Q3

October 2019

PERSPECTIVES

On the Road: The Nashville Edition

Leaving our desks and spreadsheets, jumping on a plane, and visiting companies is what brings investment stories to life. Its while we're on the road that we develop real insights about the size of markets, the uniqueness of a solution, or the magnitude of a problem.

Travel is also a right of passage for analysts at Pembroke. Our senior portfolio managers remember their first trips abroad as analysts and the lessons they learned from their mentors. In turn, they pass on their knowledge to our young analysts. During the third quarter, Pembroke analysts and portfolio managers travelled together to Nashville and visited with seven healthcare companies.

Nashville is an important center of innovation in the US healthcare sector. Pembroke portfolio managers and analysts have been travelling there for decades and always come back with an appreciation for the city, the healthcare executives who are based there, and the solutions they are bringing to US healthcare patients. This trip was no different and proved that there is much more to Nashville than the music.

On the Road

The City of Nashville: It's not only about country music!

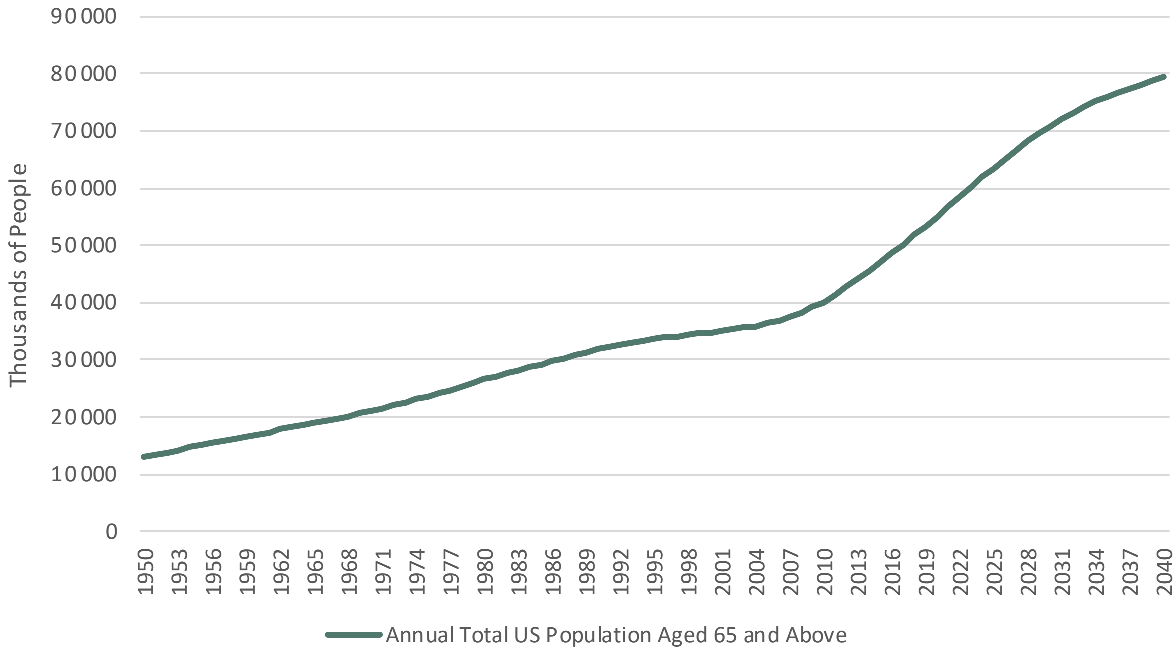
The fast-growing city of Nashville is well-known as a great location for live country music and good restaurants. Amongst healthcare professionals and investors, Nashville is also well-known for its healthcare industry. According to the Nashville Health Care Council, more than $1 billion of venture capital has been invested in health care companies over the past decade. According to the US Department of Labor, in May 2018, the healthcare industry contributed approximately 10% of total jobs in Nashville. Furthermore, about a third of publicly traded companies headquartered in Nashville operate in the healthcare industry.

