

Leith Wheeler Preferred Share Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2024



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.sedarplus.ca.

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 income and the opportunity for long term capital appreciation by investing primarily in a portfolio of Canadian preferred share securities. This Fund invests primarily in publicly listed preferred shares, including securities convertible into preferred shares, with a minimum preferred share quality of Pfd-3(low) (per Dominion Bond Rating Service or equivalent).

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 26.8% in 2024 to \$58.6 million from \$46.2 million at the end of 2023. Of this change, \$13.3 million was attributable to positive investment performance and \$0.9 million to net outflows from unitholders.

The Preferred Share Fund had positive returns in 2024, with Series A units increasing +29.3%. Series F units increased +28.2%, after fees and expenses, during the year. The Fund outperformed the S&P/TSX Preferred Share Index in 2024, which increased +24.7%.

Our strategic overweight to rate reset preferred shares was a positive contributor to the performance for the year. Security selection in Utility and Insurance sectors were significant contributors to the performance, while Real Estate detracted slightly.

Over the next year, banks and other issuers will be the focus for redemptions affecting the future returns. Additionally, the current spreads on preferred shares relative to the other fixed income products continue to present it as an attractive opportunity with potentially better valuations.

Recent Developments

The S&P/TSX Preferred Share Total Return Index was up +2.3% in January 2025.

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, 2024, the Leith Wheeler Income Advantage Fund, Leith Wheeler Corporate Advantage Fund and Leith Wheeler Balanced Fund owned 541,222 Series A units, 3,300,238 Series A units and 50,179 Series A units of the Fund, respectively, which are all under common management. Combined, the holdings represent 66.4% of the Fund.

During the year ended December 31, 2024, the Fund paid approximately \$231,000 in distributions to Leith Wheeler Income Advantage Fund, \$1,329,000 in distributions to Leith Wheeler Corporate Advantage Fund and \$10,000 in distributions to Leith Wheeler Balanced Fund.

Management Fees and Administration Fees

Management fees and administration fees of each series of the Fund are payable to the Manager and calculated at the following annual percentages, before GST/HST, of the daily NAV of each series of the Fund. Administration fees became effective November 1, 2023. Prior to this date there were no administration fees. During 2023 and 2024 there were no changes to management fees.

Fee	Series A	Series F
Management Fees	*	0.70 %
Administration Fees	0.02 %	0.10 %

* Series A unitholders pay a negotiated management fee

Leith Wheeler Investment Counsel Ltd. (the “Manager”) does 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	2024	2023	2022	2021	2020
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$8.08	\$7.85	\$10.29	\$8.58	\$8.50
Increase (decrease) from operations:					
Total revenue	0.43	0.42	0.44	0.44	0.37
Total expenses	-	(0.01)	-	-	-
Realized gains (losses) for the year	0.22	(0.22)	0.25	0.48	(0.16)
Unrealized gains (losses) for the year	1.70	0.52	(2.56)	1.24	0.61
Total increase (decrease) from operations ⁽¹⁾	2.35	0.71	(1.87)	2.16	0.82
Distributions:					
From income (excluding dividends)	(0.01)	-	-	-	-
From dividends	(0.41)	(0.44)	(0.46)	(0.41)	(0.37)
From capital gains	-	-	(0.07)	-	-
Return of capital	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.42)	(0.44)	(0.53)	(0.41)	(0.37)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$9.98	\$8.08	\$7.85	\$10.29	\$8.58

Series B ⁽³⁾	2024	2023	2022	2021	2020
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	n/a	\$7.89	\$10.02	\$8.39	\$8.47
Increase (decrease) from operations:					
Total revenue	n/a	0.44	0.48	0.41	0.93
Total expenses	n/a	(0.01)	(0.09)	(0.09)	(0.09)
Realized gains (losses) for the year	n/a	(0.23)	0.27	0.44	(0.41)
Unrealized gains (losses) for the year	n/a	0.50	(2.78)	1.15	1.55
Total increase (decrease) from operations ⁽¹⁾	n/a	0.70	(2.12)	1.91	1.98
Distributions:					
From income (excluding dividends)	n/a	-	-	-	-
From dividends	n/a	(0.10)	(0.19)	(0.35)	(0.45)
From capital gains	n/a	-	-	-	-
Return of capital	n/a	-	-	-	-
Total Annual Distributions ⁽²⁾	n/a	(0.10)	(0.19)	(0.35)	(0.45)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	n/a	-	\$7.89	\$10.02	\$8.39

Financial Highlights (cont.)

