

PEMBROKE

PRIVATE WEALTH MANAGEMENT

PEMBROKE CANADIAN GROWTH FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

INCEPTION DATE
NOVEMBER 30, 1988

THE PORTFOLIO MANAGEMENT TEAM
PEMBROKE MANAGEMENT LTD.

This interim Management Report of Fund Performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-800-668-7383, by writing to us at 150 King Street West, Suite 1210, Toronto, Ontario M5H 1J9 or by visiting our website at www.pml.ca or SEDAR at www.sedar.com. Unitholders may also contact us using one of these methods (except on the SEDAR website) to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Investment Objective and Strategies

Pembroke Canadian Growth Fund (the “Fund”) seeks to provide investors with long-term growth through capital appreciation by investing primarily in small to mid-sized Canadian companies. To achieve the Fund’s investment objective we invest primarily in companies that have sustainable growth opportunities, a solid financial position, and a capable management team.

Risk

The overall risk of the Fund is as described in the Simplified Prospectus. There were no material changes to the Fund over the financial period that affected the overall level of risk associated with an investment in the Fund. The Fund is suitable for investors who have a medium-to-high tolerance for risk and are seeking long-term capital growth.

Results of Operations

For the six-month period ended June 30, 2024, the Fund posted a return of 5.69%. In comparison, the Fund’s benchmark index, the S&P/TSX Composite posted a return of 6.05% for the same period. For the year ended December 31, 2023, the Fund posted a return of 11.40% compared to the Fund’s benchmark which posted a 11.75% return.

The strategy enjoyed a strong start to the year with notable gains in the first quarter, but corrected in the second quarter as some larger holdings pulled back following earlier gains. Market tailwinds propelled returns in the first half, as investors anticipated a cresting of inflationary pressures and an easing of interest rates, leading to an expansion of valuation multiples. Still, corporate earnings expectations remain subject to significant uncertainty, given headwinds of decelerating economic growth and a deteriorating employment picture.

The Fund’s focus on investing in smaller, underfollowed companies with attractive long-term growth prospects and aligned management teams results in portfolios that differ significantly from the TSX Composite in both composition and concentration. As such, performance in shorter-term time periods will often diverge markedly from the benchmark.

Most industry groups were in positive territory for the first half of the year, led by holdings in the health care, financial, and technology sectors. The fund’s underweight position in the natural resource laden materials and energy sectors were a drag on relative returns, particular in comparison to smaller capitalization indices. Strength in underlying oil, base metals, and precious metals prices lifted the returns in these industries.

Two stocks were significant contributors to performance in the first half of 2024.

Shares in Aritzia (“ATZ”), a vertically integrated design house for everyday luxury apparel, rallied in the first half of the year on financial results that demonstrated that the company’s efforts to refresh its product portfolio were resonating with consumers and driving improved demand. The company endured a tumultuous 2023 with sales that lagged expectations due to a somewhat stale product lineup. However, management recognized this issue and took corrective action, ramping up investments in fashion innovation and boosting customer engagement. Despite a challenging consumer environment, ATZ delivered a revamped fashion portfolio that resonated with clients and drove impressive results. Longer term, Pembroke remains optimistic about the company’s brand strength and believe it has an attractive growth runway with new store openings in the United States and increased e-commerce penetration.

Shares in Hammond Power Solutions (“HPS.A”), a leading manufacturer of dry-type transformers supplying the North American markets, performed well in the first half of 2024 following very strong financial results. The company is benefitting from a secular trend towards electrification, as efforts to address climate change through emissions reductions are leading to burgeoning demand for grid infrastructure. This demand backdrop is translating into record revenues, strong backlog growth, expanding margins, and robust cash generation. While HPS.A shares have reflected these attractive fundamentals with significant gains in the past two years, they remain attractively valued in light of the company’s strong position in the North American transformer market, free cash generation, and secularly driven growth prospects.

Two stocks were significant detractors to performance in the first half of 2024.

Shares in Pollard Banknote (“PBL”), a leading supplier of instant scratch tickets and iLottery services to North American lotteries, declined during the period as a result of subdued financial results and uncertainty pertaining to contract renewals in its iLottery division. Quarterly financials showed sluggish scratch ticket volumes, though this is expected to be a transitory phenomenon with visibility into improved volumes in coming quarters. Moreover, PBL has repriced the majority of its instant ticket contracts in a manner that insulates it from inflationary input costs, which should drive more robust margins going forward. The company generates significant free cash flow from its instant ticket operations, which are being reinvested to drive growth in emerging iLottery opportunities.