Over the past 50 years, Pembroke has identified numerous interesting healthcare investments in Nashville. An early investment in the firm's history was in Healthcare Corporation of America. An important insight was that for-profit organizations operated by patient-focused management teams could improve access to high-quality healthcare services. We maintain our belief in that thesis 50 years later. In September, we met with seven healthcare companies in Nashville, including Amedisys ("AMED"), a leading provider of home health, hospice, and personal care services. At Pembroke, we focus on high-quality companies that have long-term secular growth potential, AMED is such a company. One of the drivers of secular growth is in the home care industry is the ageing US population.

Insight: There is a surge in the population of ageing Americans who will require medical care. Payers want to move patients out of expensive hospital settings, and patients want to receive care in the comfort of their homes.

In the United States, the population of people aged 65 years old and over is expected to increase from about 50 million in 2017 to nearly 80 million in 2040 (Exhibit 1). The annual growth rate of that segment of the population is expected to exceed the growth rate of gross domestic product for about a decade. With a strong desire by payors to move patients away from expensive hospital settings, and by patients to receive care in the comfort of their homes, the home care industry is benefitting from strong tailwinds.

Exhibit 1 - United States Population of Persons Aged 65 and Above



Source: United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, Online Edition. Rev. 1.

In January 2020, Medicare is expected to change reimbursement rates in the home health industry, which will have a significant impact on the home health service providers. Notably, the changes are not meant to save the government money, but rather to drive more chronically ill patients into their homes, and out of hospitals, for treatment. The home health industry, however, remains highly fragmented, with more than 12,000 agencies, and the five largest home healthcare providers account for less than 20% of the market. The expected rate adjustments will put pressure on many of the smaller players who account for the majority of the industry and are often financially fragile. The regulatory changes could, therefore, provide many consolidation opportunities and ultimately have a positive impact on large players such as AMED. Further, AMED's management has laid out a detailed plan which attempts to mitigate most of the regulatory change's impact on its profitability. If it succeeds, it could solidify its market leadership position as weaker players fall by the wayside.

Amedisys is well-positioned to grow both organically and inorganically. That growth will be driven by the aging population, growing consumer and payor preference for home health, consolidation opportunities, and technology investments that optimize the company's treatment protocols. While in Nashville, we had the chance to meet with one of the company's suppliers, Medalogix (which Amedisys recently took a stake in), and also with competitors. These are standard aspects of our due diligence. One of things we learned more about on this trip was the predictive model that Medalogix created to improve the cost structure of home health agencies like AMED.

Innovations that lower costs are among the most valuable in any industry. The US healthcare sector finds itself under extreme cost pressures, and those pressures will mount as older people make up an increasingly large proportion of the population. Pembroke's investment team sees AMED as part of the solution. It is cheaper and safer, in many cases, to administer treatment to patients at home rather than in hospital settings. Many patients prefer to be at home. AMED's management team has proven adept at managing through regulatory turbulence and is well-positioned to benefit from the proposed changes in 2020. Pembroke is consequently excited about AMED's long-term growth prospects.

Just the Facts

Before providing qualitative comments on the quarter, we present some quantitative information regarding our top five Canadian and US holdings.

Top Five Canadian Holdings

September 30th, 2019

Company	Q3 Price Change (CAD)	Revenue Growth, Current Fiscal Year	EPS or EBITDA Growth, Current Fiscal Year	Revenue Growth, Next Fiscal Year	EPS or EBITDA Growth, Next Fiscal Year
BRP Inc.	10%	16%	25%	5%	7%
Equitable Group Inc.	43%	29%	26%	12%	9%
Colliers International Group Inc.	6%	12%	20%	6%	10%
Canadian Western Bank	12%	9%	3%	6%	9%
Kinaxis Inc.	6%	26%	23%	13%	9%
Average	**16%**	**18%**	**20%**	**8%**	**9%**

