

# **PEMBROKE PRIVATE WEALTH MANAGEMENT LTD.**

## **ANNUAL INFORMATION FORM**

APRIL 1, 2020



### **PEMBROKE MONEY MARKET FUND**

(formerly The GBC Money Market Fund)

### **PEMBROKE CANADIAN BOND FUND (Class A Units)**

(formerly The GBC Canadian Bond Fund (Class A Units))

### **PEMBROKE CORPORATE BOND FUND**

(formerly The GBC Corporate Bond Fund)

### **PEMBROKE GROWTH AND INCOME FUND**

(formerly The GBC Growth and Income Fund)

### **PEMBROKE GLOBAL BALANCED FUND**

(formerly The GBC Global Balanced Fund)

### **PEMBROKE CANADIAN GROWTH FUND**

(formerly The GBC Canadian Growth Fund)

### **PEMBROKE AMERICAN GROWTH FUND INC.**

(formerly The GBC American Growth Fund Inc.)

### **PEMBROKE INTERNATIONAL GROWTH FUND (Class A Units)**

(formerly The GBC International Growth Fund (Class A Units))

### **PEMBROKE CONCENTRATED FUND (Class A and F Units)**

*No securities regulatory authority has expressed an opinion about these units and shares and it is an offence to claim otherwise.*

*The units and shares offered under this annual information form are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.*

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## **Pembroke Funds**

In this document, *we*, *us*, *our* and PPW refer to Pembroke Private Wealth Management Ltd. Pembroke mutual funds are collectively referred to as the “Pembroke Funds”, the “Pembroke Mutual Funds or the “Funds”, or singularly as a “Fund”.

This annual information form (the “Annual Information Form”) contains details about all of the Funds in the Pembroke Funds. It is intended to be read along with the Simplified Prospectus of the Funds you are investing in. If you have questions after reading these documents, please contact your financial advisor or us.

The Pembroke Funds are managed by:

Pembroke Private Wealth Management Ltd.  
1002 Sherbrooke Street West, Suite 1700  
Montreal, Quebec H3A 3S4

In this Annual Information Form, the term “Trustee” refers to Pembroke Private Wealth Management Ltd. in our capacity as Trustee of Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund, the term “Manager” refers to Pembroke Private Wealth Management Ltd. in our capacity as Manager of the Funds.

## NAME, FORMATION AND HISTORY OF THE FUNDS

The Pembroke Funds that we describe in this Annual Information Form consist of the following nine separate mutual funds:

Pembroke Money Market Fund  
Pembroke Canadian Bond Fund  
Pembroke Corporate Bond Fund  
Pembroke Growth and Income Fund  
Pembroke Global Balanced Fund  
Pembroke Canadian Growth Fund  
Pembroke American Growth Fund Inc.  
Pembroke International Growth Fund  
Pembroke Concentrated Fund

Each of the Funds is an open-end mutual fund trust established by way of a declaration of trust governed by the laws of the Province of Ontario, except for Pembroke American Growth Fund Inc. which is an open-end mutual fund corporation governed by the *Canada Business Corporations Act* (“CBCA”) and for Pembroke Global Balanced Fund.

As of April 1, 2020, The Pembroke Funds have changed their names as follows:

Previous name	Current Name
The GBC Money Market Fund	Pembroke Money Market Fund
The GBC Canadian Bond Fund	Pembroke Canadian Bond Fund
The GBC Corporate Bond Fund	Pembroke Corporate Bond Fund
The GBC Growth and Income Fund	Pembroke Growth and Income Fund
The GBC Global Balanced Fund	Pembroke Global Balanced Fund
The GBC Canadian Growth Fund	Pembroke Canadian Growth Fund
The GBC American Growth Fund Inc.	Pembroke American Growth Fund Inc.
The GBC International Growth Fund	Pembroke International Growth Fund

We are the Manager of the Funds and provide them with all necessary administrative and management services.

We also serve as Trustee of Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund.

Royal Trust Company is the trustee of registered tax plans sponsored by us.

Our registered offices and those of Pembroke American Growth Fund Inc. and the principal offices of Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund are situated at 1002 Sherbrooke Street West, Suite 1700, Montreal, Quebec H3A 3S4.

We, in our capacity as Manager and Trustee, as well as Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund also have an executive office situated at 150 King Street, Suite 1210, Toronto, Ontario M5H 1J9.

This Annual Information Form pertains to an offering of units of participation (“Units”) of Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund, Pembroke Concentrated Fund and common shares (“Shares”) of Pembroke American Growth Fund Inc. (the Units and Shares are collectively referred to as the “Securities”). We offer the Securities at their net asset value continuously in Canada in those provinces in which we are duly registered to distribute securities and through registered dealers approved by us in the provinces in which the Securities may be offered for sale to the public. You may redeem the Securities at your option at their net asset value.

On January 1, 2018, the Manager implemented a new fee payment model whereby management fees are charged to and paid directly by Securityholders. On this date, the Funds stopped paying management fees to the Manager. As part of the implementation of such new fee payment model, the Funds held special meetings of Securityholders on January 8, 2018 where amendments to the Funds’ declarations of trust or By-laws were approved. These amendments allow the Manager to unilaterally redeem Securities from each Securityholder in consideration for the management fees owed by each Securityholder to the Manager.

On January 31, 2018, Class O Units of Pembroke Canadian Bond Fund and Class O Units of Pembroke International Growth Fund ceased to be distributed and were converted into Class A Units of their respective Funds.

### **Pembroke Money Market Fund and Pembroke Canadian Growth Fund**

Pembroke Money Market Fund and Pembroke Canadian Growth Fund are open-end mutual fund trusts established by way of a declaration of trust made under the laws of the Province of Ontario dated September 8, 1988, as amended by supplemental deeds dated November 16, 1988, December 7, 1990, March 27, 1991, January 26, 1996, March 25, 2008, January 15, 2018 and April 1, 2020 (collectively the “Declaration of Trust of Pembroke Money Market Fund and Pembroke Canadian Growth Fund”). Each Fund is divided into Units which are held by unitholders.

As Trustee, we may amend the Declaration of Trust of Pembroke Money Market Fund and Pembroke Canadian Growth Fund for certain limited purposes including amendments required to bring the Declaration of Trust of Pembroke Money Market Fund and Pembroke Canadian Growth Fund into conformity with current practices or to comply with applicable regulations. Certain amendments to the Declaration of Trust of Pembroke Money Market Fund and Pembroke Canadian Growth Fund including a change of the Manager, the Trustee, the auditors or the custodian or involving an adverse change in the attributes of the Units of a Fund or in the investment objectives, policies or restrictions of a Fund require the approval of the majority of

the votes cast at a meeting of unitholders duly called for that purpose. For purposes of any amendment to the Declaration of Trust of Pembroke Money Market Fund and Pembroke Canadian Growth Fund requiring a vote of unitholders, the unitholders of each Fund will be entitled to vote separately.

Unless the Trustee agrees that an earlier effective date is desirable as to a particular amendment and that amendment is not detrimental to the interest of any unitholder, any amendment not requiring approval at a meeting will not take effect until after 60 days' notice to unitholders.

The Declaration of Trust of Pembroke Money Market Fund and Pembroke Canadian Growth Fund also provides that each of these Funds may be terminated with the approval of the unitholders of such Fund in accordance with the terms of the Declaration of Trust of Pembroke Money Market Fund and Pembroke Canadian Growth Fund or if the Trustee resigns or is removed and a successor trustee cannot be appointed.

Pursuant to an investment management retainer agreement dated effective April 1, 2009, we have changed Pembroke Money Market Fund's portfolio manager and appointed Pembroke Management Ltd. to act in such capacity.

### **Pembroke Canadian Bond Fund**

Pembroke Canadian Bond Fund is an open-end mutual fund trust established by way of a declaration of trust made under the laws of the Province of Ontario dated December 11, 1984, as amended by supplemental deeds dated January 20, 1986, December 15, 1988, October 20, 1989, December 7, 1990, October 15, 1992, January 26, 1996, December 11, 2003, November 30, 2006, January 15, 2018 and April 1, 2020 (collectively the "Declaration of Trust of Pembroke Canadian Bond Fund"). The Fund is divided into Units which are held by unitholders. The Fund offered both Class A Units and Class O Units until January 31, 2018 when all Class O Units ceased to be distributed and were converted into Class A Units.

As Trustee, we may amend the Declaration of Trust of Pembroke Canadian Bond Fund provided that such amendment is approved by a majority of votes cast at a meeting of unitholders duly called for that purpose at which a quorum of unitholders representing at least 5% of the Units of Pembroke Canadian Bond Fund are present. The Trustee may amend the Declaration of Trust of Pembroke Canadian Bond Fund for certain limited purposes specified therein, including amendments required to bring said Declaration of Trust into conformity with current practices or to comply with applicable regulations, without requiring approval at a meeting of unitholders. Unless the Trustee agrees that an earlier effective date is desirable as to a particular amendment and that amendment is not detrimental to the interest of any unitholder, any amendment not requiring approval at a meeting will not take effect until after 60 days' notice to unitholders.

Pursuant to an investment management retainer agreement dated effective April 1, 2009, we have changed Pembroke Canadian Bond Fund's portfolio manager and appointed Canso Investment Counsel Ltd. ("Canso") to act in such capacity.

In addition, as Trustee, we may terminate Pembroke Canadian Bond Fund in our absolute discretion by giving written notice to all unitholders fixing a date not less than three months after the date on which the notice is given on which such termination is to take effect. Upon establishing the effective date of termination, the Trustee shall proceed to sell all investments of Pembroke Canadian Bond Fund within such period after termination as the Trustee thinks advisable. Thereafter the Trustee shall distribute to the unitholders, pro rata to the number of Units held by them respectively, all net assets of Pembroke Canadian Bond Fund available for distribution after making full provision for all costs, charges and expenses arising in connection with the termination of the trust and the liquidation of Pembroke Canadian Bond Fund's investments.

### **Pembroke Corporate Bond Fund**

Pembroke Corporate Bond Fund is an open-end mutual fund trust established on January 1, 2009 by way of a Supplemental Trust Indenture to a declaration of trust (the “Supplemental Trust Indenture of Pembroke Corporate Bond Fund”) made under the laws of the Province of Ontario dated January 1, 2007, as further amended and restated as of October 31, 2011 (the “Declaration of Trust of Pembroke Corporate Bond Fund”).

Pembroke Corporate Bond Fund was initially created under the name “The Pembroke Corporate Bond Fund” in its English form but it changed its name to “The GBC Corporate Bond Fund” on February 27, 2019, and then to Pembroke Corporate Bond Fund on April 1, 2020.

From the date of its creation on January 1, 2009 until April 8, 2019, date of the first distribution of its Units though a simplified prospectus filed with the securities regulatory authority of all Canadian provinces, Pembroke Corporate Bond Fund was not subject to National Instrument 81-102 as it was not a mutual fund. Units of Pembroke Corporate Bond Fund were only distributed to accredited investors under the prospectus exemption regime provided under *National Instrument 45-106 – Prospectus Exemption* until April 8, 2019.

On February 27, 2019, the Declaration of Trust of Pembroke Corporate Bond Fund and the Supplemental Trust Indenture of Pembroke Corporate Bond Fund were amended to align their provisions with those of National Instrument 81-102 and other securities legislation applicable to mutual funds.

As Trustee, we may amend the Declaration of Trust of Pembroke Corporate Bond Fund and the Supplemental Trust Indenture of Pembroke Corporate Bond Fund provided that such amendment is approved by unitholders entitled to vote if the amendment is one for which unitholder approval is required pursuant to securities legislation. Furthermore, we may amend the Declaration of Trust of Pembroke Corporate Bond Fund or the Supplemental Trust Indenture of Pembroke Corporate Bond Fund provided that such amendment is approved by a majority of votes cast at a meeting of unitholders duly called for that purpose at which at least two unitholders are present whenever such amendment would (i) pertain to the amendment provisions of the Declaration of Trust of Pembroke Corporate Bond Fund, (ii) adversely affect the pecuniary interest of the unitholders or (iii) change the fundamental investment objective of the Fund set forth in the Supplemental Trust Indenture of Pembroke Corporate Bond Fund.

The Declaration of Trust of Pembroke Corporate Bond Fund also provides that the Fund will terminate (i) upon the Trustee giving written notice to unitholders of its intention to terminate the Fund, (ii) if the Trustee is removed, resigns or becomes bankrupt or insolvent and no successor trustee has been appointed in accordance with the Declaration of Trust of Pembroke Corporate Bond Fund, (iii) if the Manager is removed, resigns or becomes bankrupt or insolvent and no successor Manager has been appointed.

### **Pembroke Growth and Income Fund**

Pembroke Growth and Income Fund is an open-end mutual fund trust established by way of a declaration of trust made under the laws of the Province of Ontario dated November 1, 2006, as amended by a supplemental deeds dated and January 15, 2018 and April 1, 2020 (the “Declaration of Trust”). The Fund is divided into Units, which are held by unitholders.