Results of Operations (Cont'd)

Shares in Richelieu Hardware (“RCH”), a leading manufacturer and distributor of decorative hardware and furnishings for kitchens, bathrooms, closets and other residential and commercial spaces, declined in the first half of 2024. The company is experiencing cyclical headwinds to organic growth, as consumers delay repair and renovation projects in an environment of reduced disposable income and high interest rates. While these near-term challenges will take time to resolve, Pembroke expects the company to use its strong balance sheet and free cash flow generation to acquire competitors that are less well positioned to withstand the current cyclical downturn. In their 31 years as RCH shareholders, Pembroke has seen the Richelieu team skilfully and repeatedly deploy capital in an opportunistic, counter-cyclical manner. They are confident that RCH will emerge from this economic trough as a larger, more robust and more profitable company.

As at June 30, 2024, the total net asset value of the Fund was \$273 million as compared to \$278.3 million as at December 31, 2023. The cash position was 1.78% of net asset value. The number of units outstanding in the Fund as at June 30, 2024 was 3.4 million compared with 3.7 million as at December 31, 2023.

Unrealized appreciation on investments as at June 30, 2024 was \$64.7 million as compared to \$61.5 million as at December 31, 2023 resulting in an increase in unrealized appreciation on investments of \$3.2 million. The Fund had net realized gains on investments sold during the period of \$9.9 million.

Fees and Expenses

During the six-month period, the Fund paid a total of \$0.3 million in operating expenses. The management expense ratio (“MER”) for unitholders was 0.08%. There are no management fees charged to the Fund since January 1, 2018 as the management fees are charged directly to the unitholders outside the Fund. Refer to the Management Fees section for further details on this.

Unitholder Activity

Throughout the six-month period, \$1.1 million flowed into the Fund by way of subscriptions and \$22.1 million flowed out of the Fund as a result of redemptions.

Related Party Transactions

Pembroke Private Wealth Management Ltd. (“PPW”) is the Fund’s Manager. The Fund Manager provides the day-to-day management of the business and operations of the Fund. The fees paid to the Fund Manager are shown in the “Management Fees” section of this report. Pembroke Management Ltd. (“Pembroke”) is the portfolio manager of the Fund. Pembroke is the parent company of the Fund Manager, PPW. Pembroke’s fees are paid by the Fund Manager, for services including investment, management, administration, advisory and accounting. The related party transactions take place in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Recent Developments

Outlook

Equity markets have rebounded from a difficult 2022 with a strong 18-month stretch, but significant uncertainty remains pertaining to near-term macroeconomic trends in inflation, interest rates, and economic growth. This is a challenging environment for both management teams and investors alike, but it is also one that is rife with opportunities. For the aligned, disciplined, and well-financed capital allocators that run Pembroke’s portfolio companies, the economic turmoil is surfacing opportunities to go on the offensive by consolidating or taking market share from weakened competitors. For Pembroke, the market’s focus on larger, liquid issuers allows us to build positions in underfollowed companies with attractive long-term growth runways at attractive valuations. They expect shorter-term volatility to persist as the market digests developments pertaining to economic fundamentals, but are excited about the longer-term prospects and valuation multiples of their portfolio.

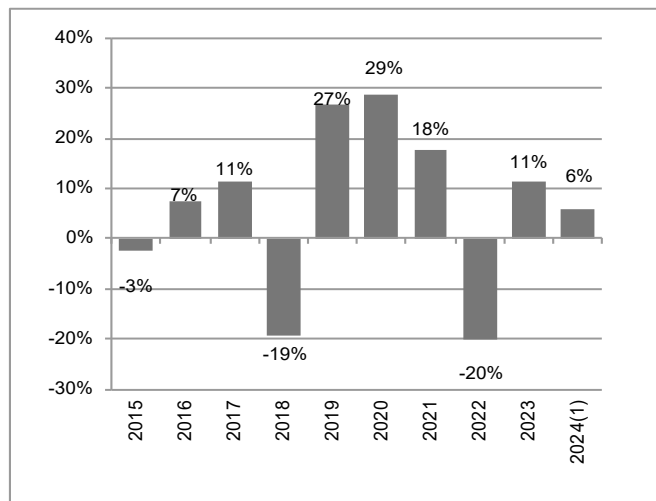
Past Performance

The indicated rates of return are the historical annual compounded total return changes in unit values and reinvestment of all distributions and do not take into account sales, redemptions, distributions or other optional charges that would have reduced returns. Mutual funds are not guaranteed, their values may increase or decrease and past performance may not be repeated.

