

PEMBROKE

PRIVATE WEALTH MANAGEMENT

PEMBROKE CANADIAN GROWTH FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE DECEMBER 31, 2024

INCEPTION DATE
NOVEMBER 30, 1988

THE PORTFOLIO MANAGEMENT TEAM
PEMBROKE MANAGEMENT LTD.

This annual 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.

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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 year 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 year ended December 31, 2024, the Fund posted a return of 20.61%. In comparison, the Fund’s benchmark index, the S&P/TSX Composite posted a return of 21.65%. 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 Fund delivered strong absolute returns in 2024, rallying alongside buoyant equity markets which saw investors embrace an environment of moderating inflation, declining interest rates, growing corporate earnings, and expanding valuation multiples. The strategy enjoyed positive returns across all sectors represented in the portfolio, with notable strength in the technology, consumer discretionary, industrial, health care, and real estate sectors. Results trailed the TSX Composite Index very slightly for the year, as the portfolio was underweight precious metals and energy issuers which rallied in tandem with robust underlying commodity prices.

Several stocks were significant contributors to performance in 2024. Shares in MDA Space (“MDA”), a developer and manufacturer of advanced technology and services to the burgeoning global space industry, rallied by over 156% in the year as investors reacted positively to strong revenue growth, an inflection to free cash flow generation, and a step-function increase in backlogs as the company won bids for several material space projects to be delivered over multiple years. The space industry is enjoying a renaissance in activity, spurred by rapidly declining launch costs and increasing geopolitical recognition of the economic and military importance of the space frontier. Moreover, MDA is winning market share as a leader in the provision of software-defined digital satellites, which are displacing their traditional analog counterparts through technical and cost superiority. Pembroke believes MDA is well positioned to thrive in a geopolitical and economic reality that urgently prioritizes investments in space initiatives.

Shares in Aritzia (“ATZ”), a vertically integrated creator and purveyor of everyday luxury apparel, were strong contributors to the portfolio as they nearly doubled in 2024. Investors in the company embraced financial results which featured impressive growth in sales and profits driven by new store openings, selective store expansions, traction from new fashion introductions, increased e-commerce penetration, and successful marketing initiatives. As well, the ATZ brand is enjoying a surge in recognition, popularity, and prestige outside of Canada, leading to increased confidence in the company’s longer-term runway for growth in terms of new store openings and online sales. Pembroke believes that ATZ’s aligned, proven, and skilled management team will steer the company’s growth trajectory in the coming years to the continued benefit of its shareholders.

On the flipside, several stocks were meaningful detractors to Fund returns in 2024.

Shares in Pollard Banknote (“PLB”), a leading supplier of instant scratch tickets and iLottery services to North American lottery organizations, were weak in the year as uncertainty pertaining to revenues from its joint venture agreement with NeoGames plagued investor sentiment and led to a reduced valuation multiple. The Michigan State Lottery chose not to renew its agreement with the joint venture, opting instead to contract with NeoGames directly in a competitive bidding process. The contract loss raised the possibility of attrition of other joint venture relationships. However, Pollard has been investing significant capital to develop its own proprietary iLottery platform, and subsequently won a significant mandate from the Kansas Lottery using its technology. Pembroke believes that Pollard remains well positioned to grow both its scratch ticket and iLottery franchises at attractive growth rates and profit margins, and that its shares trade at unchallenging valuation levels.

Shares in Boyd Group (“BYD”), one of the largest operators of collision repair centres in North America, underperformed during the year. Collision repair volumes were negatively impacted by benign weather conditions and conservative consumer behaviour, which saw customers postponing vehicle repairs in order to preserve spending power. While these industry headwinds have resulted in challenging same store sales metrics throughout 2024, Pembroke believes they are temporary and that a normalization of repair volumes is on the horizon.

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Results of Operations (Cont'd)

In the meantime, BYD has continued to invest in growth, deploying capital in greenfield and brownfield expansions which should generate attractive returns on capital as they mature. In addition, the company remains well positioned to add repair centres through acquisition, a strategy that has been very productive over its history. With shares trading at depressed valuation multiples, Pembroke believes the risk/reward equation is very attractive for BYD investors. They are optimistic about the road ahead.

At December 31, 2024, the total net asset value of the Fund was \$288.4 million compared with \$278.3 million as at December 31, 2023. The cash position was 4.45% of net asset value. The number of units outstanding in the Fund as at December 31, 2024 was 3.3 million compared with 3.7 million as at December 31, 2023.