Top Five US Holdings

September 30th, 2019

Company	Q3 Price Change (USD)	Revenue Growth, Current Fiscal Year	EPS or EBITDA Growth, Current Fiscal Year	Revenue Growth, Next Fiscal Year	EPS or EBITDA Growth, Next Fiscal Year
Stoneridge Inc.	-2%	11%	-12%	4%	21%
Euronet Worldwide Inc.	-13%	11%	25%	12%	16%
Installed Building Products Inc.	-3%	11%	11%	7%	10%
Albany International Corp.	9%	8%	8%	8%	12%
Franklin Covey Co.	3%	9%	60%	8%	44%
Average	**-1%**	**7%**	**18%**	**8%**	**21%**

Source: Bloomberg

Overview of the Quarter

Introduction to Canadian and US Commentaries

North American equity markets took investors on an interesting ride in the third quarter of 2019. In July and August, US small and mid-cap stocks took a step back after a strong first half of the year. In September, the major indices, such as the Russell 2000, rebounded; however, under the surface, there were significant rotations between sectors and styles. Specifically, many high-quality growth stocks struggled while companies that had underperformed expectations but offered more compelling near-term valuations rallied. Canadian small and mid-cap stocks, for their part, fared better. Coming into 2019, many of Pembroke's Canadian holdings offered compelling risk/reward profiles given their strong fundamentals and low valuations. Canadian investors have been rewarded for their patience following a difficult end to last year.

It is no wonder that equity markets are seeing rapid gyrations and shifts given the political and economic backdrop. Key pieces of economic data have been generally positive but also inconsistent. US Housing starts, for example, indicated a robust environment in September, whereas manufacturing data started to show signs of weakness. Trade tensions remain front and center, and if that was not enough, the US House of Representatives has commenced impeachment hearings, leading investors to examine the implications of a left-leaning Democrat taking the White House in 2020. At the same time, central banks around the world are generally doing their best to sustain economic expansion. Fears of US rate hikes in late 2018 have quickly turned into debates about how many times the US Central Bank should cut interest rates in 2019. The effect of all these cross-currents has been continued market volatility beneath a relatively benign surface as measured by major indices. That is, small and mid-cap equity markets in the US and Canada have maintained their gains for the year, but, in recent months, the sectors leading the market have changed. The healthcare sector, for example, has come under pressure while sectors that benefit from low interest rates, such as utilities and real estate, have enjoyed a strong third quarter. Whether these trends continue depends on innumerable factors, including trade policy, central bank activity, regulatory changes, and election prognostications.

Pembroke's portfolio managers continue to focus on identifying high-quality growth companies run by shareholder-oriented management teams. Our portfolios remain diversified across industry sectors. The challenges faced by some equity market sectors in recent quarters, therefore, are being partially offset by renewed investor interest in other areas of the market. The investment team is taking an especially strict view of balance sheets in the current environment and has trimmed some holdings which could be more vulnerable in an economic downturn in favour of holdings with conservative financial structures and more persistent revenue streams. Similarly, the team is monitoring and managing portfolio-level exposure to expensive stocks with great long-term prospects but limited short-term earnings power. While these changes at the margin are important, the Pembroke team spends the majority of its efforts analyzing companies rather than making macroeconomic projections or worrying about market fluctuations. The team maintains a long-term view of its investments and tracks their financial progress, competitive positions, and governance changes, with the view that solid growth in per share revenue and profitability will ultimately win the day over short-term market volatility. With that in mind, market volatility has its benefits. Most importantly, it provides opportunities to build existing positions and offers entry points to initiate positions in companies that we have long-liked but found too expensive to buy. We are satisfied with the progress of our holdings. Our companies reported strong second quarter results and we believe our focus on quality and balance sheet strength positions the portfolio to weather a potential economic downturn.

Canadian Portfolio Commentary

Pembroke's Canadian equity portfolios posted very slight gains in the third quarter of 2019, adding to the returns generated in the first half of the year. Trade tensions, concerns of an economic slowdown, and interest rate movements remained top of mind for capital market investors, though Canadian equities finished in positive territory for the period.

