

# Leith Wheeler U.S. Small/Mid-Cap Equity Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2024



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](http://www.leithwheeler.com) or SEDAR+ at [www.sedarplus.ca](http://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 income and long-term capital appreciation by primarily investing in equity securities of U.S. listed companies. The Fund is not restricted by industry sector or size, although portfolio diversification is a consideration in the selection of securities in the Fund. Under normal circumstances, the Fund will keep its portfolio fully invested, to the greatest extent possible, in equity securities.

Our strategy employs a value approach to the management of equities. The Fund aims to maximize the long-term rate of return while preserving investment capital by avoiding investment strategies that expose portfolio assets to excessive risk; to outperform the Russell 2500 Index over a full market cycle; and to achieve an above-average ranking relative to similar mandates over a full market cycle.

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 30.2% in 2024 to \$19.4 million from \$14.9 million at the end of 2023. Of this change, \$3.0 million as attributable to positive investment performance and \$1.5 million to net inflows from unitholders.

For the year ended December 31, 2024, the US Small/Mid-Cap Equity Pooled Fund Series A increased +17.9% before fees, and Series F increased +16.5% after fees and expenses. The Russell 2500 (C\$) increased +21.5% over the same period.

In the first quarter, an underweight allocation to Real Estate, and stock selection in Health Care and Industrials contributed positively to performance while holding Cable One detracted.

The Russell 2500 Index fell -3.3% in the second quarter, with all sectors posting negative returns except Utilities (+7.3%). The Fund underperformed in the quarter due to stock selection in Financials and Utilities while Health Care and Information Technology picks contributed positively.

The Fund outperformed its benchmark in the third quarter due to stock selection in Industrials, Health Care and Utilities, and a lack of exposure to Energy.

In the fourth quarter, the Fund rose +5.2%, underperforming the benchmark’s +7.0% return. Stock selection in Consumer Discretionary and Financials positively contributed to performance over the quarter whilst the stock selection in Industrials detracted.

Recent Developments

The Russell 2500 Index returned +4.7% 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 Balanced Fund owned 547,470 Series A units of the Fund, a fund under common management. This holding represents approximately 49.0% of this Fund.

During the year, the Fund paid approximately \$274,000 in distributions to this unitholder.

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     | *        | 0.95%    |
| 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 <sup>(1)</sup> | \$15.13 | \$14.33 | \$16.02 | \$14.50 | \$13.84 |
| Increase (decrease) from operations:                                                                |         |         |         |         |         |
| Total revenue                                                                                       | 0.23    | 0.26    | 0.17    | 0.23    | 0.28    |
| Total expenses                                                                                      | (0.07)  | (0.05)  | -       | -       | -       |
| Realized gains (losses) for the year                                                                | 0.76    | 0.75    | 0.56    | 2.41    | (0.32)  |
| Unrealized gains (losses) for the year                                                              | 1.85    | (0.25)  | (1.76)  | 1.53    | 1.70    |
| Total increase (decrease) from operations <sup>(1)</sup>                                            | 2.77    | 0.71    | (1.03)  | 4.17    | 1.66    |
| Distributions:                                                                                      |         |         |         |         |         |
| From income (excluding dividends) <sup>(4)</sup>                                                    | (0.15)  | (0.21)  | -       | -       | (0.01)  |
| From dividends                                                                                      | (0.01)  | -       | (0.19)  | (0.22)  | (0.20)  |
| From capital gains                                                                                  | (0.36)  | -       | (0.40)  | (2.44)  | (0.16)  |
| Return of capital                                                                                   | -       | (0.01)  | -       | -       | -       |
| Total Annual Distributions <sup>(2)</sup>                                                           | (0.52)  | (0.22)  | (0.59)  | (2.66)  | (0.37)  |
| Net assets attributable to holders of redeemable units - per unit, end of year <sup>(1)</sup>       | \$17.31 | \$15.13 | \$14.33 | \$16.02 | \$14.50 |