As Trustee, we may amend the Declaration of Trust of the Fund, provided that such amendment is approved by a majority of votes cast at a meeting of unitholders duly called for that purpose at which at least two unitholders are present. The Trustee may amend the Declaration of Trust for certain limited purposes specified therein, including amendments required to bring the Declaration of Trust into conformity with current practices or to comply with applicable regulations, without requiring approval at a meeting of

unitholders. Unless the Trustee agrees that an earlier effective date is desirable as to a particular amendment and that amendment is not detrimental to the interest of any unitholder, any amendment not requiring approval at a meeting will not take effect until after 21 days' notice to unitholders.

In addition, as Trustee, we may terminate the Fund in our absolute discretion by giving written notice to all unitholders fixing a date not less than 90 days after the date on which the notice is given on which such termination is to take effect. Upon establishing the effective date of termination, the Trustee shall proceed to sell all investments of the Fund within such period after termination as the Trustee thinks advisable. Thereafter the Trustee shall distribute to the unitholders, pro rata to the number of Units held by them respectively, all net assets of the Fund available for distribution after making full provision for all costs, charges and expenses arising in connection with the termination of the trust and the liquidation of the Fund's investments.

### **Pembroke Global Balanced Fund**

Pembroke Global Balanced Fund is an open-end unit trust established on January 1, 2018 by way of a supplemental trust indenture to a declaration of trust (the "Supplemental Trust Indenture of Pembroke Global Balanced Fund") made under the laws of the Province of Ontario dated January 1, 2007, as further amended and restated as of October 31, 2011 (the "Declaration of Trust of Pembroke Global Balanced Fund").

Pembroke Global Balanced Fund was initially created under the name "The Pembroke Partners' Fund" in its English form but it changed its name to "The GBC Global Balanced Fund" on February 27, 2019, and then to Pembroke Global Balanced Fund on April 1, 2020.

From the date of its creation on January 1, 2018 until April 8, 2019, date of the first distribution of its Units though a simplified prospectus filed with the securities regulatory authority of all Canadian provinces, Pembroke Global Balanced Fund was not subject to National Instrument 81-102 as it was not a mutual fund. Units of Pembroke Global Balanced Fund were only distributed to accredited investors under the prospectus exemption regime provided under *National Instrument 45-106 – Prospectus Exemption* until April 8, 2019.

On February 27, 2019, the Declaration of Trust of Pembroke Global Balanced Fund and the Supplemental Trust Indenture of Pembroke Global Balanced Fund were amended to align their provisions with those of National Instrument 81-102 and other securities legislation applicable to mutual funds.

As Trustee, we may amend the Declaration of Trust of Pembroke Global Balanced Fund and the Supplemental Trust Indenture of Pembroke Global Balanced Fund provided that such amendment is approved by unitholders entitled to vote if the amendment is one for which unitholder approval is required pursuant to securities legislation. Furthermore, we may amend the Declaration of Trust of Pembroke Global Balanced Fund or the Supplemental Trust Indenture of Pembroke Global Balanced Fund provided that such amendment is approved by a majority of votes cast at a meeting of unitholders duly called for that purpose at which at least two unitholders are present whenever such amendment would (i) pertain to the amendment provisions of the Declaration of Trust of Pembroke Global Balanced Fund, (ii) adversely affect the pecuniary interest of the unitholders or (iii) change the fundamental investment objective of the Fund set forth in the Supplemental Trust Indenture of Pembroke Global Balanced Fund.

The Declaration of Trust of Pembroke Global Balanced Fund also provides that the Fund will terminate (i) upon the Trustee giving written notice to unitholders of its intention to terminate the Fund, (ii) if the Trustee is removed, resigns or becomes bankrupt or insolvent and no successor trustee has been appointed in accordance with the Declaration of Trust of Pembroke Global Balanced Fund, (iii) if the Manager is removed, resigns or becomes bankrupt or insolvent and no successor Manager has been appointed.



### **Pembroke American Growth Fund Inc.**

Pembroke American Growth Fund Inc. (“Pembroke American Growth Fund”) was incorporated under the *Canada Corporations Act* on November 4, 1968 and continued under the CBCA on April 27, 1977 as a closed-end investment corporation. Pembroke American Growth Fund is the successor to the business of a company that was incorporated pursuant to the laws of the Province of Quebec in 1929. The business was carried on as a closed-end investment corporation from that time until October 1, 1988, when articles of amendment were issued converting Pembroke American Growth Fund to an open-end mutual fund corporation and Pembroke American Growth Fund commenced business as a mutual fund. Pembroke American Growth Fund was known as “The GBC North American Growth Fund Inc.” until March 28, 2011, at which date its shareholders approved a special resolution changing the name of the Fund to “The GBC American Growth Fund Inc.”. On March 16, 2020, the shareholders approved a special resolution a further change of name to “Pembroke American Growth Fund Inc.”

The capital of Pembroke American Growth Fund consists of an unlimited number of Shares without nominal or par value.

On January 15, 2018, the By-laws of Pembroke American Growth Fund were amended to allow the Manager to unilaterally redeem Securities from each Securityholder in consideration for the management fees owed by each Securityholder to the Manager.

### **Pembroke International Growth Fund**

Pembroke International Growth Fund is an open-end mutual fund trust established under the name GBC International Small Cap Fund I by way of a declaration of trust made under the laws of the Province of Alberta dated October 27, 1989 as amended by supplemental deed dated March 25, 1991. A restated version of the said declaration of trust, dated January 6, 1994, incorporates all amendments brought to it up to that date and it was further amended by supplemental deeds dated January 26, 1996, November 30, 2006, March 25, 2008, January 15, 2018 and April 1, 2020 (the “Declaration of Trust of Pembroke International Growth Fund”). Pembroke International Growth Fund is now governed by the laws of the Province of Ontario. Pembroke International Growth Fund is divided into Units, which are held by unitholders. Prior to January 7, 1994, the Units of Pembroke International Growth Fund were offered on a private placement basis. The Fund offered both Class A Units and Class O Units until January 31, 2018 when all Class O Units ceased to be distributed and were converted into Class A Units.

As Trustee, we may amend the Declaration of Trust of Pembroke International Growth Fund for certain limited purposes including amendments required to comply with applicable regulations. Certain amendments to the Declaration of Trust of Pembroke International Growth Fund including a change in the investment objectives of Pembroke International Growth Fund or an increase in the fees payable to the Manager require the approval of a majority of the votes cast at a meeting of unitholders duly called for that purpose or a resolution in writing of unitholders holding at least two-thirds of the outstanding Units. All other amendments do not require unitholder approval but, except as provided below, will not take effect until after 60 days’ notice to unitholders. Changes to correct conflicts, ambiguities or defects which do not prejudice the rights of unitholders or changes providing additional rights or protection for unitholders are effective immediately.

The Declaration of Trust of Pembroke International Growth Fund also provides that the Trustee may, at any time, terminate Pembroke International Growth Fund, subject to the prior approval of two-thirds of the votes cast at a meeting of the unitholders of Pembroke International Growth Fund.

## **Pembroke Concentrated Fund**

Pembroke Concentrated Fund is an open-end mutual fund trust established on January 31, 2018 by way of a Supplemental Trust Indenture to a declaration of trust (the “Supplemental Trust Indenture of Pembroke Concentrated Fund”) made under the laws of the Province of Ontario dated January 31, 2018, as further amended and restated as of October 31, 2011 (the “Declaration of Trust of Pembroke Concentrated Fund”). The Fund is divided into Units which are held by Securityholders. The Fund offers both Class A Units and Class F Units. The Class F Units are intended to be subscribed for by investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset-based fee rather than commissions on each transaction. The existence of the Class F Units has no effect on the fees charged to holders of Class A Units of the Fund.

From the date of its creation on January 31, 2018 until the date of filing of the Simplified Prospectus, Pembroke Concentrated Fund was not subject to National Instrument 81-102 as it was not a mutual fund. Units of Pembroke Concentrated Fund were only distributed to accredited investors under the prospectus exemption regime provided under *National Instrument 45-106 – Prospectus Exemption*.

On March 9, 2020, the Declaration of Trust of Pembroke Concentrated Fund and the Supplemental Trust Indenture of Pembroke Concentrated Fund were amended to align their provisions with those of National Instrument 81-102 and other securities legislation applicable to mutual funds.

As Trustee, we may amend the Declaration of Trust of Pembroke Concentrated Fund and the Supplemental Trust Indenture of Pembroke Concentrated Fund provided that such amendment is approved by unitholders entitled to vote if the amendment is one for which unitholder approval is required pursuant to securities legislation. Furthermore, we may amend the Declaration of Trust of Pembroke Concentrated Fund or the Supplemental Trust Indenture of Pembroke Concentrated Fund provided that such amendment is approved by a majority of votes cast at a meeting of unitholders duly called for that purpose at which at least two unitholders are present whenever such amendment would (i) pertain to the amendment provisions of the Declaration of Trust of Pembroke Concentrated Fund, (ii) adversely affect the pecuniary interest of the unitholders or (iii) change the fundamental investment objective of the Fund set forth in the Supplemental Trust Indenture of Pembroke Concentrated Fund.

The Declaration of Trust of Pembroke Concentrated Fund also provides that the Fund will terminate (i) upon the Trustee giving written notice to unitholders of its intention to terminate the Fund, (ii) if the Trustee is removed, resigns or becomes bankrupt or insolvent and no successor trustee has been appointed in accordance with the Declaration of Trust of Pembroke Concentrated Fund, (iii) if the Manager is removed, resigns or becomes bankrupt or insolvent and no successor Manager has been appointed.

## **INVESTMENT RESTRICTIONS**

Except as described herein, we manage each Fund in accordance with the standard investment restrictions and practices prescribed in National Instrument 81-102-*Investment Funds* (“National Instrument 81-102”) of the Canadian Securities Administrators, which are incorporated herein by reference. These restrictions and practices have been designed by the regulatory authorities in part to ensure that the investments of mutual funds are diversified and relatively liquid and to ensure the proper administration of mutual funds. We will provide you with a copy of the standard investment restrictions and practices upon request.

Any change in the Fund's fundamental investment objectives or any of the material investment strategies to be used to achieve the investment objectives must be approved by a majority of the holders of Securities of the Fund at a meeting called for that purpose.

All of the Funds are also registered investments under the *Income Tax Act* (Canada). Moreover, all of the Funds are also qualified investments for registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF") (including any one of the various types of locked-in registered plans such as a locked-in retirement account ("LIRA"), a life income fund ("LIF") or a locked-in retirement income fund ("LRIF")), registered education savings plan ("RESP"), registered disability savings plan ("RDSP"), tax-free savings account ("TFSA") and deferred profit sharing plan ("DPSP").

## DESCRIPTION OF SECURITIES

Each Fund is authorized to issue an unlimited number of Securities. Each Security of a Fund entitles its holder to:

- (a) participate equally in the distribution of net income and net realized capital gains;
- (b) one vote at all unitholder meetings of the Fund; and
- (c) on liquidation, participate equally in the net assets of the Fund remaining after satisfaction of outstanding liabilities.

Fractional Securities of a Fund have the same rights and conditions as whole Securities of a Fund, other than the right to vote.

You may redeem Securities of a Fund at your discretion, but may transfer Securities only with our consent (which we shall not unreasonably withhold).

As Trustee, we may sub-divide or consolidate Securities of a Fund on 14 days' prior written notice to the holders of Securities ("Securityholders") of the Fund.

Securities of a Fund have no conversion or pre-emptive rights and have no liability for future calls or assessments.

Given that there are no management fees charged to the Funds, except for Class F Units of Pembroke Concentrated Fund, Securityholders will be paying directly to PPW a fee as consideration for PPW's management and administration services. As such, PPW has the right to unilaterally redeem Securities corresponding to the amount owed to PPW by each Securityholder. For further information on fees and expenses, please refer to heading "*FEES AND EXPENSES*" on page 30.

Meetings of Securityholders of a Fund will be held to obtain Securityholder approval to make certain changes, including:

- (a) a change in the manager of the Fund;
- (b) a change in the fundamental investment objectives of the Fund;
- (c) a decrease in the frequency of calculating the Fund's net asset value;
- (d) the introduction of a fee or expense that could result in an increase in charges to the Fund or its Securityholders;

- (e) a material reorganization of the Fund; and
- (f) in the case of Pembroke American Growth Fund, Pembroke Money Market Fund and Pembroke Canadian Growth Fund, a change of the auditors of the Fund;

A meeting of Securityholders is not required to approve a change of the auditors of a Fund, except in the case of Pembroke American Growth Fund, where a meeting is required pursuant to the CBCA and Pembroke Money Market Fund and Pembroke Canadian Growth Fund, where a meeting is required pursuant to the terms of the Declaration of Trust of those two Funds. For all the Funds, a change of auditors requires, among other things, the approval of the independent review committee of the Fund and, although the approval of Securityholders is not required before making the change, Securityholders will be sent a written notice at least 60 days before the effective date of the change.