Unrealized appreciation on investments at December 31, 2024 was \$89.5 million as compared to \$61.5 million at December 31, 2023 resulting in an increase in unrealized appreciation on investments of \$28 million. The Fund had net realized gains on investments sold during the year of \$21.5 million.

Fees and Expenses

During the year, the Fund paid a total of \$0.7 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 year, \$18.2 million flowed into the Fund by way of subscriptions and \$45 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 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

After rallying significantly in 2023 and 2024, Canadian equity market participants will navigate a dynamic economic and geopolitical environment in 2025. Domestic policy interest rates will likely continue to decline, as moderating inflationary pressures and economic growth rates will lead to more accommodative monetary policies. This should be constructive for equity valuation multiples, which tend to expand in periods of declining interest rates.

Geopolitics will be a source of uncertainty through the year, with the incoming Trump administration signalling an intention to increase protectionist measures on trade between the United States and Canada. Canadian exporters may face increasing competitive pressures in their businesses, though pressure on the Canadian dollar would act as an offset. The Pembroke team believes that the Canadian small and mid cap markets are being overlooked by many asset allocators, and is deploying capital into attractive risk/reward situations with growth trajectories unaffected by opaque economic and geopolitical circumstances.

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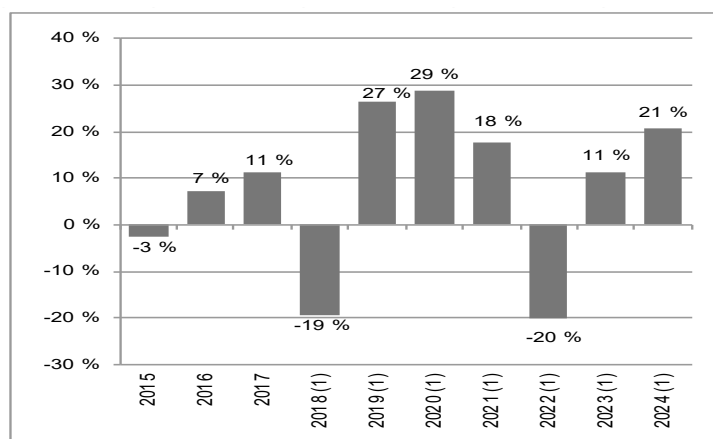
Past Performance

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 assume 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) 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.

Annual compound returns

The following table shows the Fund's annual compound total return for the periods shown ending on December 31, 2024. The annual compound total return is also compared to the S&P/TSX Composite Total Return Index and the S&P/TSX Small Cap Total Return Index on the same compound basis.

All index returns are calculated in Canadian dollars on a total return basis.

December 31, 2024	1 yr ⁽³⁾	3 yr	5 yr	10 yr	Since inception
Pembroke Canadian Growth Fund	20.61%	2.43%	10.23%	6.78%	10.66%
S&P/TSX Composite Total Return Index ⁽¹⁾	21.65%	8.58%	11.08%	8.65%	8.57%
S&P/TSX Small Cap Total Return Index ⁽²⁾	18.83%	4.15%	8.93%	6.01%	N/A

(1) S&P/TSX Composite Total Return Index is a capitalization-weighted index that represents some of the largest float-adjusted stocks trading on the Toronto Stock Exchange: Company size and liquidity are the chief attributes determining membership.

(2) S&P/TSX Small Cap Total Return Index is an index of smaller Canadian companies.

(3) 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 change.

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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
Industrials	24.65%
Information Technology	19.99%
Financials	12.73%
Consumer Discretionary	10.50%
Real Estate	8.20%
Materials	5.82%
Energy	4.04%
Consumer Staples	3.84%
Health Care	3.66%
Communication Services	3.31%
Cash	4.45%
Other Net Current Assets	-1.19%
Total	100.00%

Top 25 Holdings

Company	% of Net Asset Value	Industry Sector
1 TECSYS	5.89%	Information Technology
2 MDA	4.68%	Industrials
3 Black Diamond Group	4.41%	Industrials
4 Hammond Power Solutions	4.11%	Industrials
5 5N Plus	3.97%	Materials
6 Mainstreet Equity	3.94%	Real Estate
7 Jamieson Wellness	3.84%	Consumer Staples
8 Vitalhub	3.66%	Health Care
9 Calian Group	3.60%	Industrials
10 Aritzia	3.47%	Consumer Discretionary
11 EQB	3.31%	Financials
12 Boyd Group Services	3.30%	Industrials
13 D2L	2.97%	Consumer Discretionary
14 Guardian Capital Group	2.79%	Financials
15 Evertz Technologies	2.77%	Information Technology
16 Descartes Systems Group	2.75%	Information Technology
17 TerraVest Industries	2.74%	Energy
18 Kinaxis	2.70%	Information Technology
19 Richelieu Hardware	2.51%	Industrials
20 Trisura Group	2.49%	Financials
21 IMAX	2.44%	Communication Services
22 goeasy	2.37%	Financials
23 Altus Group	2.36%	Real Estate
24 Pollard Banknote	2.23%	Consumer Discretionary
25 Softchoice	2.02%	Information Technology
Top 25 Holdings	81.30%	