Industry group performance was mixed in the quarter, with the strategy's financial, real estate, and communications holdings showing strength. This performance was offset by weakness in investments in the energy, industrial, materials, and healthcare sectors. Pembroke's Canadian equity mandates underperformed the S&P/TSX Composite Index and the S&P/TSX Completion Index during the third quarter, though they did outpace the S&P/TSX Small Cap Index which declined in value during the period.

Two stocks made significant positive contributions during the third quarter.

Shares in **Equitable Group ("EQB")**, a Canadian financial services business that offers residential and commercial lending products as well as savings solutions to customers, rallied in the third quarter as the company delivered interim results that were well received by investors. While the Canadian housing market has been affected by changes in mortgage eligibility rules, foreign ownership restrictions, and regional economic uncertainty, Equitable delivered solid loan growth, excellent credit quality, and attractive profitability. The company increased its dividend, signaling a strong outlook for the business.

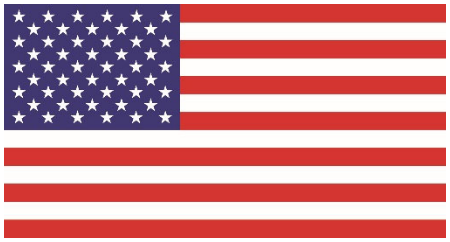
Shares in **Altus Group ("AIF")**, a leading independent provider of software, data solutions, and expert services to the commercial real estate industry, gained during the third quarter. The company's strong quarterly results were well received by the market, as was a previously announced transition to a software-as-a-service delivery model for one of the company's key offerings.

Two stocks made significant negative contributions during the third quarter.

Shares in **Horizon North Logistics ("HNL")**, a provider of workforce accommodations, workforce catering services, matting solutions, and modular construction solutions, were weak in the third quarter as the company reported disappointing quarterly results in August. While the company continues to make progress in winning share in the nascent modular construction industry, its legacy workforce accommodations business experienced weak activity levels and underutilization of its assets. Given the pressures on the company's operating performance and its reduced financial flexibility, we made the decision to sell our position in the company.

Shares in **DIRTT Environmental Solutions ("DRT")**, a provider of custom, modular interiors for offices and other institutional settings, suffered weakness in the third quarter as the company reported softer than anticipated operational results and lowered its guidance for the remainder of its fiscal year. DIRTT is undergoing challenges with sales force productivity, that are dampening its short-term revenue and profit outlook. We believe these issues are transitory, and that the company's longer-term prospects to win market share in the interior construction industry remain intact.

US Portfolio Commentary



After a strong first half of 2019, Pembroke's US portfolios followed US markets lower in the third quarter. Despite positive fundamental results and outlooks posted by many of the firm's holdings, most positions came under pressure as fears about the economy and the political backdrop mounted. In the third quarter, value stocks generally outperformed growth stocks and closed some of the performance gap from the first half of the year. Healthcare stocks were notably weak, in large part as a result of concerns about the 2020 US election. In short, with President Trump facing impeachment, investors are starting to consider the risks of a change in government and what that could mean for healthcare regulation. Pembroke's investment team holds the view that sweeping changes are unlikely and that incremental shifts could benefit some companies. Pembroke's information technology holdings performed poorly over the past three months, in part due to stock-specific challenges but also as a result of overall pressure on the sector. Industrial holdings were the bright spot in the past three months, driven by positive moves in housing-related holdings and one of the firm's aerospace companies.

Shares in **Carbonite ("CARB")** declined significantly following a turbulent second-quarter reporting period. Carbonite helps consumers and small businesses back up their data online. While the company beat earnings expectations, they reduced full-year revenue guidance on account of weak sales execution in their core business. Overshadowing results, however, was the surprise resignation of the company's CEO to pursue another management opportunity. Given that he was responsible for the company's acquisition and product strategy, including its recent transformative acquisition of Webroot, his departure shook investor confidence. Pembroke reduced its holding in the second quarter when the company took on debt to acquire Webroot; and we decided to exit entirely in the third quarter following the CEO's departure.