| Series B <sup>(3)</sup>                                                                             | 2024 | 2023    | 2022    | 2021    | 2020    |
|-----------------------------------------------------------------------------------------------------|------|---------|---------|---------|---------|
| Net assets attributable to holders of redeemable units - per unit, beginning of year <sup>(1)</sup> | n/a  | \$14.58 | \$15.88 | \$14.38 | \$13.81 |
| Increase (decrease) from operations:                                                                |      |         |         |         |         |
| Total revenue                                                                                       | n/a  | 0.26    | 0.44    | 0.25    | 0.39    |
| Total expenses                                                                                      | n/a  | (0.21)  | (0.20)  | (0.22)  | (0.17)  |
| Realized gains (losses) for the year                                                                | n/a  | 0.77    | 1.42    | 2.60    | (0.45)  |
| Unrealized gains (losses) for the year                                                              | n/a  | (0.23)  | (4.48)  | 1.64    | 2.34    |
| Total increase (decrease) from operations <sup>(1)</sup>                                            | n/a  | 0.60    | (2.82)  | 4.27    | 2.11    |
| Distributions:                                                                                      |      |         |         |         |         |
| From income (excluding dividends) <sup>(4)</sup>                                                    | n/a  | -       | -       | -       | -       |
| From dividends                                                                                      | n/a  | -       | (0.01)  | (0.02)  | (0.11)  |
| From capital gains                                                                                  | n/a  | -       | -       | (2.40)  | (0.16)  |
| Return of capital                                                                                   | n/a  | -       | -       | -       | -       |
| Total Annual Distributions <sup>(2)</sup>                                                           | n/a  | -       | (0.01)  | (2.42)  | (0.27)  |
| Net assets attributable to holders of redeemable units - per unit, end of year <sup>(1)</sup>       | n/a  | -       | \$14.58 | \$15.88 | \$14.38 |

## 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 <sup>(1)</sup> | \$15.05 | \$14.34 | \$16.04 | \$14.54 | \$13.93 |
| Increase (decrease) from operations:                                                                |         |         |         |         |         |
| Total revenue                                                                                       | 0.24    | 0.26    | 0.17    | 0.23    | 0.43    |
| Total expenses                                                                                      | (0.25)  | (0.20)  | (0.15)  | (0.18)  | (0.19)  |
| Realized gains (losses) for the year                                                                | 0.73    | 0.75    | 0.56    | 2.38    | (0.49)  |
| Unrealized gains (losses) for the year                                                              | 1.95    | 0.12    | (1.77)  | 1.50    | 2.56    |
| Total increase (decrease) from operations <sup>(1)</sup>                                            | 2.67    | 0.93    | (1.19)  | 3.93    | 2.31    |
| Distributions:                                                                                      |         |         |         |         |         |
| From income (excluding dividends) <sup>(4)</sup>                                                    | -       | (0.15)  | -       | -       | -       |
| From dividends                                                                                      | -       | -       | (0.04)  | (0.07)  | (0.12)  |
| From capital gains                                                                                  | -       | -       | (0.41)  | (2.45)  | (0.17)  |
| Return of capital                                                                                   | -       | (0.01)  | -       | -       | -       |
| Total Annual Distributions <sup>(2)</sup>                                                           | -       | (0.16)  | (0.45)  | (2.52)  | (0.29)  |
| Net assets attributable to holders of redeemable units - per unit, end of year <sup>(1)</sup>       | \$17.53 | \$15.05 | \$14.34 | \$16.04 | \$14.54 |

(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 October 18, 2023, Series B was discontinued as there are no unitholders.

(4) Effective 2023, distributions per unit for income derived from foreign countries, including foreign dividends, is included in "from income".

## Financial Highlights (cont.)

### Ratios and Supplemental Data

| Series A                                                                             | 2024   | 2023   | 2022   | 2021   | 2020   |
|--------------------------------------------------------------------------------------|--------|--------|--------|--------|--------|
| Total net assets attributable to holders of redeemable units (\$000s) <sup>(1)</sup> | 17,076 | 13,257 | 18,162 | 16,740 | 13,228 |
| Number of units outstanding (000s) <sup>(1)</sup>                                    | 986    | 876    | 1,268  | 1,045  | 912    |
| Management expense ratio (%) <sup>(2)</sup>                                          | 0.02   | -      | -      | -      | -      |
| Management expense ratio before waivers or absorptions (%)                           | 0.02   | 0.16   | 0.16   | 0.14   | 0.23   |
| Trading expense ratio (%) <sup>(3)</sup>                                             | 0.03   | 0.07   | 0.06   | 0.09   | 0.15   |
| Portfolio turnover rate (%) <sup>(4)</sup>                                           | 19.75  | 24.37  | 31.50  | 40.53  | 51.70  |
| Net assets attributable to holders of redeemable units - per unit (\$)               | 17.31  | 15.13  | 14.33  | 16.02  | 14.50  |