Because the Funds have no sales charges or redemption fees, a meeting of Securityholders is not required to be held to approve any changes in the basis of calculation of a fee or expense that is charged to a Fund in a way that could result in an increase in charges to a Fund. Any such charge will only be made if notice is mailed to Securityholders of the Fund at least 60 days prior to the effective date of the change.

You will be entitled to exchange your Securities free of charge for Securities of any other Pembroke Mutual Funds offered by us when the transfer is operated directly from us. However, when the exchange is made through a registered dealer, you may be charged an exchange fee by the dealer of up to 3% of the total amount (or approximately 3.09% of the net amount) of Securities exchanged into Securities of any of the Funds offered by the Manager. An exchange will be processed only if the minimum investment requirements of the other Fund are met and the exchanging investor directs such Fund to reinvest the redemption proceeds in the Securities of such other Fund.

For further information on exchanging your Securities, please refer to heading “

*PURCHASES AND SWITCHES*” on page 14.

An exchange or transfer of Securities may cause you to realize a capital gain or loss for tax purposes and, in this respect, please refer to heading “*INCOME TAX CONSIDERATIONS*” on page 33.

## **VALUATION OF SECURITIES AND CALCULATION OF NET ASSET VALUE**

We determine the net asset value of each Fund in Canadian dollars weekly as at the close of business on each Tuesday, or if any such Tuesday is not a business day, then on the next business day immediately succeeding it, and on the last business day of each month (“Valuation Date”). The net asset value of each Fund and the net asset value per Security of each Fund will be made available at no cost on the Manager’s website at [www.pml.ca](http://www.pml.ca).

The Manager determines the net asset value of each Fund except for Pembroke International Growth Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund and Pembroke Concentrated Fund. For these Funds, the Manager has retained the services of RBC Investor & Treasury Services.

In the case of Pembroke Money Market Fund, the net asset value per Unit does not include undistributed income of this Fund as such amounts are credited weekly to unitholders. It is our intention to maintain the net asset value of Pembroke Money Market Fund’s Units at a fixed value of \$10.00 by allocating income

weekly and distributing it monthly to unitholder accounts pro rata to the number of Units held by each of them.

In calculating the net asset value per Security of a Fund on any Valuation Date:

- (a) the assets of a Fund shall be deemed to include:
  - (i) all cash or its equivalent, including cash in currencies of other countries if conversion into Canadian currency can be readily effected, on hand, on deposit or on call, including any accrued interest;
  - (ii) all bills, demand notes and accounts receivable;
  - (iii) all shares, bonds, certificates of deposit, bankers' acceptances, debentures, notes and other evidences of indebtedness or interest therein, subscription rights and other securities owned or contracted for by the Fund;
  - (iv) all stock and cash dividends and cash distributions to be received by the Fund and not yet received by it but declared to shareholders of record on a date on or before the date as of which the net asset value per Security is being determined;
  - (v) all securities of other mutual funds held by the Fund;
  - (vi) all interest accrued on any fixed interest bearing securities owned by the Fund which is not included in the quoted price of such securities; and
  - (vii) all other property of any kind and nature, including prepaid expenses.
  
- (b) the value of such assets is to be determined as follows:
  - (i) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends received (or to be received if declared to shareholders of record on a date before the Valuation Date), and interest accrued and not yet received, shall be deemed to be the full amount thereof, provided that (A) the value of any security which is a debt obligation which, at the time of acquisition, had a remaining term to maturity of 90 days or less shall be the amount paid to acquire the obligation plus the amount of interest accrued on such obligation since the time of acquisition; and (B) if the Manager has determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof, the value thereof shall be deemed to be such value as the Manager determines to be the fair value thereof;
  - (ii) the value of any security which is listed or dealt in on a stock exchange, or in the case of US security which is listed or dealt in on a composite of quotes obtained from many stock exchanges, shall be determined by taking the closing sale price or, lacking any recent sales or any record thereof, (or, in the case of Pembroke International Growth Fund, in specific markets) by the mean of the latest available ask price and the latest available bid price, as at the close of business on the Valuation Date or if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading, all as reported by any means in common use;
  - (iii) the value of any bonds, bankers' acceptances, debentures, notes and other evidence of indebtedness shall be the most recent bid or yield equivalent as obtained by the Manager from one or more of the market makers for the securities being valued;

- (iv) the value of any security which is not listed or dealt with on any public exchange shall be determined on the basis of such price or yield equivalent quotations (which may be public quotations or may be obtained from major market makers) as the Manager determines best reflect its fair value;
  - (v) the value of securities of a mutual fund shall be their net asset value as reported by the mutual fund;
  - (vi) the value of any security, the resale of which is restricted or limited, shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;
  - (vii) Securities of a Fund shall be deemed to become outstanding as of the next Valuation Date following the date on which the net asset value per Security is determined for the purpose of the issue of such Securities and the amount received or receivable by the Fund shall be deemed to be an asset of the Fund;
  - (viii) Securities of a Fund in respect of which a completed redemption request has been received by the Fund or its authorized agents shall be deemed to be outstanding until (and not after) the close of business on the day as of which the net asset value per Security thereof is next determined after the time of such receipt and thereafter, until paid, their redemption price shall be deemed to be a liability of the Fund;
  - (ix) all assets of a Fund valued in a foreign currency, including funds on deposit and obligations payable to the Fund in foreign currency and all liabilities and obligations of the Fund payable by the Fund in foreign currency, shall be converted into Canadian funds by applying the prevailing rate of exchange quoted by the financial institution designated by the Fund from time to time for such purpose, such conversion to be effected as nearly as practicable to the time as of which the net asset value per Security is determined;
  - (x) the value of any security or property to which, in the opinion of the Manager, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as provided above, or for any other reason) shall be the fair value thereof determined in such manner as the Manager from time to time provides; and
- (c) the liabilities of the Funds shall be deemed to include:
- (i) all bills, notes and accounts payable;
  - (ii) all administrative expenses payable or accrued, or both (including management fees);
  - (iii) all contractual obligations for the payment of money or property, including any amount of net income, net realized capital gains or unpaid dividends declared to be distributed immediately after the Valuation Date to the holders of Securities of a Fund of record at or before the Valuation Date as of which the net asset value per Security is being determined;

- (iv) in the case of Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Canadian Growth Fund, Pembroke Global Balanced Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund, all allowances authorized or approved by the Trustee for taxes (if any) or contingencies;
- (v) in the case of Pembroke Money Market Fund only, an amount equal to the amount of all assets of the Fund which represent undistributed income and which are, or are deemed to be, assets of the Fund and not otherwise a liability of the Fund; and
- (vi) all other liabilities of a Fund of whatsoever kind and nature except liabilities represented by outstanding Securities and surplus of a Fund.

In order to meet the deadlines required in reporting the net asset value, the procedures to determine the net asset values of the Securities begin at 4:00 p.m. Eastern Standard Time on the Valuation Date. Any trading transactions occurring after 4:00 p.m. Eastern Standard Time on the Valuation Date are reflected on the next Valuation Date.

For Pembroke Concentrated Fund, the net asset value per Unit as of each Valuation Date is determined for each class of Units by dividing the net asset value of the class by the number of Units of the class then outstanding on that date.

In order to determine the net asset value per security for Pembroke American Growth Fund in US currency for investors who have chosen the US Dollar Option, the net asset value determined in Canadian Dollars is converted into US Dollars using the closing rate of exchange from the Bank of Canada on the Valuation Date.

In order to determine the net asset value per security for Pembroke Concentrated Fund in US currency for investors who have chosen the US Dollar Option, the net asset value determined in Canadian Dollars is converted into US Dollars using the noon rate of exchange from Bloomberg on the Valuation Date.

A Fund may suspend the calculation of the net asset value per Security: (i) during any period when normal trading is suspended on any stock exchange on which securities representing more than 50% by value of the total assets of the Fund, without allowance for liabilities, are listed; or (ii) with the prior approval of any securities authority having jurisdiction over the Fund. During any period of suspension there will be no calculation of the net asset value per Security and a Fund will not be permitted to issue or redeem any Securities. The calculation of the net asset value per Security will resume when trading resumes on the stock exchange referred to in (i) or when the securities authority declares the suspension in (ii) ended. In the event of a suspension of the calculation of the net asset value per Security, you may either withdraw your redemption request or receive payment based on the net asset value per Security next calculated after the termination of the suspension. We have not suspended the calculation of the net asset value of any of the Pembroke Funds, according to the foregoing, in the last eighteen years.

As required under National Instrument 81-102, holders of Securities shall have the right to receive the redemption price within two business days after the date of the calculation of the net asset value per Security used in determining the redemption price.

## PURCHASES AND SWITCHES

### Purchases of Securities

We offer the Securities of the Funds for sale to the public in Canada on a continuous basis at their net asset value in those provinces in which we are duly registered to distribute the Securities and at their net asset value plus a distribution fee described below through registered dealers (collectively the “Dealers”) qualified to transact securities business in the provinces in which the Securities may be offered for sale to the public.

The minimum lump-sum investment in Securities of one Fund or a combination of Pembroke Funds by an investor or by an investor, together with family members designated by such investor and accepted by PPW as part of The Pembroke Family Advantage Program, is \$100,000 for the initial purchase and \$500 for subsequent purchases; the initial investment in the amount of \$100,000 may be reduced at the Manager’s discretion (or at the board of directors’ discretion in the case of Pembroke American Growth Fund). Investors may invest the \$100,000 minimum (or any other lesser amount as may be determined at our discretion; if an investor is subscribing through a Dealer, the minimum amount is \$10,000) in one Fund or in a combination of Pembroke Funds. Investors may also split the minimum investment between several accounts (namely registered and non-registered), so long as each account contains at least \$15,000. A periodic purchase plan is also available which provides the opportunity to invest a minimum of \$100 per month, provided the initial purchase minimum of \$100,000 (or any other lesser amount as may be determined at our discretion) per investor has been met.

Please refer to heading “*FEES AND EXPENSES*” on page 30 for other benefits of the Pembroke Family Advantage Program.

There is no sales charge to investors on Securities purchased directly from us with the result that the entire proceeds of an investor’s purchase order will be invested in Securities. A distribution fee of up to 3% of the total amount (or approximately 3.09% of the net amount) invested may be charged by Dealers for purchases of Securities distributed by them to cover sales commissions. The Dealer and the investor negotiate the precise amount of the distribution fee to be paid depending on the service provided. When payable, this distribution fee is a separate transaction between the investor and his Dealer. No redemption fee is payable for any of the Funds.

A dealer may make a provision in the arrangements that it has with an investor in respect of which the investor may be required to compensate the dealer for any losses suffered by the dealer in connection with a failed settlement of a purchase of securities of the mutual fund caused by the investor.

### *Price on Purchase of Securities*

The Securities of the Funds may be purchased at the net asset value per Security calculated as at the close of business on any Valuation Date if the purchase order is received at any time prior to 4:00 p.m. Eastern Time on such Valuation Date at our Montreal or Toronto office. If the purchase order is received at any time later than 4:00 p.m. Eastern Time on such Valuation date, or at any time on any other day following such Valuation Date, the Securities of the Funds may be purchased at the net asset value per Security calculated as at the close of business on the next Valuation Date following the receipt of the purchase order. A purchase order received by a marketing representative of PPW or of a Dealer shall be transmitted to our Montreal or Toronto office on the same day that the purchase order is received. A purchase order communicated through a Dealer may be accepted on receipt of the same at our Montreal or Toronto office and executed in accordance with these procedures. Requests for purchase communicated through Dealers will be sent to us directly by courier or priority post or telecommunications facility without charge to the purchaser. Please



note that Dealers and PPW may establish cut-off times for receiving purchase orders so that they may be properly processed prior to the 4:00 p.m. Eastern Time deadline on the applicable Valuation Date.

We reserve the right to accept or reject a subscription for Securities provided that any decision to accept or reject an order will be made within one business day from receipt of the order and, if rejected, any monies accompanying the order will be refunded immediately. A subscription for Securities shall only be effective, for the purposes of calculating the applicable net asset value per Security in respect thereof and determining the number of Securities to which the subscriber is entitled, as at the close of business on the day on which it is received, if such date is a Valuation Date, and otherwise as at the close of business on the Valuation Date next following the day on which the subscription is received.

All orders for subscriptions must be accompanied by a cheque in payment for the Securities to be purchased, save and except for subscriptions that are placed by Dealers. Such purchases of Securities will be accepted on the basis that the Dealer will remit the subscription monies to the manager within two business days from but not including the Valuation Date used to calculate the net asset value per Security in respect of the order for the purchase of such Securities. If payment for Securities is not properly made on or before the relevant settlement date, a Fund shall be deemed to have received and accepted on the next business day thereafter an order for the redemption of such Securities and the amount of redemption proceeds derived therefrom shall be applied to reduce the amount owing to the Fund in respect of the purchase of such Securities. If the amount of the redemption proceeds exceeds the issue price of the Securities, the excess shall belong to the Fund. However, if the amount of redemption proceeds is less than the issue price of the Securities, the Manager must immediately pay to the Fund the amount of the deficiency and shall then be entitled to collect such amount, together with its relevant costs and expenses in so doing and interest thereon, from the relevant Dealer or if no Dealer is involved, from the investor who has failed to make payment.