The Fund's performance numbers have been prepared under the assumption that all distributions are reinvested in additional units of the Fund. If you hold this Fund outside of a registered plan, income and capital gains distributions that are paid to you increase your income for tax purposes, whether paid to you in cash or reinvested in additional units. The amount of the reinvested taxable distributions is added to the adjusted cost base of the units that you own. This would decrease your capital gains or increase your capital losses when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

Year-by-year returns

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year. The percentage figures indicated have been rounded to the nearest whole number due to space constraints.



(1) Six-month return to June 30, 2024

(2) Since January 1, 2018, management fees are charged directly to unitholders based on their assets under management and Fund performance is reported net of transaction costs and all other expenses, **excluding** management fees and applicable taxes. Prior to January 1, 2018, Fund performance was reported net of transaction costs and all other expenses, **including** management fees and applicable taxes. Refer to the Management Fees section for further details on this.

Summary of Investment Portfolio

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Updates are available quarterly.

Industry Sector	% of Net Asset Value
Information Technology	19.92%
Industrials	19.90%
Consumer Discretionary	16.72%
Financials	14.61%
Real Estate	7.83%
Materials	6.12%
Energy	5.14%
Health Care	3.53%
Consumer Staples	2.62%
Communication Services	1.66%
Cash	1.78%
Other Net Current Assets	0.17%
Total	100.00%

Top 25 Holdings

Company	% of Net Asset Value	Industry Sector
1 Champion Iron	6.12%	Materials
2 TECSYS	4.90%	Information Technology
3 EQB	4.22%	Financials
4 goeasy	4.09%	Financials
5 Sleep Country Canada	3.95%	Consumer Discretionary
6 Hammond Power Solutions	3.90%	Industrials
7 Kinaxis	3.73%	Information Technology
8 Black Diamond Group	3.66%	Industrials
9 Calian Group	3.62%	Industrials
10 Mainstreet Equity	3.52%	Real Estate
11 Guardian Capital Group	3.43%	Financials
12 Aritzia	3.39%	Consumer Discretionary
13 Advantage Energy	3.15%	Energy
14 Pet Valu Holdings	3.09%	Consumer Discretionary
15 Boyd Group Services	3.07%	Industrials
16 Evertz Technologies	3.04%	Information Technology
17 Trisura Group	2.88%	Financials
18 Richelieu Hardware	2.88%	Industrials
19 Pollard Banknote	2.83%	Consumer Discretionary
20 Jamieson Wellness	2.62%	Consumer Staples
21 Descartes Systems Group	2.43%	Information Technology
22 5N Plus	2.34%	Materials
23 Altus Group	2.32%	Real Estate
24 Vitalhub	2.16%	Health Care
25 Colliers International	1.99%	Real Estate
Top 25 Holdings	83.33%	

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the financial periods indicated. This information is derived from the Fund's audited annual financial statements (excluding June 30, 2024 information). The information presented is based on prescribed regulations and, as a result, is not expected to add up due to the increase (decrease) in net assets attributable to holders of redeemable units being based on the average units outstanding during the period and all other numbers being based on the actual units outstanding at the relevant point in time. The June 30, 2024 interim financial statements are unaudited.

THE FUND'S NET ASSETS PER UNIT						
	June 30, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Net assets attributable to holders of redeemable units, beginning of period ⁽¹⁾	75.95	70.94	89.99	84.37	66.15	54.82
Increase (decrease) in net assets attributable to holders of redeemable units:						
Total revenue	0.79	1.42	1.01	1.42	0.75	0.97
Total expenses	(0.08)	(0.13)	(0.13)	(0.13)	(0.13)	(0.03)
Realized gains (losses) for the period	2.78	3.76	0.16	10.35	4.35	5.50
Unrealized gains (losses) for the period	0.91	2.78	(19.37)	3.35	12.65	8.39
Total Increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	4.40	7.83	(18.33)	14.99	17.62	14.83
Distributions to holders of redeemable units:						
From income (excluding dividends)	-	(1.26)	(1.02)	(1.06)	(0.76)	(0.99)
From dividends	-	-	-	-	-	-
From capital gains	-	(1.75)	-	(7.94)	-	(2.23)
Return on capital	-	-	-	-	-	-
Total distributions to holders of redeemable units ⁽³⁾	-	(3.01)	(1.02)	(9.00)	(0.76)	(3.22)
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	80.27	75.95	70.94	89.99	84.37	66.15

(1) This information is derived from the Fund's audited annual financial statements.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) in net assets attributable to holder's of redeembale units is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash and/or reinvested in additional units of the Fund.