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

Series F	2024	2023	2022	2021	2020
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$8.06	\$7.58	\$9.81	\$8.22	\$8.37
Increase (decrease) from operations:					
Total revenue	0.43	0.41	0.43	0.38	0.80
Total expenses	(0.08)	(0.01)	(0.07)	(0.07)	(0.08)
Realized gains (losses) for the year	0.21	(0.22)	0.24	0.41	(0.35)
Unrealized gains (losses) for the year	1.74	0.24	(2.47)	1.06	1.33
Total increase (decrease) from operations ⁽¹⁾	2.30	0.42	(1.87)	1.78	1.70
Distributions:					
From income (excluding dividends)	(0.01)	-	-	-	-
From dividends	(0.35)	(0.02)	(0.28)	(0.37)	(0.52)
From capital gains	-	-	(0.06)	-	-
Return of capital	-	(0.10)	-	-	-
Total Annual Distributions ⁽²⁾	(0.36)	(0.12)	(0.34)	(0.37)	(0.52)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$9.95	\$8.06	\$7.58	\$9.81	\$8.22

(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) Effective May 30, 2023, Series B was discontinued as there are no unitholders.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A	2024	2023	2022	2021	2020
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	57,102	44,745	37,248	43,555	39,527
Number of units outstanding (000s) ⁽¹⁾	5,719	5,541	4,747	4,234	4,607
Management expense ratio (%) ⁽²⁾	0.02	-	-	-	-
Management expense ratio before waivers or absorptions (%)	0.02	0.07	0.04	0.04	0.06
Trading expense ratio (%) ⁽³⁾	0.02	0.06	0.04	0.04	0.06
Portfolio turnover rate (%) ⁽⁴⁾	18.76	27.32	42.16	37.13	24.82
Net assets attributable to holders of redeemable units - per unit (\$)	9.98	8.08	7.85	10.29	8.58

Series B ⁽⁵⁾	2024	2023	2022	2021	2020
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	n/a	n/a	83	397	671
Number of units outstanding (000s) ⁽¹⁾	n/a	n/a	11	40	80
Management expense ratio (%) ⁽²⁾	n/a	n/a	0.95	0.95	0.95
Management expense ratio before waivers or absorptions (%)	n/a	n/a	0.99	0.99	1.01
Trading expense ratio (%) ⁽³⁾	n/a	n/a	0.04	0.04	0.06
Portfolio turnover rate (%) ⁽⁴⁾	n/a	n/a	42.16	37.13	24.82
Net assets attributable to holders of redeemable units - per unit (\$)	n/a	n/a	7.89	10.02	8.39

Series F	2024	2023	2022	2021	2020
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	1,472	1,458	11,965	23,902	11,635
Number of units outstanding (000s) ⁽¹⁾	148	181	1,578	2,436	1,415
Management expense ratio (%) ⁽²⁾	0.88	0.80	0.78	0.79	0.79
Management expense ratio before waivers or absorptions (%)	0.88	0.87	0.82	0.83	0.85
Trading expense ratio (%) ⁽³⁾	0.02	0.06	0.04	0.04	0.06
Portfolio turnover rate (%) ⁽⁴⁾	18.76	27.32	42.16	37.13	24.82
Net assets attributable to holders of redeemable units - per unit (\$)	9.95	8.06	7.58	9.81	8.22

(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.

(5) Effective May 30, 2023, Series B was discontinued as there are no unitholders.