| Series B <sup>(5)</sup>                                                              | 2024 | 2023 | 2022  | 2021  | 2020  |
|--------------------------------------------------------------------------------------|------|------|-------|-------|-------|
| Total net assets attributable to holders of redeemable units (\$000s) <sup>(1)</sup> | n/a  | n/a  | 168   | 1,096 | 1,502 |
| Number of units outstanding (000s) <sup>(1)</sup>                                    | n/a  | n/a  | 12    | 69    | 104   |
| Management expense ratio (%) <sup>(2)</sup>                                          | n/a  | n/a  | 1.33  | 1.32  | 1.33  |
| Management expense ratio before waivers or absorptions (%)                           | n/a  | n/a  | 1.49  | 1.46  | 1.56  |
| Trading expense ratio (%) <sup>(3)</sup>                                             | n/a  | n/a  | 0.06  | 0.09  | 0.15  |
| Portfolio turnover rate (%) <sup>(4)</sup>                                           | n/a  | n/a  | 31.50 | 40.53 | 51.70 |
| Net assets attributable to holders of redeemable units - per unit (\$)               | n/a  | n/a  | 14.58 | 15.88 | 14.38 |

| Series F                                                                             | 2024  | 2023  | 2022  | 2021  | 2020  |
|--------------------------------------------------------------------------------------|-------|-------|-------|-------|-------|
| Total net assets attributable to holders of redeemable units (\$000s) <sup>(1)</sup> | 2,281 | 1,619 | 1,502 | 1,542 | 1,032 |
| Number of units outstanding (000s) <sup>(1)</sup>                                    | 130   | 108   | 105   | 96    | 71    |
| Management expense ratio (%) <sup>(2)</sup>                                          | 1.18  | 1.06  | 1.04  | 1.03  | 1.00  |
| Management expense ratio before waivers or absorptions (%)                           | 1.18  | 1.22  | 1.20  | 1.17  | 1.23  |
| Trading expense ratio (%) <sup>(3)</sup>                                             | 0.03  | 0.07  | 0.06  | 0.09  | 0.15  |
| Portfolio turnover rate (%) <sup>(4)</sup>                                           | 19.75 | 24.37 | 31.50 | 40.53 | 51.70 |
| Net assets attributable to holders of redeemable units - per unit (\$)               | 17.53 | 15.05 | 14.34 | 16.04 | 14.54 |

(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 October 18, 2023, Series B was discontinued as there are no unitholders.