### **Switches**

You will be entitled to transfer all or any of your Securities to another person with our consent (which we will not unreasonably withhold).

Investors in any of the Funds will be entitled to exchange their Securities free of charge for Shares or Units of any other Pembroke Funds when the transfer is operated directly by us. However, when the exchange is made through a Dealer, an exchange fee of up to 3% of the total amount (or approximately 3.09% of the net amount) of Securities exchanged into Shares or Units of any of the Funds offered by us may be charged by the Dealers. An exchange will be processed only if the minimum investment requirements of the other Fund are met and the exchanging investor directs such Fund to reinvest the redemption proceeds in the Shares or Units of such other Fund.

In order for an investment in Pembroke American Growth Fund or Pembroke Concentrated Fund under the US Dollar Option to be transferred to any other Fund including Pembroke American Growth Fund in Canadian dollars, you must first sell your investment, convert the proceeds to Canadian dollars and make a new investment in the other Fund in Canadian dollars.

You may transfer an investment in Pembroke American Growth Fund or Pembroke Concentrated Fund in Canadian dollars to any other Fund as outlined above. However, in order to transfer to the US Dollar Option for Pembroke American Growth Fund or Pembroke Concentrated Fund, you must first sell your investment, convert the proceeds into US dollars and make a new investment in Pembroke American Growth Fund or Pembroke Concentrated Fund in US dollars.

The exchange or transfer of Securities may cause you to realize a capital gain or loss for tax purposes and, in this respect, reference should be made to "Income Tax Considerations" below.

## **REDEMPTION OF SECURITIES**

You may redeem Securities at your discretion. If your holding is evidenced by a registered certificate and you wish to have all or a part of your Securities redeemed, you must surrender your certificate to us at our Montreal or Toronto office with a request in writing that the certificate be redeemed. The certificate must be endorsed by the registered holder, with the signature guaranteed by a bank, trust company, credit union or Dealer or in a form acceptable to us. If your holding is maintained on a no-certificate-issued basis and you wish to have all or a part of your Securities redeemed, you must provide us at our Montreal or Toronto office with a redemption request in writing with the signature guaranteed in the manner described above. Further documentation may be required for corporations or other accounts which are not in the name of an individual. A request for redemption may also be communicated to one of our offices through a Dealer.

Redemption requests received at any time prior to 4:00 p.m. Eastern Time on any Valuation Date will be effective on such Valuation Date while requests received after that time, including requests received on any day following such Valuation Date, will be effective on the next Valuation Date. A completed redemption request received by one of our marketing representatives or a representative of a Dealer shall be transmitted to our Montreal or Toronto office on the same day that the completed redemption request is received. At the option of the holder of Securities, requests for redemption communicated through a Dealer may be sent to us directly by courier or priority post or telecommunications facility without charge to you. At the option of the holder of Securities, a limited trading authority permitting redemption requests to be transmitted verbally to our marketing representatives may be signed by the holder of Securities and kept on file by us. Redemption requests cannot be cancelled after 4:00 p.m. Eastern Time on the applicable Valuation Date. Please note that Dealers or PPW may establish cut-off times for receiving redemption requests so that they may be processed prior to the 4:00 p.m. Eastern Time deadline on the applicable Valuation Date.

We will pay to you, out of the monies administered, the redemption value of each Security redeemed and represented by the surrendered certificate and/or written redemption request within two business days from, but not including, the applicable Valuation Date. Any cheque or money order forwarded by mail, postage prepaid, to a person whose Securities have been redeemed, addressed to him at his address as appears in the books of the particular Fund or addressed to another address or to his agent in accordance with such person's written direction, shall be deemed to have been received by such holder as soon as the envelope containing the cheque or money order is mailed.

If all of a Fund's requirements for the redemption of Securities have not been met on or before the tenth business day following the relevant Valuation Date for purposes of effecting the redemption, the Fund shall be deemed to have received and accepted on the next business day thereafter an order for the purchase of the same number of Securities and shall apply the redemption proceeds to the payment of the issue price of such Securities. If the amount of the issue price of the Securities is less than the redemption proceeds, the excess shall belong to the Fund. If the amount of the issue price of the Securities exceeds the redemption proceeds, we shall immediately pay to the Fund the amount of the deficiency and shall be entitled to collect such amount, together with its costs and expenses in so doing and interest thereon, from the relevant Dealer or, if no Dealer is involved, from the investor requesting redemption who has failed to comply with applicable redemption requirements.

Due to the high cost of maintaining investor accounts, we reserve the right to redeem all the Securities of any registered holder who purchased such securities if at any time the aggregate net asset value of the Securities registered in the name of such holder is less than \$100,000 (other than by depreciation in market value of the Securities) or such other amount as we (or the Board of Directors in the case of Pembroke American Growth Fund) may determine from time to time (the "Minimum Amount"). Investors will be notified in writing that the aggregate net asset value of the Securities in their account is less than the Minimum Amount and allowed 30 days (180 days in the case of Pembroke Money Market Fund, Pembroke Corporate Bond Fund, Pembroke

Global Balanced Fund and Pembroke Canadian Growth Fund) to make an additional investment to increase the aggregate net asset value of their Securities to not less than the Minimum Amount before the redemption is processed.

If the calculation of the net asset value per Security is suspended as previously described, the right to have Securities redeemed by a Fund is similarly suspended and if a redemption request is not withdrawn by the end of the suspension period, the Securities will be redeemed by the Fund in accordance with the redemption request at the net asset value per Security first calculated following the end of the suspension period.

The redemption of Securities may cause you to realize a capital gain or loss for tax purposes and, in this respect, reference should be made to “Income Tax Considerations” below.

### **Redemption Value**

The redemption price for the Securities shall be an amount equal to the number of Securities redeemed multiplied by the net asset value per Security as determined at the close of business on the day the redemption request is received by the Manager, representing the Securities to be redeemed, provided that such day is a Valuation Date and such redemption request is received before 4:00 p.m. Eastern Time on such day, and otherwise - including redemption requests received at any time on any other day following such Valuation Date - at the close of business on the next Valuation Date. Please note that Dealers or PPW may establish cut-off times for receiving redemption requests so that they may be processed prior to the 4:00 p.m. Eastern Time deadline on the applicable Valuation Date.

There are no redemption fees payable for redemptions of Securities of the Funds.

Investors in the Funds may arrange to establish an automatic withdrawal program under which sufficient Securities will be redeemed at specified intervals to provide them with a predesignated regular payment. The payments will be made either by cheque or, if the necessary information has been provided to us, by direct deposit to an account with a Canadian bank or trust company. At the beginning of an automatic withdrawal program in respect of any Fund or Funds, you must hold Securities in such Fund or Funds having an aggregate net asset value of \$25,000 or more and the predesignated amount to be realized by each redemption must be at least \$100. A withdrawal program may be terminated at any time at no charge upon written notice to us.

Securities of Pembroke American Growth Fund and Pembroke Concentrated Fund under the US Dollar Option will not be eligible for the automatic withdrawal program.

**Under the automatic withdrawal program, if an investor’s periodic withdrawals are in excess of income distribution and net capital appreciation of Securities, such investor will eventually deplete or exhaust your original capital investment.**

If the calculation of the net asset value per Security is suspended as previously described, the right to have Securities redeemed by a Fund under the automatic withdrawal program is similarly suspended. The Securities will be redeemed by a Fund in accordance with the automatic withdrawal program at the net asset value per Security first calculated following the end of the suspension period.

In the event of the liquidation or dissolution of a Fund, the assets of the Fund will be distributed pro rata to the investors in the Fund.

## **Distribution of Income and Capital Gains**

The net investment income of Pembroke Money Market Fund is calculated on a weekly basis but distributed monthly or more frequently as the Manager may determine.

Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund distribute their net investment income and net realized capital gains annually or more frequently as we may determine.

The net income of Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund and Pembroke Growth and Income Fund is calculated on a weekly basis, but distributed quarterly to unitholders of record at the close of business on March 31, June 30, September 30 and December 31 of each year or more frequently as we may determine. Annual distributions of net realized capital gains are made each December. We endeavour to make all income and capital gains distributions within 15 days of the appropriate record date.

Sufficient net income and net realized capital gains of Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund will be distributed to unitholders in each year so that Canadian income tax payable by the Fund is minimized. We may distribute such greater amount of net income and net realized capital gains as are available for distribution, as we, in our sole discretion, may determine. **Unless the unitholder otherwise directs in writing, all distributions by Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund to such unitholder of net investment income and of net realized capital gains will be automatically reinvested in additional Units of the Fund at the net asset value per Unit on the date of distribution.** No acquisition charge is payable with respect to any purchase of Units made under this reinvestment program. Unitholders are advised that all distributions on Units held in a registered savings plan must be reinvested. The minimum subscription requirements referred to under the heading "Purchases of Securities" shall not apply to the reinvestment of distributions.

Confirmation of the monthly interest distributions of Pembroke Money Market Fund are not sent on a monthly basis. You will receive a quarterly statement summarizing the transactions in your account.

If Pembroke American Growth Fund earns net income, it is our intention to distribute a substantial portion of such net income annually or more frequently, as the Board of Directors may determine. Such distribution may be made in cash or through the issuance of additional Shares at the option of the shareholders.

However, Pembroke American Growth Fund may distribute such amount of net income and net realized capital gains as are available for distribution, as the Board of Directors in its sole discretion, may determine.

Purchases of securities in Pembroke American Growth Fund and Pembroke Concentrated Fund in US dollars are not eligible for Registered Plans, Periodic Purchase Plans or the automatic withdrawal program.

Investors who have chosen the US Dollar Option for Pembroke American Growth Fund or Pembroke Concentrated Fund will receive distributions in US dollars if and when such distributions are paid. However, for Canadian tax purposes, distributions must be reported in Canadian dollars. The closing rate of exchange from the Bank of Canada on the distribution date will be used for tax reporting.

A dealer may make provision in arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with any failure of the investor to satisfy the requirements of the mutual fund or securities legislation for a redemption of securities of the mutual fund.

Net investment income and net realized capital gains distributed to Securityholders (whether reinvested in additional Securities or not) may be subject to income tax and, in this respect, reference should be made to "Income Tax Considerations" below.

## **RESPONSIBILITY FOR MUTUAL FUND OPERATIONS**

### **Manager - Trustee**

Pembroke Private Wealth Management Ltd.  
1002 Sherbrooke Street West  
Suite 1700  
Montreal, Quebec H3A 3S4  
514-848-0716  
[www.pml.ca](http://www.pml.ca)

As Manager, we are responsible for managing the day-to-day business of the Funds. We provide all general management and administrative services, including valuation of Fund assets, accounting and keeping investor records.

Each agreement or declaration of trust pursuant to which PPW serves as Manager of a Fund will continue in effect unless terminated by the Fund or by us in accordance with its provisions. The appointment of any successor manager (who is not an affiliate of the Manager) will be subject to approval by the holders of Securities of the Fund and by the securities commission or other regulatory authority in each province of Canada.

The particulars of the above mentioned agreements and declarations of trust pursuant to which PPW serves as Manager of a Fund are provided hereunder:

- Management agreement between PPW (formerly Ivory & Sime Pembroke Inc.) and Pembroke American Growth Fund (formerly GBC Capital Ltd.), dated October 1, 1988;
- Management agreement between PPW (formerly Ivory & Sime Pembroke Inc.) and Pembroke Canadian Growth Fund (formerly GBC Canada Fund.), dated October 1, 1988;
- Management agreement between PPW (formerly Ivory & Sime Pembroke Inc.) and Pembroke Money Market Fund, dated October 1, 1988;
- Management agreement between PPW (formerly GBC Asset Management Inc.) and PPW (formerly GBC Asset Management Inc.), acting in its capacity as trustee of Pembroke Growth and Income Fund, dated November 1, 2006;
- Assignment agreement between PPW (formerly Ivory & Sime Pembroke Inc.) and Greydanus, Boeckh & Associates Inc., dated October 17, 1988, in which the latter assigned to PPW its rights

and obligations as a principal distributor under the Declaration of Trust (dated December 11, 1984) of Pembroke Canadian Bond Fund (formerly Hallmark Bond Fund);

- Declaration of Trust by PPW (formerly GBC Asset Management Inc.) regarding Pembroke International Growth Fund, dated January 6, 1994;
- Management Agreement between PPW and Pembroke Global Balanced Fund, dated January 1, 2018;
- Management Agreement between PPW and Pembroke Corporate Bond Fund, dated January 1, 2009; and
- Management Agreement between PPW and Pembroke Concentrated Fund, dated January 31, 2018.

Collectively the “Management agreements”.

The Management agreements also govern the rights and obligations of the principal distributor of the Funds and, in this respect, reference should be made to “Barclays Capital, BMO Nesbitt Burns, Canaccord Genuity, Casgrain & Co. Ltd., CIBC World Markets, Credit Suisse Securities, Goldman Sachs, HSBC Securities, Imperial Capital, JP Morgan, Market Axess, Merrill Lynch, Mitsubishi, MIZUHO, Morgan Stanley, National Bank of Canada, RBC Dominion, Scotia Bank, TD Securities and UBS LLC.