Boingo Wireless ("WIFI") has been in Pembroke's US portfolio for roughly four years; during that time, the stock enjoyed a strong run driven by increasing EBITDA, a turn to positive free cash flow, and general confidence in the company's ability to build network infrastructure to help its telecom customers deal with increasingly congested mobile data networks. Unfortunately, the stock has re-traced its gains, with the decline caused by accounting changes, concerns regarding Sprint's merger with T-Mobile and what that will mean for the company, a CEO transition, and finally speculation regarding Boingo's relevance in a 5G-network world. While we now have a greater appreciation for the challenges faced by the company, we do not believe that the growth opportunities have been impaired. We continue to own a position in the company because its strong reputation with its customers and increasing network congestion are likley to create substantial opportunities for Boingo.

Shares in **Liveperson ("LPSN")** performed well due to accelerating revenue growth guidance from the company. LPSN helps large enterprises converse with their customers online through multiple channels, from texting to online chat. Increasingly, customers do not want to call into their banks or telephone companies to ask questions. Who wants to sit on hold for 30 minutes! Liveperson has used its experience and technology in online chat to build a suite of tools and artificial intelligence that improve conversion rates and customer retention while also reducing the costs of managing a large call center. Pembroke has followed Liveperson, and the founder/CEO who is still a significant shareholder, for more than 15 years. We are impressed by the company's measured decision to expand its salesforce to take advantage of the company's technological and product leadership. While the company has an exciting multi-year growth opportunity, Pembroke has reduced its position in the face of the stock's rising valuation.

Shares in **Trex ("TREX")**, which manufactures composite products made from recycled plastic to replace wood used for outdoor decking, continues to execute well, leverage its powerful brand to gain market share, and report solid financial results. Encouragingly, the company's new lower-priced, entry-level products are also taking share from wood at a faster clip than initially expected. The US housing market is also strong, driving demand for decking. Given that the business can be cyclical over short periods of time and the valuation has expanded, Pembroke recently trimmed its position but remains confident about the company's long-term growth opportunity.

Dividend/Balanced Fund Commentary

The **Pembroke Dividend Growth Fund** gained in the third quarter of 2019, augmenting the returns from the first half of the year. Investors continued to confront the ramifications of global trade tensions, with concerns regarding decelerating economic growth and declining interest rates dominating headlines. Equity markets nevertheless remained resilient. In this environment, the fund modestly outperformed the S&P/TSX Composite Index, though it trailed the S&P/TSX Dividend Aristocrats Index for the quarter.

The fund's performance was largely driven by holdings in the financial, real estate, communications services, and consumer staples sectors. The fund's industrial and energy holdings were significant detractors from performance during the period.

Two stocks made significant positive contributions in the third quarter of 2019.

Shares in **Collectors Universe ("CLCT")**, a leading provider of third-party authentication and grading services for high-value collectibles such as coins and trading cards, gained in the third quarter following the announcement of strong second quarter results. The company is experiencing a rebound in coin grading volumes following a period of slower activity, and its trading-card grading operations continue to enjoy significant organic growth. Moreover, management has taken steps, including the streamlining and optimization of operations, that are driving increased productivity and profitability. The company is well capitalized and is generating strong free cash flows to fund a conservative dividend.

Shares in **Cogeco Inc. ("CGO")**, a cable service provider with a network spanning Ontario, Québec, and the east coast of the United States, performed well in the third quarter after announcing strong quarterly results. The company's sale of its data centre assets earlier in 2019 improved the company's financial flexibility and simplified the investment case. In turn, Cogeco shares have experienced an upward valuation re-rating to levels closer to comparable cable operators.

Two stocks made significant negative contributions during the third quarter of 2019.

Shares in **Horizon North Logistics ("HNL")**, a provider of workforce accommodations, workforce catering services, matting solutions, and modular construction solutions, were weak in the third quarter as the company posted quarterly results that were softer than anticipated by investors. While HNL's modular construction group is poised to win market share in a burgeoning industry, its legacy workforce accommodations business suffered from a weak demand environment and an underutilization of its assets. Given the disappointing operating results and a lower degree of financial flexibility than we had anticipated, we have divested our position in the company.