Past Performance

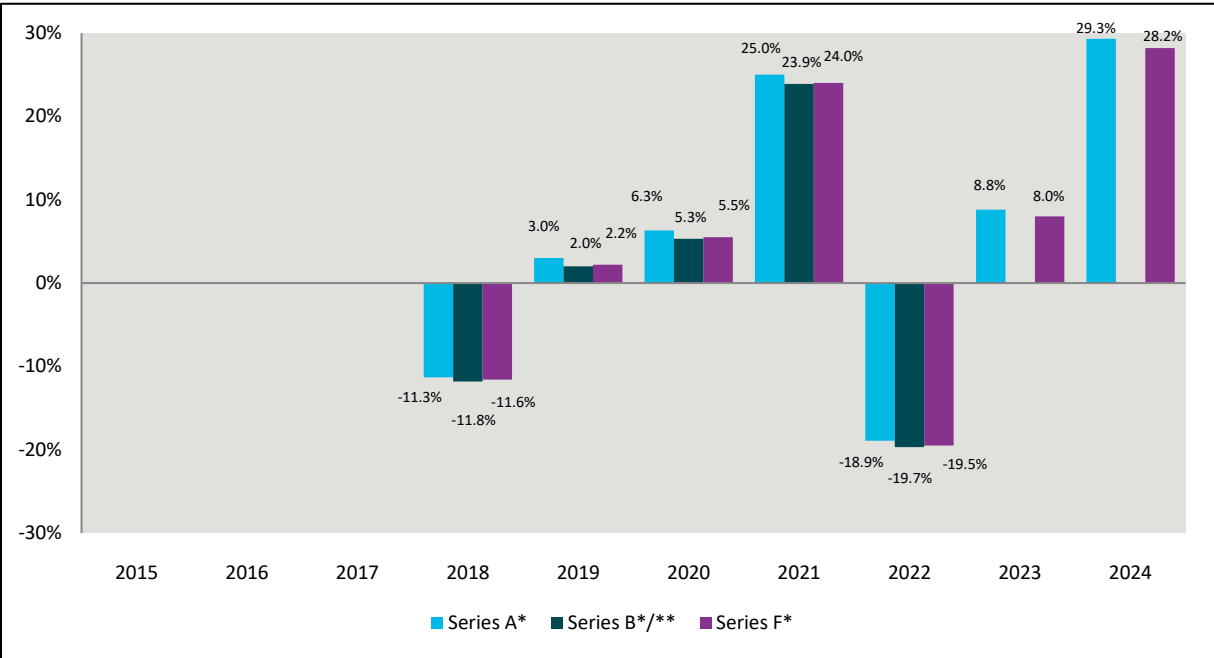
General

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, Series B and Series F units were created on May 22, 2018. Performance start date is May 25, 2018, which is the date of first unitholder contribution to the Series. Returns from May 25, 2018 to December 31, 2018, not annualized.

** Effective May 30, 2023, Series B was discontinued as there are no unitholders.

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 Preferred Share Index (CAD), in each case for the year ended December 31, 2024. The S&P/TSX Preferred Share Index is an index which tracks the performance of the Canadian preferred stock market. 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 *	29.3%	4.5%	8.7%	n/a
Benchmark	24.7%	2.7%	6.5%	n/a
Fund – Series B */**	n/a	n/a	n/a	n/a
Benchmark	24.7%	2.7%	n/a	n/a
Fund – Series F *	28.2%	3.7%	7.8%	n/a
Benchmark	24.7%	2.7%	6.5%	n/a

* Series A, Series B and Series F units were created on May 22, 2018. Performance start date is May 25, 2018, which is the date of first unitholder contribution to the Series.

** Effective May 30, 2023, Series B was discontinued as there are no unitholders.

Summary of Investment Portfolio

As at December 31, 2024

Top 25 Positions

Issuer	% of Net Asset Value
BCE Inc., Preferred, Series 'AM', Perpetual	6.0%
Enbridge Inc., Preferred, Series '15', Perpetual	6.0%
The Toronto-Dominion Bank, Preferred, Series '9'	5.7%
Royal Bank of Canada, Preferred, Series 'BD', Perpetual	5.6%
Intact Financial Corporation, Preferred, Series '3'	5.3%
Brookfield Renewable Power Preferred Equity Inc., Preferred, Series '1'	4.6%
Enbridge Inc., Preferred, Series '13', Perpetual	3.9%
TC Energy Corporation, Preferred, Series '11'	3.8%
Fortis Inc., Preferred, Series 'M'	3.4%
Great-West Lifeco Inc., Preferred, Series 'N'	2.5%
The Toronto-Dominion Bank, Preferred, Series '7'	2.4%
TC Energy Corporation, Preferred, Series '9', Perpetual	2.4%
Manulife Financial Corporation, Preferred, Series '19'	2.0%
Brookfield Corporation, Preferred, Series '42'	1.7%
Great-West Lifeco Inc., Preferred, Series 'S', Perpetual	1.6%
Great-West Lifeco Inc., Preferred, Series 'P', Perpetual	1.6%
Pembina Pipeline Corporation, Preferred, Series '25', Perpetual	1.6%
CU Inc., Preferred, Series '1', Perpetual	1.5%
Brookfield Renewable Power Preferred Equity Inc., Preferred, Callable, Perpetual	1.5%
TC Energy Corporation, Preferred, Series '3', Perpetual	1.5%
Intact Financial Corporation, Preferred	1.5%
AltaGas Limited, Preferred, Series 'A'	1.4%
Emera Inc., Preferred, Series 'J'	1.4%
Canadian Imperial Bank of Commerce, Preferred, Series '43'	1.4%
Royal Bank of Canada, Preferred, Series 'BF', Perpetual	1.4%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Canadian Equities	96.2%
Bonds	2.5%
Cash & Other Net Assets	1.3%

The Fund held no short positions as at December 31, 2024.

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.