Principal Distributor” below.

We also serve as Trustee for all the Funds, other than Pembroke American Growth Fund, which is constituted as a corporation, rather than as a trust.

The following table lists individuals who are the directors and executive officers of Pembroke Private Wealth Management Ltd., their municipalities of residence, their position held with the Pembroke Funds, and their principal occupations in the last five years. No payments or reimbursements have been made by any of the Pembroke Funds to the directors and officers up to the date of this Annual Information Form.

<b>Name and Municipality of Residence</b>	<b>Position held with PPW</b>	<b>Principal Occupation in the last five years</b>
Jeffrey S.D. Tory, CFA Montreal, Quebec	Chairman and Director	Chairman and Director of Pembroke Management Ltd. (“Pembroke”).
A. Ian Aitken, M.S.C., CFA Montreal, Quebec	President and Chief Executive Officer and Director  Ultimate Designated Person	President and Chief Executive Officer and Director of Pembroke.
Michael P. McLaughlin, CPA, CA Montreal, Quebec	Chief Financial Officer, Secretary-Treasurer and Director  Chief Compliance Officer	Chief Financial Officer and Secretary-Treasurer of the Manager. Vice-President and Director of Pembroke and the Manager.
Peter S. Morton Montreal, Quebec	Vice-Chairman	Vice Chairman of the Manager. Prior to March 2019, Vice-President of the Manager.
T. John Quinn Oakville, Ontario	Vice-President	Vice-President of the Manager.
David J. Ferrante Montreal, Quebec	Vice-President	Vice-President of the Manager.

<b>Name and Municipality of Residence</b>	<b>Position held with PPW</b>	<b>Principal Occupation in the last five years</b>
Russell E. Quinn Mississauga, Ontario	Vice-President Operations	Vice-President of the Manager.

### **Directors and Executive Officers of Pembroke American Growth Fund**

The following table summarizes the name, municipality of residence, all positions held with Pembroke American Growth Fund and principal occupations during the preceding five years for each of the directors and executive officers of the Fund:

<b>Name and Municipality of Residence</b>	<b>Position</b>	<b>Principal Occupation in the last five years</b>
A. Ian Aitken, M.S.C., CFA Montreal, Quebec	President, Chief Executive Officer and Director	President, Chief Executive Officer and Director of Pembroke.
Marc A. Courtois <sup>1</sup> Montreal, Quebec	Chairman and Director	Corporate Director.
Anthony Calzetta, CPA, CA Montreal, Quebec	Secretary-Treasurer	Vice-President and Treasurer of Pembroke. From April 2013 to January 2016, Director of Finance of Pembroke.
Michael P. McLaughlin, CPA, CA Montreal, Quebec	Vice-President, Finance and Chief Financial Officer	Director, Chief Financial Officer and Secretary-Treasurer of the Manager. Vice-President and Director of Pembroke.
Caroline S. Miller <sup>1</sup> , CFA Montreal, Quebec	Director	Senior Vice President, Global Strategist at BCA Research Inc.
Glen D. Roane <sup>1</sup> Calgary, Alberta	Director	Corporate Director.
Lloyd M. Segal Montreal, Quebec	Director	President and Chief Executive Officer, Repare Therapeutics Inc. Prior to September 2016, Special Advisory Partner at Persistence Capital Partners (private equity fund). Prior to June 2015, Managing Partner at Persistence Capital Partners.

(1) Member of Audit Committee

### **Portfolio Manager**

We have appointed Pembroke Management Ltd. (“Pembroke”), of Montreal, Quebec, to provide investment counselling and portfolio management services to Pembroke Money Market Fund pursuant to an investment counselling, portfolio management and management subcontract agreement dated effective April 1, 2009 between ourselves and Pembroke. We can end our agreement with Pembroke by giving 90 days’ notice.

We have appointed Canso, of Richmond Hill, Ontario, to provide portfolio management services to us with respect to the portfolio of (i) Pembroke Canadian Bond Fund pursuant to an investment management retainer agreement dated effective April 1, 2009 between ourselves and Canso and (ii) Pembroke

Corporate Bond Fund pursuant to an investment management retainer agreement dated effective January 7, 2009. We can end our agreement with Canso by giving 30 days' notice.

We have appointed Pembroke to provide portfolio management services to (i) Pembroke Global Balanced Fund with respect to the Fund's portfolio pursuant to a portfolio advisory agreement dated January 1, 2018 and amended on February 27, 2019 between ourselves and Pembroke, and (ii) Pembroke Concentrated Fund with respect to the Fund's portfolio pursuant to a portfolio advisory agreement dated January 31, 2018 and amended on February 27, 2019 between ourselves and Pembroke. We can end our agreement with Pembroke by giving 90 days' notice.

We have appointed Pembroke to provide investment counselling and portfolio management services to Pembroke Canadian Growth Fund and Pembroke American Growth Fund with respect to the Funds' portfolios pursuant to investment counselling, portfolio management and management subcontract agreements dated as of October 1, 1988 between ourselves and Pembroke. We can end our agreement with Pembroke by giving 60 days' notice prior to the 30<sup>th</sup> of September of each year.

We have also appointed Pembroke to provide investment counselling and portfolio management services to Pembroke Growth and Income Fund with respect to the Fund's portfolio pursuant to a portfolio management agreement dated November 1, 2006 between ourselves and Pembroke. We can end our agreement with Pembroke by giving 90 days' written notice or at any time following a direct or indirect change of control of Pembroke. Pembroke may appoint sub-managers at its discretion.

We have appointed William Blair Investment Management LLC (formerly William Blair & Company) ("William Blair"), of Chicago, Illinois, to provide investment counselling, as well as portfolio management and other investment services, to us with respect to the portfolio of Pembroke International Growth Fund pursuant to an investment advisory agreement. We can end our agreement with William Blair & Company by giving 90 days' notice.

Pembroke, Canso or William Blair, as the case may be, is responsible for reviewing and evaluating the performance of each portion of the Funds' portfolios and for making recommendations from time to time as to the allocation of the Funds' assets to the various portions of their portfolios.

Pembroke, Canso or William Blair, as the case may be, also provides investment research and analysis with respect to investments in securities of various issuers, makes recommendations and decisions with respect to the purchase or sale of such securities and arranges for the execution of such transactions.

Pembroke, Canso or William Blair, as the case may be, acts as investment advisor and portfolio manager of other discretionary accounts and may hereafter act as such for other mutual funds. If the availability of any particular security is limited and such security is in keeping with the fundamental investment objectives of a Fund and also of one or more other discretionary accounts or mutual funds for which Pembroke, Canso or William Blair, as the case may be, acts, or may hereafter act, such securities will be divided among the accounts involved on an equitable basis.

Pembroke, Canso or William Blair, as the case may be, analyze potential investments and make investment decisions. They are responsible for managing the investment portfolio of each of the Funds. Hereunder, we list the portfolio managers, the Pembroke Funds they manage and details about the individual portfolio managers who are principally responsible for managing the Funds. The investment decisions made by the individual portfolio managers are not subject to the oversight, approval or ratification of a committee; however, we are ultimately responsible for the advice given by the portfolio managers.



<b>Name and Title</b>	<b>Fund</b>	<b>Length of service with portfolio manager</b>	<b>Principal occupation in the last five years</b>
John P. Carswell President, Chief Investment Officer and Director of Canso	Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund	23 years	Portfolio manager with Canso.
Andrew G. Flynn, CFA Partner and Portfolio manager and strategist with William Blair	Pembroke International Growth Fund	14 years	Portfolio manager with William Blair.
Simon Fennell Partner, Portfolio manager and strategist with William Blair	Pembroke International Growth Fund	9 years	Portfolio manager with William Blair.
A. Ian Aitken, M.S.C., CFA President, CEO and Director of Pembroke	Pembroke Global Balanced Fund	33 years	Portfolio manager with Pembroke.
Jeffrey S.D. Tory, CFA Vice-President and Director of Pembroke	Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke American Growth Fund Inc.	33 years	Portfolio manager with Pembroke.
Nicolas G. Chevalier, CFA Vice-President and Director of Pembroke	Pembroke Canadian Growth Fund	22 years	Portfolio manager with Pembroke.
J. Matthew Beckerleg, MBA Vice-President of Pembroke	Pembroke American Growth Fund, Pembroke Concentrated Fund	15 years	Portfolio manager with Pembroke.
Andrew C. Garschagen, MBA Vice-President of Pembroke	Pembroke American Growth Fund, Pembroke Concentrated Fund	4 years	Portfolio manager with Pembroke. Prior to June 2016, Senior Analyst with Hutchin Hill Capital Mgmt.
Stephen Hui, CFA Vice-President of Pembroke	Pembroke Money Market Fund, Pembroke Canadian Growth Fund, Pembroke Growth and Income Fund	20 years	Portfolio manager with Pembroke
Douglas M. Propisil, CFA Vice-President of Pembroke	Pembroke Growth and Income Fund	17 years	Portfolio manager with Pembroke

### **Brokerage Arrangements**

Brokerage arrangements are made by Canso, in the case of Pembroke Canadian Bond Fund and Pembroke Corporate Bond Fund, by Pembroke in the case of Pembroke Money Market Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke American Growth Fund and Pembroke Concentrated Fund and by William Blair, in the case of Pembroke International Growth Fund.

In the case of Pembroke Canadian Bond Fund and Pembroke Corporate Bond Fund, all decisions as to the purchase and sale of portfolio securities and decisions as to the execution of these portfolio transactions, including the selection of market dealer and the negotiation, where applicable, of commissions are made by Canso; in the case of Pembroke Money Market Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke American Growth Fund and Pembroke

Concentrated Fund all such decisions are made by Pembroke; and, in the case of Pembroke International Growth Fund, all such decisions are made by William Blair.

Client brokerage commissions of a Fund may be used to pay for research rendered to the Fund by third-party vendors. Research may be provided to a Fund by these vendors through reports, access to their web sites, conferences, analyst visits, consultations, phone calls and emails. The research services received will contribute to assisting the portfolio manager of the Fund with its investment decisions. The amounts of commission dollars used to pay for these services are determined yearly and negotiated by the vendors and the portfolio managers who use these services. The yearly fee is based on the amount and type of research rendered to the Fund, as well as comparable services that the Funds receive from other brokers.

Commissions generated for soft trades will be accumulated by the soft brokers on behalf of the Fund and paid out to the vendors. Invoices will be submitted to the soft brokers for payment. These soft dollar arrangements are monitored and validated continuously by the Manager. All client commissions are treated by the Manager as if they were expenses of the Manager's business and are used to maximize research for the benefit of the Funds.

Further information will be provided to you upon request by contacting the Manager at 1 (800) 667-0716, or by e-mail at [jquinn@pml.ca](mailto:jquinn@pml.ca).

*Pembroke Money Market Fund and Pembroke Canadian Bond Fund*

During the last completed financial year of Pembroke Money Market Fund and Pembroke Canadian Bond Fund, no brokerage commission was paid to any Dealers in connection with the purchase or sale of portfolio securities from such Dealers.

Most portfolio transactions of Pembroke Money Market Fund and Pembroke Canadian Bond Fund are either effected with the issuer directly or are effected with major Dealers in Government of Canada debt obligations and money market instruments, acting as principal. Accordingly, Pembroke Money Market Fund and Pembroke Canadian Bond Fund do not pay significant brokerage commissions. To the extent that the execution and price offered by more than one Dealer are in the opinion of Canso comparable, Canso shall, in its discretion, purchase and sell portfolio securities from, to or through Dealers on the basis of its assessment of the following factors:

- (a) the ability of the Dealer to execute transactions promptly and on favourable terms; and
- (b) the quality and value of services provided to the Funds or Canso by the Dealer, such as the provision of research, statistical and other services and information.

*Pembroke Canadian Growth Fund, Pembroke American Growth Fund and Pembroke International Growth Fund*

In the case of Pembroke Canadian Growth Fund, Pembroke American Growth Fund and Pembroke International Growth Fund, brokerage business is directed to those firms which, in the opinion of Pembroke or William Blair, as the case may be, provide useful research assistance to the Funds.

In the last completed financial year, no commissions on brokerage transactions were directed to Dealers where the commissions were linked to the distribution of Units of Pembroke Canadian Growth Fund, Units of Pembroke International Growth Fund or Shares of Pembroke American Growth Fund.

In the case of Pembroke Canadian Growth Fund, Pembroke American Growth Fund and Pembroke International Growth Fund, no person performed the function of principal broker during the last completed financial year.