Shares in **Enerflex ("EFX")**, a worldwide provider of natural gas compression, oil and gas processing, refrigeration, and power generation equipment, were weak in the third quarter as bookings fell from record high levels reached in previous reporting periods. The company remains engaged in a healthy level of project work, which in turn drives free cash flow generation that funds a conservatively financed dividend. While short-term headwinds are apparent, we are optimistic about Enerflex's longer-term outlook.

Pembroke's domestic balanced portfolio, the **GBC Growth and Income Fund**, posted slight gains in the third quarter of 2019 driven by the equity portion of the portfolio which is represented by the holdings of the Pembroke Dividend Growth Fund. Equity returns from the fund were positive during the quarter, buoyed by modest earnings growth and valuation expansion.

The fixed income portion of the fund, represented by the **GBC Canadian Bond Fund**, posted small gains in the quarter that were driven by a declining interest rate environment which lifted bond prices. These gains were additive to the overall return of the mandate while providing diversification from equity market volatility.

Income in the balanced fund is generated from a combination of dividends and interest. The equity portion of the fund has a current annualized gross yield of 3.3%, while the fixed income segment of the fund is primarily invested in securities rated "AA and above" that, on average, have a collective yield to maturity of 2.9% and an adjusted portfolio duration of 1.9 years. The asset mix of Pembroke's balanced mandates did not change materially through the year, with approximately 29.5% of the portfolio invested in fixed income securities at September 30, 2019.

The GBC Global Balanced Fund

The GBC Global Balanced fund, launched on April 8th, gained during the third quarter. The fund, Pembroke's most diversified, is designed to provide investors with long-term capital and income growth through the diversification of assets, geographies, and market capitalizations. Pembroke uses a rebalancing discipline to keep the fund's intended exposures in place, drawing capital from asset classes when they exceed the targeted weight, and directing capital to asset classes when they fall below the intended weight. The fund employs both active investment strategies, like Pembroke's internally managed investment funds, and passive investment strategies like exchange-traded funds (ETFs), that seek to replicate the returns of an index or benchmark. The fund's top holdings during the quarter included The GBC Corporate Bond Fund, The Guardian Fundamental Global Equity Fund, The GBC Canadian Growth Fund, and the iShares Core S&P500 ETF.

The GBC Global Balanced fund is designed to be a core holding for our private clients. To learn more about the fund, please contact your Pembroke representative.

Pembroke Concentrated Fund ("PCF") Commentary

Pembroke launched the PCF as a high-conviction, concentrated fund with the goal of providing shareholders with long-term growth through capital appreciation by investing in a concentrated portfolio of high-growth, small to mid-cap US and Canadian companies. The fund, Pembroke's most concentrated, consists of 12 to 18 companies selected for their quality and growth characteristics from Pembroke's US and Canadian strategies. The fund holds primarily US-listed companies. The risk management of the portfolio includes a focus on business-critical quality metrics. Because of the smaller number of holdings, this fund may experience greater short-term volatility than other Pembroke funds.

During the quarter, the fund declined, trailing the benchmark Russell 2000. Year-to-date the fund has generated positive returns and outperformed the Russell 2000. To learn more about the fund, please contact your Pembroke representative.

International Fund Commentary

The GBC International Growth Fund trailed the MSCI ACWI ex-US Small Cap Index during the quarter ended September 30. Stock selection within financials and information technology was the primary detractor, offsetting the positive effects of consumer staples and industrials stock selection.

Stock selection within financials was negative primarily due to **Burford Capital (BUR LN)**, a leading company in the large and growing legal finance market. Burford is a global provider of investment capital and risk solutions, focused on commercial litigation. The company's share price came under pressure following a short-seller report that questioned the investment performance, accounting practices, and the overall solvency of the company. Management promptly responded with a rebuttal to the allegations and expressed a willingness to increase transparency for shareholders in the future. We believe the short-seller report was without merit and the company remains well-positioned as the long-term leader in a large and under-penetrated market.