## Past Performance

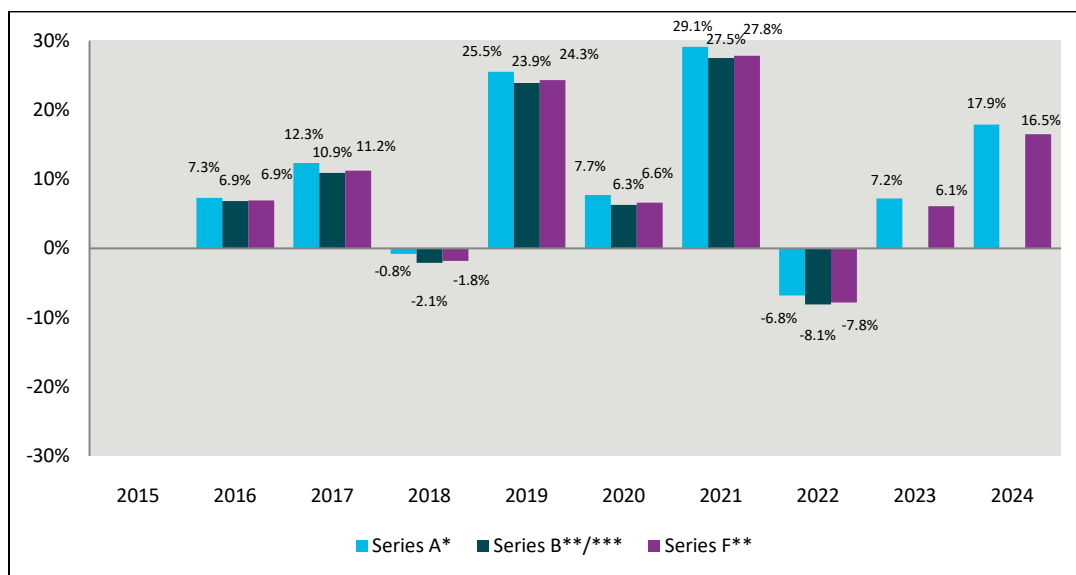
### General

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 units were created on October 27, 2016. Return from October 27, 2016 to December 31, 2016, not annualized.

\*\* Series B and Series F units were created on October 27, 2016. Performance start date for Series B and Series F is October 31, 2016 which is the date by which the fund was offered under a prospectus. Returns from October 31, 2016 to December 31, 2016, not annualized.

\*\*\* Effective October 18, 2023, Series B was discontinued as there are no unitholders.

## 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 Russell 2500 Index, in each case for the year ended December 31, 2024. The Russell 2500 Index is a broad index of 2,500 stocks that covers the small and mid-cap market capitalizations (up to the \$10 billion in market capitalization) of U.S. based listed equities. 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 *               | 17.9%  | 5.6%    | 10.4%   | n/a      |
| Benchmark                       | 21.5%  | 6.9%    | 11.0%   | n/a      |
| Fund – Series B **/**           | n/a    | n/a     | n/a     | n/a      |
| Benchmark                       | 21.5%  | 6.9%    | 11.0%   | n/a      |
| Fund – Series F **              | 16.5%  | 4.5%    | 9.2%    | n/a      |
| Benchmark                       | 21.5%  | 6.9%    | 11.0%   | n/a      |

\* Series A units were created on October 27, 2016.

\*\* Series B and Series F units were created on October 27, 2016. Performance start date for Series B and Series F is October 31, 2016 which is the date by which the fund was offered under a prospectus.

\*\*\* Effective October 18, 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 |
|--------------------------------------------------------|----------------------|
| Cash & Other Net Assets                                | 8.1%                 |
| Corpay Inc.                                            | 6.1%                 |
| SEI Investments Company                                | 5.9%                 |
| Henry Schein Inc.                                      | 5.5%                 |
| Globus Medical Inc.                                    | 4.9%                 |
| Keysight Technologies Inc.                             | 4.9%                 |
| Globe Life Inc.                                        | 4.5%                 |
| Brookfield Infrastructure Partners Limited Partnership | 4.3%                 |
| Universal Health Services Inc., Class 'B'              | 3.9%                 |
| Lamb Weston Holdings Inc.                              | 3.8%                 |
| Snap-on Inc.                                           | 3.8%                 |
| First Advantage Corporation                            | 3.7%                 |
| Old Republic International Corporation                 | 3.7%                 |
| Carlisle Companies Inc.                                | 3.6%                 |
| Wyndham Hotels & Resorts Inc.                          | 3.5%                 |
| Lamar Advertising Company, Class 'A'                   | 3.4%                 |
| Booz Allen Hamilton Holding Corporation, Class 'A'     | 3.2%                 |
| The Middleby Corporation                               | 3.2%                 |
| Crown Holdings Inc.                                    | 3.1%                 |
| Gentex Corporation                                     | 3.1%                 |
| CarMax Inc.                                            | 3.1%                 |
| ASGN Inc.                                              | 3.0%                 |
| MKS Instruments Inc.                                   | 2.7%                 |
| Hillman Solutions Corporation                          | 2.3%                 |
| Cable One Inc.                                         | 1.7%                 |

### Portfolio Allocation

| Portfolio Breakdown     | % of Net Asset Value |
|-------------------------|----------------------|
| Industrials             | 20.3%                |
| Financials              | 20.2%                |
| Health Care             | 14.3%                |
| Consumer Discretionary  | 13.3%                |
| Cash & Other Net Assets | 8.1%                 |
| Information Technology  | 7.5%                 |
| Utilities               | 4.3%                 |
| Consumer Staple         | 3.8%                 |
| Real Estate             | 3.4%                 |
| Materials               | 3.1%                 |
| Communication Services  | 1.7%                 |

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](http://www.leithwheeler.com).*