Since April 8, 2019, the following companies have provided investment decision-making services in the nature of research, statistical and similar services to Pembroke in return for the allocation by Pembroke of portfolio transactions:

*Pembroke Canadian Growth Fund*

Acumen Capital Partners, Altacorp Capital Inc., Barrington Research Ass, Beacon Securities Ltd., BMO Capital Markets, BTIG, Canaccord Genuity, CIBC Capital Markets, Cormark Securities, Desjardins Securities, Eight Capital, Echelon Wealth Partners, Virtu Financial, Stifel Nicolaus Canada, Industrial Alliance, Jefferies and Company, Leede Jones Gable, Laurentian Bank, Liquidnet, National Bank Financial, Needham & Company, Oppenheimer & Company, PI Financial Corp., Paradigm Capital Inc., Peters & Co. Ltd., Raymond James Canada, RBC Capital Markets, B. Riley & Company Inc., Raymond James, Scotia Capital Markets, TD Securities and Velocity Trade Capital.

*Pembroke American Growth Fund*

Robert W Baird, Barrington Research Ass, William Blair & Co., Buckingham Research Grp, Canaccord Genuity, Cantor Fitzgerald, Piper Jaffray CIBC, C.L. King & Associates, Craig Hallum Capital, D.A Davidson, Dougherty & Company, Evercore, Seaport Global Securities, Goldman Sachs & Co, Jefferies and Company, Lake Street Capital Markets, Leerink Swann & Company, Liquidnet, Needham & Company, Northland Securities USA, Oppenheimer & Company, Raymond James, B. Riley & Company Inc., Roth Capital, Sidoti & Co., Stephens Inc., Stifel Nicolaus Inc., Suntrust Capital Market and Telsey Advisory Group.

*Pembroke Growth and Income Fund*

Acumen Capital Partners, Altacorp Capital Inc., William Blair & Co., BMO Capital Markets, Canaccord Genuity, CIBC Capital Markets, C.L. King & Associates, Cormark Securities, Desjardins Securities, Stifel Nicolaus Canada, Industrial Alliance, Laurentian Bank, Liquidnet, National Bank Financial, PI Financial Corp., Peters & Co. Ltd., Raymond James Canada, RBC Capital Markets, B. Riley & Company Inc., Raymond James, Scotia Capital Markets, Stephens Inc., Suntrust Capital Market, TD Securities and Telsey Advisory Group.

*Pembroke Global Balanced Fund*

Acumen Capital Partners, Altacorp Capital Inc., William Blair & Co., BMO Capital Markets, Canaccord Genuity, CIBC Capital Markets, C.L. King & Associates, Cormark Securities, Desjardins Securities, Echelon Wealth Partners, Stifel Nicolaus Canada, Industrial Alliance, Laurentian Bank, Liquidnet, National Bank Financial, PI Financial Corp., Peters & Co. Ltd., Raymond James Canada, Raymond James, RBC Capital Markets, B. Riley & Company Inc., Scotia Capital Markets, Stephens Inc., Suntrust Capital Market, TD Securities, Advisory Group and Velocity Trade Capital.

*Pembroke Concentrated Fund*

This information is not available for Pembroke Concentrated Fund since it has not been distributed under a simplified prospectus for a full calendar year.

Since April 8, 2019, the following companies have provided investment decision-making services in the nature of research, statistical and similar services to William Blair in return for the allocation by William Blair of portfolio transactions:

*Pembroke International Growth Fund*

Axis Capital Limited, Berenberg Bank, Barclays Capital Inc., Bradesco, Sanford Bernstein, Sanford Bernstein – ATS, BTG Pactual, Btig, LLC, Carnegie Inc., Citigroup Global Markets, Citigroup Global Markets – ATS, CLSA Asia, CLSA Asia – ATS, Credit Suisse, Credit Suisse – ATS, Custodian Source, Danske Markets, Daiwa Securities America, Deutsche Securities Inc., Seb Enskilda, Exane Inc., Goldman Sachs, Goldman Sachs – ATS, Handelsbanken Capital Markets, HSBC Securities, Instinet - A Nomura Company, India Infoline, Investec Bank, ITAU Securities, ITG Inc. (Posit), Jefferies & Co, Inc., Jefferies LLC, JM Financial, JP Morgan Securities, JP Morgan Securities – ATS, JP Morgan Portfolio Trading, Kepler Equities, Kepler/Cheuvreux – ATS, Maybank Kim Eng Securities, Liberum, Liquidnet International, Macquarie Securities, Main First, Mitsubishi UFJ MS Securities, Mizuho Securities, Merrill Lynch, Bank Of America/Merrill Lynch – ATS, Bank Of America/Merrill Lynch, Merrill Lynch Portfolio Trading, Motilal Oswal, Morgan Stanley Dean Witter, Morgan Stanley – ATS, Morgan Stanley, Morgan Stanley Portfolio Trading, Nomura Securities, Numis Security, Oddo Securities, Capital Changes, Santander Investment Securities, SMBC Nikko, UBS Securities LLC, UBS Securities LLC – ATS, and Vontobel Securities.

Since April 8, 2019, the following companies have provided investment decision-making services in the nature of research, statistical and similar services to Canso in return for the allocation by Canso of portfolio transactions:

*Pembroke Canadian Bond Fund*

Barclays Capital, BMO Nesbitt Burns, Canaccord Genuity, Casgrain & Co. Ltd., CIBC World Markets, Credit Suisse Securities, Goldman Sachs, HSBC Securities, Imperial Capital, JP Morgan, Market Axess, Merrill Lynch, Mitsubishi, MIZUHO, Morgan Stanley, National Bank of Canada, RBC Dominion, Scotia Bank, TD Securities and UBS LLC.

*Pembroke Corporate Bond Fund*

Barclays Capital, BMO Nesbitt Burns, Canaccord Genuity, Casgrain & Co. Ltd., CIBC World Markets, Credit Suisse Securities, Goldman Sachs, HSBC Securities, Imperial Capital, JP Morgan, Market Axess, Merrill Lynch, Mitsubishi, MIZUHO, Morgan Stanley, National Bank of Canada, RBC Dominion, Scotia Bank, TD Securities and UBS LLC.

**Principal Distributor**

In addition to serving as Manager of each of the Funds, PPW is the principal distributor of the Funds pursuant to the terms and subject to the termination provisions found in each of the Management agreements described under “Responsibility for Mutual Fund Operations – Manager-Trustee”.

**Custodian**

The Funds have entered into an agreement (the “Custodian Agreement”) of a customary nature with RBC Investor & Treasury Services (the “Custodian”) to act as custodian of the Funds’ portfolio securities. Canadian securities are held by the Custodian at its principal office in Toronto in the case of Pembroke American Growth Fund, Pembroke Canadian Bond Fund, Pembroke Canadian Growth Fund, Pembroke Corporate Bond Fund, Pembroke Global Balanced Fund, Pembroke Growth and Income Fund, Pembroke

Money Market Fund and Pembroke Concentrated Fund, while US securities of Pembroke American Growth Fund are held in New York at the principal office of the sub-custodian appointed by the Custodian. In the case of Pembroke International Growth Fund, portfolio securities of the Fund are held at the offices of the sub-custodians appointed by the Custodian in the country in which the portfolio securities are issued or purchased. For these safekeeping and administrative services, the Funds pay the Custodian those fees and charges prevailing from time to time and normally charged for such services, together with all expenses paid or incurred by the Custodian on behalf of the Funds.

The Custodian or PPW may terminate the Custodian Agreement by giving 60 days' written notice to the other party.

### **Auditor**

The auditor of the Funds is Deloitte LLP, located at Bay Adelaide East, 8 Adelaide Street West, Suite 200, Toronto, Ontario, M5H 0A9.

### **Registrars**

The Manager is the principal registrar and transfer agent for the Units of Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund and for the Shares of Pembroke American Growth Fund.

The Manager has retained the services of Computershare Investor Services Inc., at its principal office in Montreal, Quebec, as registrar and transfer agent for the Shares of Pembroke American Growth Fund that were issued as certificated shares only before the mutualisation of Pembroke American Growth Fund.

### **Other Service Providers**

Pursuant to a Fund Valuation Services Agreement entered into between RBC Investor & Treasury Services at its principal office in Toronto, Ontario, and the Manager, RBC Investor Services Trust has been retained to provide certain fund valuation services for Pembroke International Growth Fund, Pembroke Canadian Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Corporate Bond Fund and Pembroke Concentrated Fund.

## **CONFLICTS OF INTEREST**

### **Principal Holders of Securities**

#### *The Funds*

To the knowledge of the Funds and the Manager, as at March 31, 2020, no persons or companies owned of record or were known to own beneficially, directly or indirectly, more than 10% of voting securities of any Fund other than Pembroke Growth and Income Fund owning 25.07% of Pembroke Canadian Bond Fund. In addition, as at March 31, 2020, the directors and officers of the Manager, in the aggregate, did not own of record or were known to own beneficially, directly or indirectly, more than 10% of voting securities of any other Fund.

### *Affiliated Entities*

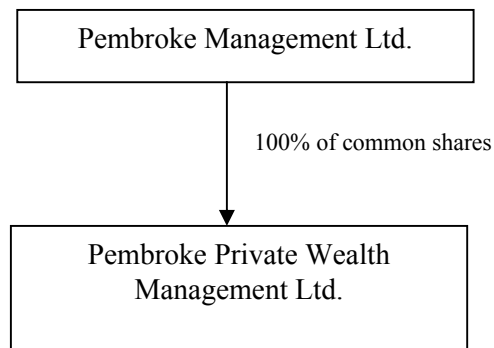
As at March 31, 2020 the following were the only persons or companies who owned of record or were known to own beneficially, directly or indirectly, more than 10% of any class of voting shares of the Manager:

Name and Address	Class	Type of Ownership	Number of Shares Owned	Percentage of the Class
Pembroke Management Ltd. <sup>(1)</sup> Montreal, Quebec	Common Shares	Beneficial	245,192	100

As at March 31, 2020, Messrs. Jeffrey S.D. Tory and A. Ian Aitken each beneficially owned, directly or indirectly, 7,791 shares carrying 18.51% of the votes attached to voting shares of Pembroke and Mr. Nicolas G. Chevalier beneficially owned, directly or indirectly, 7,689 shares carrying 18.27% of the votes attached to the voting shares of Pembroke.

Mr. A. Ian Aitken is president, chief executive officer and a director of Pembroke American Growth Fund, president, chief executive officer and a director of Pembroke (the majority shareholder of the Manager), and president, chief executive officer and a director of the Manager. Mr. Michael P. McLaughlin is a senior officer and a director of both Pembroke and the Manager as well as a senior officer of Pembroke American Growth Fund. Messrs. Aitken and McLaughlin may therefore be considered to have an interest in the Management Fee paid to the Manager by Pembroke American Growth Fund. Mr. Tory is a senior officer of Pembroke as well as chairman and director of the Manager. Mr. Calzetta is a senior officer of both Pembroke American Growth Fund and Pembroke.

The relationship between PPW and its affiliate, Pembroke, is shown below.



Disclosure of the amount of fees received from the Funds by each affiliated entity is contained in the audited financial statements of such Funds.

### **FUND GOVERNANCE**

We are Trustee of each of the Funds, other than Pembroke American Growth Fund, which has a Board of Directors. We, as the trustee, or the Board of Directors, as the case may be, are responsible for setting and monitoring the investment policies of the Funds. A majority of the directors of Pembroke American Growth Fund are neither directors nor officers of PPW. Please refer to heading “*Directors and Executive*

*Officers of Pembroke American Growth Fund*” on page 21 for more information about the individual directors and officers.

PPW has established an independent review committee (“IRC”) pursuant to National Instrument 81-107 – *Independent Review Committee for Investment Funds*. The IRC reviews conflict of interest matters referred to it by PPW. PPW is required to seek approval from the IRC to make certain changes in respect of a Fund. Such changes may be made without the approval of Securityholders of the Fund, provided Securityholders of the Fund have been given written notice at least 60 days before the effective date of the change.

The IRC consists of three members, all of whom are independent of PPW. The current members of the IRC are: Marc A. Courtois (Chairman), Peter M. Blaikie and Glen D. Roane. The members of the IRC beneficially own, in the aggregate, less than 10% of the Securities of each of the Funds.

We maintain a code of ethics and conduct, which establishes rules of conduct designed to ensure fair treatment of the Funds’ Securityholders and that, at all times, the interests of the Funds and their Securityholders are placed above personal interests of employees, officers and directors of PPW, and each of its subsidiaries and affiliates and sub-managers. The code applies the highest standards of integrity and ethical business conduct. The objective is not only to remove any potential for real conflict of interest, but also to avoid any perception of conflict.

The code addresses conduct in three areas:

- corporate, which covers conflicts of interest, insider trading and reporting;
- investment, which covers personal trading by employees, conflict of interest, and confidentiality among departments and portfolio managers. The code permits personal trading by employees under certain circumstances, provided there is no conflict between the interests of our employees and the interests of holders of securities of the Funds;
- other, which covers dealers, external investment advisor and National Instrument 81-102.

At all levels, the code addresses confidentiality, fiduciary duty, enforcement of rules of conduct and violations.