Weakness within the information technology sector was primarily driven by **Cyberark Software (CYBR US)**, a global leader in privileged access management (PAM) security. PAM has become a top priority for companies and organizations in terms of spending given the broad-based implications of a cyber-security threat. The company continues to benefit from its strong brand reputation led by product innovation. After a rally in the first half of the year, the stock declined in the third quarter alongside software peers amid a broader market rotation out of high-valuation outperformers and into low-beta, low valuation securities.

Partially offsetting these effects was positive stock selection within consumer staples and industrials. Within consumer staples, **Matsumotokiyoshi (3088 JP)** contributed to relative results. The Japanese drug store operator benefits from the growing demand for health and personal care products in an ageing population. The company has a leading brand position among Japanese drug store chains with an attractive business model focused on relatively small urban stores in high-traffic, convenient locations. The share price advanced in the third quarter following the announcement of a planned merger between Matsumotokiyoshi and rival drugstore operator **Cocokara Fine (3098 JP)**. A full merger would create the country's largest drug store company with 1 trillion yen ($9.4 billion) in total sales.

Fixed Income Commentary

In the third quarter of 2019, the bond market seemed to be continuing where it left off in the second quarter with a focus on warning signs of a slowing economy. The US Federal Reserve agreed and cut their target federal funds rate twice in the quarter. As bonds did well in July and especially in August, equities declined in response to trade wars, impeachment talk, and reduced enthusiasm for new technology equity issues. Markets appeared to believe this was all overdone and markets abruptly reversed in September as equities rallied and bonds declined.

In spite of the intra-quarter reversals, long-term bonds were the place to be in the quarter as duration was rewarded. The longer duration Provincial Index was up 1.6% in the quarter. Overall, corporate bonds outperformed Canada bonds because of their higher yield even though credit spreads were slightly wider. For the quarter, the Corporate Index returned 1.1% versus 1.2% for the Universe Index. For the year, corporates have also slightly lagged the Universe Index because of slightly wider spreads and a lower duration but both have turned in impressive absolute returns.

GBC Canadian Bond Fund

The fund returned 1.1% in the third quarter which lagged the benchmark index by 0.1%. The fund's shorter than index duration detracted from performance as yields continued to fall in the quarter, however this duration effect was offset by solid outperformance in holdings such at Highway 407, and Maple holdings of Neder Waterschapsbank and Lloyds bank. The fund also has 28% exposure to Maple issues, which are foreign issuers' debt in Canadian dollars. The Maple issues benefit the fund by providing solid yields and further diversification.

The fund is positioned with a duration that is 2.7 years shorter than the index duration of 8.1 years; yet has a yield of 2.5% which is 0.4% above the index yield of 2.1%. This positioning continues to generate a healthy yield; yet will prove defensive if interest rates rise. The fund continues to maintain strong liquidity which could be utilized to fund purchases should buying opportunities arise.

GBC Corporate Bond Fund

The Corporate Bond Fund returned 0.9% in the quarter which was 0.2% behind the Corporate Bond Index. The fund has a significantly shorter duration than the benchmark which has hurt performance in a period when interest rates dropped. The fund benefited from spread narrowing and price appreciation in issues such as: Sobeys, Ford, Lloyds Bank, and Yellow Pages.

At the end of September, the fund had a yield of 3% which compares favourably to the index yield of 2.7% with a duration of 1.2 years, which is 5.5 years shorter than the index duration of 6.7 years. This positioning continues to generate a healthy yield; yet will prove defensive if interest rates rise. The fund continues to maintain strong liquidity which could be utilized to fund purchases should the market deteriorate materially and buying opportunities arise.