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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 years indicated. This information is derived from the Fund's audited annual financial statements. The information presented is based on prescribed regulations and, as a result, is not expected to sum due to the increase (decrease) in net assets attributable to holders of redeemable units being based on the average units outstanding during the year and all other numbers being based on the actual units outstanding at the relevant point in time.

THE FUND'S NET ASSETS PER UNIT					
	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Net assets attributable to holders of redeemable units, beginning of year ⁽¹⁾	75.95	70.94	89.99	84.37	66.15
Increase (decrease) in net assets attributable to holders of redeemable units:					
Total revenue	1.37	1.42	1.01	1.42	0.75
Total expenses	(0.20)	(0.13)	(0.13)	(0.13)	(0.13)
Realized gains (losses) for the year	6.24	3.76	0.16	10.35	4.35
Unrealized gains (losses) for the year	8.13	2.78	(19.37)	3.35	12.65
Total Increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	15.54	7.83	(18.33)	14.99	17.62
Distributions to holders of redeemable units:					
From income and excluding dividends	(1.43)	(1.26)	(1.02)	(1.06)	(0.76)
From dividends	-	-	-	-	-
From capital gains	(3.72)	(1.75)	-	(7.94)	-
Return on capital	-	-	-	-	-
Total distributions to holders of redeemable units ⁽³⁾	(5.15)	(3.01)	(1.02)	(9.00)	(0.76)
Net assets attributable to holders of redeemable units, end of year ⁽⁴⁾	86.46	75.95	70.94	89.99	84.37
<small>(1) This information is derived from the Fund's audited annual financial statements.</small>					
<small>(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 year.</small>					
<small>(3) Distributions were paid in cash and/or reinvested in additional units of the Fund.</small>					
<small>(4) This table is not intended to be a reconciliation of beginning to ending net assets per unit.</small>					
RATIOS AND SUPPLEMENTAL DATA (based on Trading NAV)					
	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Total net asset value (\$) (000's) ⁽¹⁾	288,444	278,344	276,774	365,720	323,236
Number of redeemable units outstanding (000's) ⁽¹⁾	3,336	3,665	3,902	4,064	3,831
Management expense ratio (%) ⁽²⁾	0.08	0.08	0.06	0.05	0.06
Management expense ratio before w aivers or absorptions (%) ⁽²⁾	0.08	0.08	0.06	0.05	0.06
Trading expense ratio (%) ⁽³⁾	0.16	0.10	0.11	0.09	0.13
Portfolio turnover rate (%) ⁽⁴⁾	39.43	31.55	30.13	29.67	29.69
Net asset value per unit (\$)	86.46	75.95	70.94	89.99	84.37
<small>(1) This information is provided as at December 31 of the year shown.</small>					
<small>(2) The management expense ratio ("MER") is calculated in accordance with National Instrument 81-106, based on expenses for the stated year (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 year. 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 years presented.</small>					
<small>(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 year.</small>					
<small>(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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.</small>					

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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.

Name of the Fund	Assets under management		
	Under \$1 million	Between \$1 million and \$5 million	Above \$5 million ¹
Pembroke Money Market Fund	-	-	-
Pembroke Canadian Bond Fund	0.65%	0.50%	0.40%
Pembroke Corporate Bond Fund	0.75%	0.60%	0.50%
Pembroke Canadian Balanced Fund	1.30%	1.00%	0.75%
Pembroke Global Balanced Fund	1.30%	1.00%	0.75%
Pembroke Canadian All Cap Fund	1.50%	1.50%	1.00%
Pembroke Canadian Growth Fund	1.70%	1.50%	1.00%
Pembroke American Growth Fund Inc.	1.50%	1.50%	1.00%
Pembroke International Growth Fund	1.50%	1.50%	1.00%
Pembroke Concentrated Fund - Class A Units	1.50%	1.50%	1.00%
Pembroke Dividend Growth Fund	1.50%	1.50%	1.00%

¹ Larger investors or those meeting specific criteria may qualify for lower fees

Management fees paid directly by unitholders of the Fund to PPW through a redemption of units was \$3.9 million for the year ended December 31, 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 year ended December 31, 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.

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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.