### **Proxy Voting**

We view good corporate governance as an important contributor to overall corporate performance and long-term investment returns. As portfolio managers for the Pembroke Funds, each of Pembroke, Canso or William Blair, as the case may be, has responsibility for the investment management of each such Pembroke Fund, including the exercise of voting rights attaching to securities held by the Fund in question. We have established proxy voting policies, procedures and guidelines (the “Proxy Voting Guidelines”) for securities held by the Funds to which voting rights are attached.

The Proxy Voting Guidelines set out the guidelines and procedures to be followed to determine whether and how the portfolio manager should vote on any matter for which a Pembroke Fund receives proxy materials. The Proxy Voting Guidelines are intended as a general guide for how the portfolio manager should vote proxies and not a rigid policy position. In all matters, the portfolio manager will review and vote proxies on a case-by-case basis. Based on its reviews, the portfolio managers may deem it appropriate to vote differently than what is set out in the Proxy Voting Guidelines. Issuers’ proxies most frequently contain proposals to elect corporate directors, to appoint external auditors and set their

compensation, to adopt or amend management compensation plans and to amend the capitalization of the company.

The overriding objective of our proxy voting activities is to enhance shareholder value on a long-term basis. As a result, our Proxy Voting Guidelines have been developed in a manner which we believe is consistent with this goal. **However, it is important to note that these are guidelines only, and not rigid, inflexible, voting directives.** We and the portfolio managers will evaluate each voting matter on a case-by-case basis and may vote in a manner contrary to the Proxy Voting Guidelines if they feel that this would ultimately enhance long-term shareholder value.

When a Fund invests in other mutual funds (an “underlying fund”), including the Pembroke Funds, if a unitholder meeting is called for an underlying fund that is managed by us, you will have the voting rights that come with the units of the underlying fund and we will not vote the units of the underlying fund. If a unitholder meeting is called for an underlying fund that is not managed by us, we will exercise our discretion with respect to those voting rights in a manner that is consistent with the Proxy Voting Guidelines.

The Proxy Voting Guidelines are available on request, at no cost, by calling toll-free at 1 (800) 667-0716 or by writing to PPW at 1002 Sherbrooke Street West, Suite 1700, Montreal, Quebec H3A 3S4 or at 161 Bay Street, Suite 4320, Toronto, Ontario M5J 2S1. The Proxy Voting Guidelines are also available on the PPW website at [www.pml.ca](http://www.pml.ca).

The proxy voting record for each Pembroke Fund for the most recent 12-month period ended June 30 of each year will be available free of charge to any holder of Securities of a Fund upon request at any time after August 31 of that year. The proxy voting record for each Fund will also be available on the PPW website at [www.pml.ca](http://www.pml.ca).

#### *Short-term Trading*

The Funds are intended to be long-term investment vehicles and are not designed to provide investors with a means of speculating on short-term market movements or fluctuations. Investors who engage in excessive transfer or redemption activity in and out of the Funds (commonly referred to as market timing) generate additional costs which are borne by all of the Funds’ Securityholders. As well, such activities can interfere with the Funds’ orderly investment management, as the Funds may be required to sell portfolio assets to fund redemptions arising from market timing. Such sales may be at unfavourable times and/or impede the use of long-term investment strategies which may harm investment performance.

In order to address these concerns, we reserve the right to reject any transfer or purchase request that is reasonably determined to be disruptive to efficient portfolio management, either because of market timing of the investment or previous excessive trading by the Securityholder. To discourage frequent trading, we may charge you a short-term trading fee. Please refer to heading “*FEES AND EXPENSES*” on page 30 for more information in respect of the short-term trading fee.

### **FEES AND EXPENSES**

There are no management fees charged to the Pembroke Mutual Funds, except for Class F Units of Pembroke Concentrated Fund. These fees are charged directly to investors. Investors are charged management fees based on the amount of their assets under management with the Manager. Such management fees are payable directly to the Manager by the redemption (without charge) of a sufficient



number of Securities of each investor's Fund(s) in their account. The following tables detail, on a Fund basis, the management fees payable by each investor based on the amount of their assets under management.

**Investors having less than \$5 million under management**

<b>Fund</b>	<b>Assets under Management</b>	
	<b>Under \$1 million</b>	<b>Between \$1 million and \$5 million</b>
Pembroke Money Market Fund	0.10%	0.10%
Pembroke Canadian Bond Fund	0.65%	0.50%
Pembroke Corporate Bond fund	0.75%	0.50%
Pembroke Growth and Income	1.30%	1.20%
Pembroke Global Balanced Fund	1.30%	1.00%
Pembroke Canadian Growth Fund	1.70%	1.50%
Pembroke American Growth Fund Inc.	1.50%	1.50%
Pembroke International Growth	1.50%	1.50%
Pembroke Concentrated Fund - Class A Units	1.50%	1.50%

**Investors having above \$5 million under management**

<b>Fund</b>	<b>Assets under Management</b>		
	<b>First \$10 million</b>	<b>Next \$15 million</b>	<b>Above \$25 million</b>
Pembroke Money Market Fund	0.10%	0.10%	0.10%
Pembroke Canadian Bond Fund	0.40%	0.40%	0.40%
Pembroke Corporate Bond fund	0.50%	0.50%	0.50%
Pembroke Growth and Income Fund	0.85%	0.75%	0.65%
Pembroke Global Balanced Fund	0.75%	0.75%	0.75%
Pembroke Canadian Growth Fund	1.00%	0.85%	0.75%
Pembroke American Growth Fund Inc.	1.00%	0.85%	0.75%
Pembroke International Growth Fund	1.00%	0.85%	0.75%
Pembroke Concentrated Fund - Class A Units	1.00%	0.85%	0.75%

PPW will charge to Pembroke Concentrated Fund management fees in respect of Class F Units computed at the annual rate of 1.00% plus applicable taxes. Such management fee will be accrued daily and paid monthly. The applicable rate will be applied to the Net Asset Value of the Class and charged as a Class specific expense. The management fees are payable on the first business day of the following month.

Under The Pembroke Family Advantage Program, the value of family holdings of all family members designated by the investor will be considered to determine the management fee applicable to all family members. In order to benefit from the Pembroke Family Advantage Program, family members must be designated by the investor using the form prepared by PPW and must be approved by PPW prior to any management fee reduction being applicable. Management fees are determined based on the amount of assets under management with PPW and Pembroke.

Moreover, if you are not only a Securityholder of the Pembroke Funds but also a client of Pembroke with an investment account of more than \$2 million, the management fees payable will be reduced to the level of management fees payable by Securityholders with more than \$5 million under management.

In order to encourage large investments in the Funds and to achieve effective management fees that are competitive for large investments, the Manager at his discretion may, from time to time, reduce the amount of management fees Securityholders pay. The reduction of management fees is accorded monthly and its cost is borne by the Manager, not the Funds. The level of reduction is negotiable between the Securityholder and the Manager and usually will be based on the size of the Securityholder's amount of assets under management with the Manager. However, reductions will not solely be based on the value of a Securityholder's amount of assets under management with the Manager at a particular point in time or upon purchases of Securities over a specific period of time.

To discourage frequent trading, we may charge a short-term trading fee if you sell, transfer or convert any Securities within 60 days of buying them. The fee is 2% of the value of the Securities traded. We will deduct the fee from the amount you sell, transfer or convert and pay it to the Fund from which you sold, transferred or converted your Securities. The fee does not apply to Pembroke Money Market Fund.

No management fees are charged to Pembroke Growth and Income Fund for its holding of Units in Pembroke Canadian Bond Fund. No management fees are charged to Pembroke Global Balanced Fund for its holding of Securities in any other Pembroke Funds. Should any management fees be charged to Pembroke Global Balanced Fund by an external manager of any investment fund, other than a Pembroke Fund, in which Pembroke Global Balanced Fund invests, PPW will reimburse such fees to Pembroke Global Balanced Fund.

Any expenses of a Fund will be liabilities for such Fund and the assets of that Fund could be called upon to satisfy those liabilities. In addition, all deductible expenses of the applicable Fund will be taken into account in computing the income or loss of the Fund for tax purposes and, therefore, all expenses will impact on the tax position of the Fund.

As Manager, we are wholly responsible for the payment of any investment counselling and portfolio management fees payable to Pembroke, Canso or William Blair under their respective portfolio management agreements or investment advisory agreement, as the case may be, and for advertising and other related marketing costs associated with the distribution of Securities. In addition to the payment of Management Fees, the Funds are responsible for the payment of all expenses relating to their operation and the carrying on of their business, including, but not limited to, the payment of fees to the directors of the Fund in the case of Pembroke American Growth Fund, legal, audit, brokerage, custodial and safekeeping fees, interest, taxes, registrar and transfer agents' fees, operating and administrative costs, investor accounting costs and the costs of financial and other reports, annual information forms and prospectuses required to comply with laws regulating the issue or sale of Securities.

## INCOME TAX CONSIDERATIONS

The following is a general summary of the principal income tax considerations under the *Income Tax Act* (Canada) (the “Federal Act”) and the *Taxation Act* (Quebec) (the “Quebec Act”) applicable as of the date hereof to the Funds and to investors who are individuals (other than trusts) residing in Canada, who deal with the Funds at arm’s length, are not affiliated with the Funds and who hold Securities of the Funds as capital property for tax purposes.

This summary is based upon the current provisions of the Federal Act, the Quebec Act and the regulations thereunder, as well as the current published administrative practices of the Canada Revenue Agency and the *Agence du revenu du Québec*. This summary also takes into account proposed amendments to the Federal Act, the Quebec Act and regulations thereunder publicly announced prior to the date hereof (“Tax Proposals”). Generally, the tax consequences under the Quebec Act are similar to those under the Federal Act and any reference to taxation under the Federal Act is similarly applicable in Quebec, unless otherwise indicated (for example, the capital gain refund mechanism is not available under the Quebec Act).

This summary assumes that at all material times Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Canadian Growth Fund, Pembroke Global Balanced Fund, Pembroke Growth and Income Fund, Pembroke International Growth Fund, Pembroke Corporate Bond Fund and Pembroke Concentrated Fund qualify as mutual fund trusts, and that Pembroke American Growth Fund will qualify as a mutual fund corporation, as those terms are defined in the Federal Act and the Quebec Act. The Manager expects that the Funds will so qualify. If any such Fund were not to qualify as a mutual fund trust or mutual fund corporation, as applicable, the income tax considerations as described herein would in some respects be materially different.

This summary is based upon the assumption that none of the foreign corporations in which the Funds may hold equity securities will be a “foreign affiliate” (as defined in the Federal Act) of the Fund.

This summary is not exhaustive of all possible income tax considerations and does not deal with provincial income tax considerations, other than under the Quebec Act, which may in the case of a particular province differ from those under the Federal Act.

No assurance can be given that the Federal Act and the Quebec Act will not be changed in a manner that will fundamentally alter the tax consequences described below or that the Tax Proposals will be enacted in the form publicly announced or at all.

EACH PROSPECTIVE INVESTOR SHOULD OBTAIN INDEPENDENT ADVICE REGARDING THE INCOME TAX CONSEQUENCES UNDER FEDERAL AND PROVINCIAL TAX LEGISLATION OF ACQUIRING, HOLDING AND DISPOSING OF SECURITIES OF THE FUNDS BASED ON SUCH INVESTOR’S OWN PARTICULAR CIRCUMSTANCES.

**Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund.**

In each year, income of a Fund, including the taxable portion of capital gains, if any, that is not paid or made payable to unitholders in that year will be taxed in the Fund under Part I of the Federal Act. Provided the Fund distributes all of its net taxable income and net taxable capital gains to the unitholders on an annual basis, it will not generally be liable for any income tax under Part I of the Federal Act. Capital or income losses incurred by a Fund cannot be allocated to unitholders but may, subject to certain limitations under the Federal Act, be deducted by the Fund from net realized capital gains or net income realized in subsequent years. In certain circumstances, a capital loss realized by a Fund may be suspended, and therefore, may not be available to offset capital gains.

Foreign source income received by a Fund will generally be net of any taxes withheld in the foreign jurisdiction. The foreign taxes so withheld will be included in the calculation of the Fund's income. A Fund may be deemed to earn income on investments in some types of foreign entities.

The Federal Act and the Quebec Act contain specific rules which significantly change the income tax treatment of certain publicly traded vehicles, including some income trusts and some real estate investment trusts (REITs), and certain distributions or allocations, as the case may be, from these entities to their investors. In particular, certain income earned by these entities is taxed in a manner similar to income earned by a corporation and distributions or allocations made by these entities to investors are taxed in a manner similar to dividends from taxable Canada corporations, which will be eligible for the enhanced dividend tax credit if paid or allocated to a resident of Canada.

**The unitholders of Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund.**

A unitholder will be required to include in his income for tax purposes for any year the amount of income and net taxable capital gains (which is one-half of net realized capital gains), if any, paid or payable to him in the year, whether such amounts are reinvested in additional Units or paid directly to him. Provided appropriate designations are made by the Funds, net taxable capital gains and dividends from taxable Canadian corporations paid or payable to unitholders will be taxable as if such income had been received by them directly. Unitholders will be informed each year of any amounts so distributed and the amount of any foreign taxes, if any, considered to have been paid by them in respect of such amounts and which they may, to the extent permitted by the Federal Act and the Quebec Act, claim as a credit. Dividends from taxable Canadian corporations distributed by a Fund, other than capital gains dividends, are eligible for a dividend tax credit through the gross-up and credit procedure applicable to such dividends, including the enhanced gross-up and tax credit available for eligible dividends.