Business Update

Pembroke Becomes a Signatory to the United Nations Principles for Responsible Investment (UNPRI)

Pembroke has become a signatory to the United Nations Principles for Responsible Investment (UNPRI). The PRI is a non-profit organization of members dedicated to achieving a sustainable global financial system underpinned by good governance, integrity and accountability. The PRI is supported by the United Nations and other global policy makers although it is not part of the United Nations nor is it affiliated with any government. Signatories to the PRI acknowledge the benefit to the environment and to society of an economically efficient, sustainable, global financial system and commit to supporting the following six voluntary principles:

1) We will incorporate Environmental, Social and Governance (ESG) issues into investment analysis and decision-making processes.

2) We will be active owners and incorporate ESG issues into our ownership policies and practices.

3) We will seek appropriate disclosure on ESG issues by the entities in which we invest.

4) We will promote acceptance and implementation of the Principles within the investment industry.

5) We will work together to enhance our effectiveness in implementing the Principles.

6) We will each report on our activities and progress towards implementing the Principles

Pembroke's Managing Partner Mr. Ian Aitken stated: "We are pleased to be signatories of the UN's Principles for Responsible Investing as these principles are aligned with our investment philosophy and should help create value over time." PRI CEO Fiona Reynolds said: "We are very pleased to welcome Pembroke as a signatory to the PRI. In joining the PRI, Pembroke is highlighting its commitment to consider E, S and G factors as part of investment strategies for its private wealth and institutional clients in Canada and beyond. We look forward to working with the Pembroke team."

As long-term, fundamental investors, Pembroke's mission is to help our clients secure their financial futures. As fiduciaries acting on behalf of our clients, we analyze the return and risk characteristics of all potential investments. Pembroke believes that sound ESG practices can reduce a firm's risk and improve its operational, financial and stock price performance and believes that the firm's clients will benefit from our support of the UNPRI.

Pembroke In the Community

Pembroke was the lead sponsor of the Ride for Hope and Gratitude, a bicycle tour organized by a cancer survivor in support of the Cedars Cancer Foundation. Ian Aitken and his son completed the 112km ride near Bromont, Quebec on a blustery September day. The event raised over $126,000 to support cancer care and research. If you are a cyclist and would like a Pembroke cycling jersey, please contact your representative while quantities last!

CEDARS RIDE FOR HOPE & GRATITUDE
THE JOURNEY STARTS HERE
LE TRAJET COMMENCE ICI

Ian Aitken at Enactus World Cup

During September, the Enactus Canada team from Lambton College was named Enactus World Cup 2019 runner up for their One Seed project which has had a tremendously positive impact in rural Zambia. Enactus students around the globe take entrepreneurial action to help people in need. **Ian Aitken** served as a judge at the event and led the Canadian delegation as Chairman of Enactus Canada. Pembroke Management is a proud supporter of Enactus Canada.

PEMBROKE

INNOVATION > INSIGHT > GROWTH

SINCE 1968

The Firm

Pembroke Management Ltd. was founded in 1968 and is based in Montreal. Pembroke's business and investment philosophy is rooted in the concept of ownership. Owners do what is in the long-term interests of their customers and stakeholders to maximize their own wealth. For this reason, Pembroke will, more often than not, back management teams that either own significant stakes in the companies they manage or whatever they own represents a significant part of their personal wealth. Furthermore, Pembroke tries to not take unnecessary risks in its investment portfolios because the Pembroke partners are large shareholders in the firm's funds. The result is a powerful alignment of interests.

Pembroke is registered as an Investment Advisor in Quebec, Ontario, British Columbia, Alberta, Manitoba, the United States, Denmark and Ireland. The firm manages segregated portfolios for institutional and high net worth clients. Pembroke Private Wealth Management is a subsidiary of Pembroke Management and is a mutual fund Manager and Dealer for the GBC family of mutual funds and the Pembroke family of pooled funds.

Contact

For additional information regarding Pembroke Private Wealth Management please call us in Montreal at 514-848-0716 or 800-667-0716 or in Toronto at 416-366-2550 or 1-800-668-7383, or refer to our website www.pml.ca.

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