(4) This table is not intended to be a reconciliation of beginning to ending net assets per unit.

RATIOS AND SUPPLEMENTAL DATA (based on Trading NAV)

	June 30, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Total net asset value (\$) (000's) ⁽¹⁾	272,987	278,344	276,774	365,720	323,236	292,305
Number of redeemable units outstanding (000's) ⁽¹⁾	3,401	3,665	3,902	4,064	3,831	4,419
Management expense ratio (%) ⁽²⁾	0.08	0.08	0.06	0.05	0.06	0.06
Management expense ratio before waivers or absorptions (%) ⁽²⁾	0.08	0.08	0.06	0.05	0.06	0.06
Trading expense ratio (%) ⁽³⁾	0.12	0.10	0.11	0.09	0.13	0.15
Portfolio turnover rate (%) ⁽⁴⁾	13.90	31.55	30.13	29.67	29.69	32.39
Net asset value per unit (\$)	80.27	75.95	70.94	89.99	84.37	66.15

(1) This information is provided as at June 30 or December 31 of the period shown, as applicable.

(2) The management expense ratio ("MER") is calculated in accordance with National Instrument 81-106, based on expenses for the stated period (including Harmonized Sales Tax, Goods and Service Tax, income tax and interest) but excluding foreign withholding taxes, commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. PPW may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. The Fund did not have any expenses waived or absorbed in any of the periods presented.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

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Financial Highlights (Cont'd)**Management Fees**

Management fees are charged directly to unitholders. Subject to the maximum fees set forth below, unitholders are charged management fees based on the assets under management of their PPW relationship. Such management fees are payable directly to PPW by the redemption (without charge) of a sufficient number of units of the Fund held.

Assets under management under \$5 million		
Name of the Fund	Assets under management	
	Under \$1 million	Between \$1 million and \$5 million
Pembroke Money Market Fund	-	-
Pembroke Canadian Bond Fund	0.65%	0.50%
Pembroke Corporate Bond Fund	0.75%	0.60%
Pembroke Canadian Balanced Fund	1.30%	1.00%
Pembroke Global Balanced Fund	1.30%	1.00%
Pembroke Canadian All Cap Fund	1.50%	1.50%
Pembroke Canadian Growth Fund	1.70%	1.50%
Pembroke American Growth Fund Inc.	1.50%	1.50%
Pembroke International Growth Fund	1.50%	1.50%
Pembroke Concentrated Fund - Class A Units	1.50%	1.50%
Pembroke Dividend Growth Fund	1.50%	1.50%

Assets under management above \$5 million			
Name of the Fund	Assets under management		
	First \$10 million	Next \$15 million	Above \$25 million
Pembroke Money Market Fund	-	-	-
Pembroke Canadian Bond Fund	0.40%	0.40%	0.40%
Pembroke Corporate Bond Fund	0.50%	0.50%	0.50%
Pembroke Canadian Balanced Fund	0.75%	0.75%	0.65%
Pembroke Global Balanced Fund	0.75%	0.75%	0.65%
Pembroke Canadian All Cap Fund	1.00%	0.85%	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%
Pembroke Dividend Growth Fund	1.00%	0.85%	0.75%

Management fees paid directly by unitholders of the Fund to PPW through a redemption of units was \$2 million for the six-month period ended June 30, 2024.

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.

All management fees were used by the Manager to pay costs for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, and providing other services. For the period ended June 30, 2024, none of the management fees received by the Manager were used to fund commission payments and other dealer compensation (collectively "distribution-related costs") paid to registered dealers and brokers for units of the Fund bought and held by investors.

P E M B R O K E
P E M B R O K E C A N A D I A N G R O W T H F U N D

Caution Regarding Forward-looking Statements

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including, but not limited to, market and general economic conditions, interest rates, regulatory and statutory developments and the effects of competition in the geographic and business areas in which the Fund may invest. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Further, it should be noted that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

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Pembroke Private Wealth Management Ltd.
is a mutual fund dealer and manager of the Pembroke Funds.
Pembroke Management Ltd. is an investment adviser.

Custodial service provided by RBC Investor & Treasury Services
Unitholder Recordkeeping provided by RBC Investor & Treasury Services
Annual audit performed by Deloitte LLP.