Upon actual or deemed disposition of a Unit, including the redemption of a Unit or exchange of a Unit for other shares or units of a mutual fund managed by the Manager, a capital gain (or a capital loss) will generally be realized by the unitholder to the extent that the proceeds of disposition of the Unit exceed (or are less than) the aggregate of the adjusted cost base to the unitholder of his Unit and any cost of disposition. One-half of such unitholder's capital gain ("taxable capital gains") realized upon a disposition of a Unit will be taken into account in determining his taxable income for the year. One-half of any capital loss realized by a unitholder will normally be applied against taxable capital gains, subject to detailed rules contained in the Federal Act and the Quebec Act, as applicable.

## **Pembroke American Growth Fund**

The Fund is subject to tax on its income and on a portion of its net realized capital gains under the applicable provisions of the Federal Act. Foreign source income received by a Fund will generally be net of any taxes withheld in the foreign jurisdiction. The foreign taxes so withheld will be included in the calculation of the Fund's income. A Fund may be deemed to earn income on investments in some types of foreign entities.

As a mutual fund corporation, if the Fund pays capital gains dividends or redeems Shares in a taxation year, the tax paid on the net realized capital gains of the Fund is refundable in accordance with a formula in the Federal Act. One-half of any capital gain shall be included in computing the income of the Fund. Taxable dividends received by the Fund from taxable Canadian corporations will generally be subject to a 38 1/3% tax under Part IV of the Federal Act, which is refundable at a rate of \$1 for every \$2.61 of taxable dividends paid by the Fund.

### **The Shareholders of Pembroke American Growth Fund**

A shareholder must account, for income tax purposes, for any dividends received from the Fund. Regular dividends received will be subject to the gross-up and tax credit provisions of the Federal Act and the Quebec Act. Capital gains dividends will be taxed as indicated below.

On the actual or deemed disposition of a Share, including the redemption of a Share, a shareholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition net of any outlays and expenses exceed (or are less than) the shareholder's adjusted cost base of such Shares. A shareholder will also realize a capital gain if the Fund elects to pay a capital gains dividend from its capital gains dividend account. One-half of such shareholder's capital gain realized upon a disposition of Shares and one-half of the capital gains dividends will be taken into account in determining his taxable income for the year. One-half of any capital loss realized by a shareholder will normally be applied against taxable capital gains, subject to detailed rules contained in the Federal Act and the Quebec Act, as applicable.

For investors who have chosen the US Dollar Option for Pembroke American Growth Fund or Pembroke Concentrated Fund, the cost of the investment, dividends and proceeds of disposition must be converted to Canadian dollars by the investor for Canadian income tax purposes, based on the rate of exchange prevailing at the relevant time. Such investors may realize a capital gain (or capital loss) on a disposition of securities by virtue of changes in the value of the US dollar relative to the Canadian dollar during the period that the securities are held.

### **Minimum Tax**

Taxable dividends, capital gains dividends, distributions of taxable dividends and capital gains, and capital gains realized by an individual on the disposition of Securities may give rise to or increase a liability for alternative minimum tax.

### **Investment Qualification**

Securities of the Funds are registered investments under the Federal Act. Moreover, the Securities of the Funds are also qualified investments for RRSPs, RRIFs (including any one of the various types of locked-in registered plans such as LIRAs, LIFs and LRIFs), RESPs, RDSPs, TFSAs and DPSPs.

Notwithstanding the foregoing, if Securities are "prohibited investments" for a RRSP, RRIF, RESP, RDSP or TFSA, an annuitant of the RRSP or the RRIF, a subscriber under the RESP or a holder of the RDSP or TFSA, as the case may be, (each a "Plan Holder") will be subject to a penalty tax as set out in

the Federal Act. A “prohibited investment” includes a unit of a trust or a share of a corporation which trust or corporation, as the case may be, does not deal at arm’s length with the Plan Holder, or in which the Plan Holder has a “significant interest” (as that term is defined in the Federal Act), which, in general terms, means the ownership of 10% or more of the value of the trust’s outstanding units or 10% or more of the issued shares of any class of the capital stock of the corporation, as applicable, either alone or together with persons with whom the Plan Holder does not deal at arm’s length. Plan Holders are advised to consult their own tax advisors with respect to whether Securities are “prohibited investments” for their RRSP, RRIF, RESP, RDSP or TFSA and the tax consequences of Securities being acquired or held by trusts governed by such plans, funds or accounts.

If Securities are held in a registered plan, generally neither the planholder nor the registered plan has to pay taxes on distributions received from the Fund or taxable capital gains realized on the exchange or redemption of Securities as long as the Securities or proceeds of disposition remain in the registered plan provided the Securities are at all times a qualified investment and not a prohibited investment for the registered plan. Taxes must generally be paid when money is taken out of the registered plan (other than a TFSA).

**The above comments are for the purpose of providing general assistance only, and are not intended to constitute a complete analysis of all tax consequences of an investment in the Securities and should not be interpreted as legal or tax advice to any particular subscriber.**

#### **REMUNERATION OF DIRECTORS, OFFICERS AND TRUSTEES**

The aggregate cash remuneration paid to the directors of Pembroke American Growth Fund for their services in such capacity during the fiscal period ended December 31, 2019 was \$85,000. Such remuneration included an annual fee to each director of \$15,000, to the Chair of the Board \$5,000, to the Chair of the Audit Committee \$2,500, plus a fee of \$1,000 for each directors’ meeting and committee meeting attended. In addition, directors of the Fund are entitled to be reimbursed for travel and other out-of-pocket expenses incurred by them in connection with their duties as directors. During the fiscal period ended December 31, 2019, the aggregate amount of such expenses reimbursed to directors was \$11,441. The Fund does not pay any remuneration to its officers. Since mutualization of Pembroke American Growth Fund, directors who are affiliated with Pembroke no longer receive directors’ fees.

Members of the IRC receive an annual retainer of \$5,000 and a fee of \$1,000 for each IRC meeting attended. For the most recently completed financial year, members of the IRC were paid an aggregate of \$21,000. No expenses were reimbursed to IRC members for the most recently completed fiscal period.

The Trustee and the officers and directors of the Trustee are not paid trustees’ or directors’ fees or reimbursed for expenses by any of Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund.

## **MATERIAL CONTRACTS**

Contracts which have been entered into prior to the date of this Annual Information Form which are considered material to investors purchasing Securities are as follows:

- (a) the declarations of trust and supplemental deeds described under “Name, Formation and History of the Funds”;
- (b) the articles and by-laws of Pembroke American Growth Fund described under “Name, Formation and History of the Funds”;
- (c) the Management agreements described under “Responsibility for Mutual Fund Operations”;
- (d) the portfolio management and management subcontract agreements (and in the case of Pembroke International Growth Fund, Pembroke Global Balanced Fund, Pembroke Corporate Bond Fund and Pembroke Concentrated Fund, the Investment Advisory Agreement) described under “Responsibility for Mutual Fund Operations”; and
- (e) the Custodianship Agreement described under “Responsibility for Mutual Fund Operations - Custodian”.

Copies of the foregoing documents may be inspected during business hours at the office of the Manager at 1002 Sherbrooke Street West, Suite 1700, Montreal, Quebec H3A 3S4 or 150 King Street, Suite 1210, Toronto, Ontario M5H 1J9.

## **LEGAL AND ADMINISTRATIVE PROCEEDINGS**

There are no ongoing legal or administrative proceedings material to the Funds, to which a Fund or the manager is a party.

**CERTIFICATE OF PEMBROKE AMERICAN GROWTH FUND INC.**

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the Securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces of Canada and do not contain any misrepresentations.

*(s) A. Ian Aitken*

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A. Ian Aitken  
President and Chief Executive Officer of  
Pembroke American Growth Fund Inc.

*(s) Michael P. McLaughlin*

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Michael P. McLaughlin  
Vice-President and Chief Financial Officer of  
Pembroke American Growth Fund Inc.

**ON BEHALF OF THE BOARD OF DIRECTORS OF  
PEMBROKE AMERICAN GROWTH FUND INC.**

*(s) Marc A. Courtois*

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Marc A. Courtois  
Director

*(s) Glen D. Roane*

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Glen D. Roane  
Director

Dated: April 1, 2020



**CERTIFICATE OF PEMBROKE PRIVATE WEALTH MANAGEMENT LTD.  
AS TRUSTEE OF THE FUNDS**

**Pembroke Money Market Fund  
Pembroke Canadian Bond Fund  
Pembroke Corporate Bond Fund  
Pembroke Growth and Income Fund  
Pembroke Global Balanced Fund  
Pembroke Canadian Growth Fund  
Pembroke International Growth Fund  
Pembroke Concentrated Fund**

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the Securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces of Canada and do not contain any misrepresentations.

*(s) A. Ian Aitken*

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A. Ian Aitken  
President and Chief Executive Officer  
Pembroke Private Wealth Management Ltd.

*(s) Michael P. McLaughlin*

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Michael P. McLaughlin  
Chief Financial Officer  
and Secretary-Treasurer  
Pembroke Private Wealth Management Ltd.

**ON BEHALF OF THE BOARD OF DIRECTORS OF  
PEMBROKE PRIVATE WEALTH MANAGEMENT LTD.**

*(s) Jeffrey S.D. Tory*

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Jeffrey S.D. Tory  
Chairman and Director

Dated: April 1, 2020

**CERTIFICATE OF PEMBROKE PRIVATE WEALTH MANAGEMENT LTD.  
AS MANAGER AND PROMOTER OF THE FUNDS**

**Pembroke Money Market Fund  
Pembroke Canadian Bond Fund  
Pembroke Corporate Bond Fund  
Pembroke Growth and Income Fund  
Pembroke Global Balanced Fund  
Pembroke Canadian Growth Fund  
Pembroke American Growth Fund Inc.  
Pembroke International Growth Fund  
Pembroke Concentrated Fund**

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the Securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces of Canada and do not contain any misrepresentations.

*(s) A. Ian Aitken*

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A. Ian Aitken  
President and Chief Executive Officer  
Pembroke Private Wealth Management Ltd.

*(s) Michael P. McLaughlin*

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Michael P. McLaughlin  
Chief Financial Officer and  
Secretary-Treasurer  
Pembroke Private Wealth Management Ltd.

**ON BEHALF OF THE BOARD OF DIRECTORS OF  
PEMBROKE PRIVATE WEALTH MANAGEMENT LTD.**

*(s) Jeffrey S.D. Tory*

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Jeffrey S.D. Tory  
Chairman and Director

Dated: April 1, 2020

**CERTIFICATE OF PEMBROKE PRIVATE WEALTH MANAGEMENT LTD.  
AS PRINCIPAL DISTRIBUTOR OF THE FUNDS**

**Pembroke Money Market Fund  
Pembroke Canadian Bond Fund  
Pembroke Corporate Bond Fund  
Pembroke Growth and Income Fund  
Pembroke Global Balanced Fund  
Pembroke Canadian Growth Fund  
Pembroke American Growth Fund Inc.  
Pembroke International Growth Fund  
Pembroke Concentrated Fund**

To the best of our knowledge, information and belief, this annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and do not contain any misrepresentations.

*(s) A. Ian Aitken*

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A. Ian Aitken  
President and Chief Executive Officer  
Pembroke Private Wealth Management Ltd.

*(s) Michael P. McLaughlin*

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Michael P. McLaughlin  
Chief Financial Officer and  
Secretary-Treasurer  
Pembroke Private Wealth Management Ltd.

Dated: April 1, 2020

## **PEMBROKE FUNDS**

*Pembroke Money Market Fund*  
*Pembroke Canadian Bond Fund*  
*Pembroke Corporate Bond Fund*  
*Pembroke Growth and Income Fund*  
*Pembroke Global Balanced Fund*  
*Pembroke Canadian Growth Fund*  
*Pembroke American Growth Fund Inc.*  
*Pembroke International Growth Fund*  
*Pembroke Concentrated Fund*

Montreal Office:  
1002 Sherbrooke Street West  
Suite 1700  
Montreal, Quebec  
H3A 3S4

Toronto Office:  
150 King Street  
Suite 1210  
Toronto, Ontario  
M5H 1J9

Telephone Number : (514) 848-0716  
Toll Free : 1 (800) 667-0716

Telephone Number: (416) 366-2550  
Toll Free: 1 (800) 668-7383

Additional information about the Funds is available in the Funds' Fund Facts, management reports of fund performance and financial statements.

You can get a copy of these documents at no cost by calling us toll-free at 1 (800) 667-0716, or from your dealer or by e-mail at [jquinn@pml.ca](mailto:jquinn@pml.ca).

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the PPW website at [www.pml.ca](http://www.pml.ca) or at [www.sedar.com](http://www.sedar.com).