	U.S. Equity	Minimum Investment	\$5,000; \$1,000 for additional purchases
Fund Size	\$47.3 million	RRSP/RRIF Eligible	Yes
Fund Inception Date	October 31, 2016	Distribution Frequency	Quarterly
Series Inception Date	October 31, 2016	MER	0.95% + taxes
Dividend Yield	1.30% (before fees)	Fund Code	LWF048
Number of Holdings	22		

Distribution History of F Series:

	Dist./Unit	Per \$10,000
Mar-17	\$0.0038	\$3.42
Jun-17	\$0.0030	\$2.72

Monthly Commentary:

Some of the top performing names in the Leith Wheeler U.S. Small/Mid-Cap Equity Fund in July were **Live Nation Entertainment** and **Keysight Technologies**. The bottom performers in the Fund were **MSC Industrial Direct** and **On Assignment**.

MSC Industrial Direct, one of the largest industrial equipment distributors in the world, was a detractor from performance in July. The company reported third quarter results - a continued rebound in sales growth and outlook

overshadowed by weaker than expected gross margins. Investors are particularly sensitive to any gross margin deterioration given concerns about Amazon and to a lesser degree competitor Grainger. Management holds the view that gross margin deterioration is mostly due to mix shift as lower margin national accounts grow more quickly than smaller accounts, in addition to a continued weak pricing environment. Given the recent softness in share price, MSC may be a candidate for a larger position size.

We added a new name to the Fund in July, **STORE Capital Corporation**, a well run triple-net lease REIT. We believe their management team, investment process and book of business are differentiated and upper tier. These strengths are overshadowed by industry level concern about bricks and mortar related retail exposure and unfamiliarity with and lack of history of STORE. Concerns about rising interest rates and the potential for depreciating retail property values has created an opportunity to buy into a well-run business, with a highly disciplined, differentiated and proven under-writing process at an attractive price.

We deleted a holding from the Fund in July, **AerCap**, the world’s largest independent aircraft leasing company. The upside from deleveraging-driven credit upgrades and share repurchases have been realized, and we redeployed some of the gains into **Air Lease**, which we view as a superior long-term organic growth story with strong operators.

Top 10 Holdings (% of Net Asset Value):

Brookfield Infrastructure Partners
Carlisle Cos Inc
Live Nation Entertainment
Starwood Property Trust
Axalta Coating Systems
Commscope Holdings
Tri Pointe Group
Keysight Technologies
Wyndham Worldwide Corp
Torchmark Corp

5.3%
5.1%
5.0%
4.6%
4.5%
4.2%
4.0%
4.0%
4.0%
3.8%

Sector Mix (% of Net Asset Value):

Materials	4.5%
Industrials	28.1%
Consumer Discretionary	21.4%
Financials	8.4%
Information Technology	8.2%
Utilities	5.3%
Real Estate	5.6%
Cash & Cash Equivalents [†]	18.5%

[†] Cash and cash equivalents includes other assets and liabilities

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Mutual funds are not guaranteed or covered by the Canada Deposit Insurance Corporation, Leith Wheeler, or any other deposit insurer. Fund values change frequently and past performances may not be repeated. Just as performance can move up and down, so too can distributions; distribution history should not be used to predict future distributions. The summary of the investment fund’s portfolio may change due to ongoing portfolio transactions.

The forward looking information contained in this summary is based on our current expectations about future events. Forward-looking statements are not guarantees of future performance, the assumptions upon which they are based may not prove to be accurate. Actual results could differ materially from those expressed. Do not place undue reliance on forward-looking statements.

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 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.

This summary is not intended to provide advice, recommendations or offers to buy or sell any product or service. The information provided is compiled from our own research that we believe to be reasonable and accurate at the time of writing, but is subject to change without notice.

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