

# PEMBROKE

PRIVATE WEALTH MANAGEMENT

PEMBROKE GLOBAL BALANCED FUND

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

INCEPTION DATE  
January 1, 2018

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](http://www.pml.ca) or SEDAR at [www.sedar.com](http://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**

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Pembroke Global Balanced Fund (the “Fund”) seeks to provide investors with long-term capital growth and income while minimizing risk through the diversification of assets, geographies, and market capitalization in investing primarily in units of public equity funds and units of fixed income funds including units of equity exchange traded funds. To achieve the Fund’s investment objective involves investing in internally and externally managed public equity funds and fixed income funds including exchange traded funds. The investments of the Fund may include global and domestic equity funds, large cap and small cap equity funds, actively and passively managed equity funds and individual securities listed on a recognized exchange. The Fund may also include government or corporate bonds as well as short-term money market instruments.

Under normal market conditions, the portfolio is constructed to achieve an asset mix of 70% units of equity funds and 30% units of fixed income funds of which, 80% should be actively managed funds and 20% passively managed funds.

**Risk**

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The overall risk of the Fund is as described in the Simplified Prospectus. The Fund is suitable for investors who have a low-to-medium tolerance for risk and are seeking a medium to long-term investment in a broad range of equity and fixed income products and can handle the ups and downs of the stock market.

**Results of Operations**

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For the period ended June 30, 2024, the Fund posted a return of 6.65%. In comparison, the Fund’s benchmark index posted a return of 8.09%. The Fund’s benchmark is made up of three components including a 45% weight in global equities represented by the MSCI All Country World Index, a 25% weight in Canadian stocks represented by the S&P TSX Composite Total Return Index, and a 30% weight in Canadian bonds represented by the FTSE TMX Canada Universe Bond Index. For the year ended December 31, 2023, the Fund posted a return of 9.29% compared to the Fund’s benchmark which posted a 8.37% return.

During the first half of 2024, mega-cap stocks continued their strong run from last year, with nearly half of the MSCI All Country World Index (ACWI) returns and 60% of the S&P500 Index returns coming from the “Magnificent Seven,” making it a challenging environment for active equity managers to outperform the benchmark.

Excluding the largest mega-cap stocks, small caps and large caps performed broadly in line, with high single-digit returns, and growth stocks outperformed value stocks. In the fixed income space, bond prices are slightly down year-to-date, with yields rising in the first half of 2024 as expectations for interest rate cuts were pushed into the future.

The strategy generated positive absolute returns in the first six months of 2024, while underperforming its benchmark, which rose slightly more. Over the period, the strategy had positive absolute returns from equities, fixed income, and the gold allocation. The underperformance relative to the benchmark was driven by the strategy’s US and international equity allocations. However, this was partially offset by the Canadian equity, fixed income, and gold allocations, which outperformed their respective benchmark components.

The strategy’s bond holdings outperformed the benchmark in the first half of the year, as the manager maintained a shorter average duration than the index during a period of rising yields. At the end of June 2024, the strategy’s bond allocation represented approximately 22.9% of the portfolio.

The strategy remains diversified across asset class, region, sector and style. Its equity and fixed income managers continue to actively seek new opportunities.

As at June 30, 2024, the total net asset value of the Fund was \$164.9 million as compared to \$157.2 million as at December 31, 2023. The cash position was 2.13% of net asset value. The number of units outstanding in the Fund as at June 30, 2024 was 12.2 million compared with 12.2 million as at December 31, 2023.

Unrealized appreciation on investments as at June 30, 2024 was \$19.1 million as compared to \$11.9 million as at December 31, 2023 resulting in an increase in the unrealized appreciation on investments of \$7.2 million. The Fund had net realized gains on investments sold during the period of \$1.5 million.

**Results of Operations (Cont'd)**

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***Fees and Expenses***

During the six-month period, the Fund incurred a total of \$0.2 million in operating expenses. PPW absorbed \$0.1 million of the Fund's expenses. PPW may waive operating expenses at any time without notice, at its sole discretion. The management expense ratio ("MER") for unitholders was 0.21%, after absorbed expenses (0.40% before absorbed expenses). The MER for this Fund is calculated using the total expenses incurred by the Fund and the average proportion of the MER of the underlying investment funds. The MER of the Fund as a standalone is 0.07%. There are no management fees charged to the Fund as the management fees are charged directly to the unitholders outside the Fund. Refer to the Management Fees section for further details on this.

The Fund was previously a pooled fund and the MER did not account for various fund expenses that will now be incurred as a mutual fund. For the period the Fund was a pooled fund, the expenses would have been higher if the Fund was a prospectus mutual fund.

***Unitholder Activity***

Throughout the six-month period, \$14.2 million flowed into the Fund by way of subscriptions and \$14.3 million flowed out of the Fund as a result of redemptions.

**Related Party Transactions**

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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**

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***Outlook***

Looking forward, the managers of the Fund believe several factors will be important drivers of investment performance, including the pace of growth of earnings, the degree and timing of interest rate reductions from major central banks around the world, as well as the adjustment of bond prices to changing yields and credit spreads. While Pembroke watches these factors closely, they do not try to forecast the outcomes or time the changes in these factors. Rather, the managers maintain a diversified portfolio across asset classes with long-term exposure to a balanced portfolio of equity, fixed income, and selected real assets such as gold.

## PEMBROKE GLOBAL BALANCED FUND

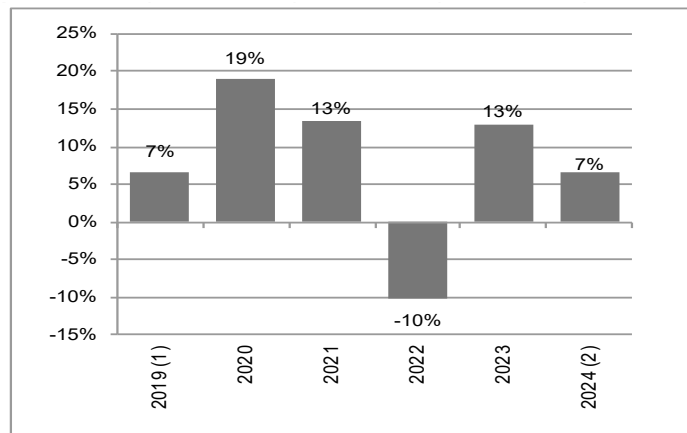
**Past Performance**

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) The performance reported refers to performance of the Fund beginning April 9, 2019, which was the first valuation of the Fund following its conversion to a mutual fund.
- (2) Six-month return to June 30, 2024
- (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.

## PEMBROKE GLOBAL BALANCED FUND

**Summary of Investment Portfolio**

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Updates are available quarterly. The prospectus and other information on the other Pembroke Mutual Funds are available on SEDAR at [www.sedar.com](http://www.sedar.com).

Industry Sector	% of Net Asset Value	Summary of Underlying Asset Allocation	% of Net Asset Value
Mutual Funds - Bonds	22.96%	Mutual Funds	65.46%
Exchange Traded Funds	21.38%	Exchange Traded Funds	21.38%
Mutual Funds - Global and International Equity	20.16%	Canadian Equities	11.00%
Mutual Funds - US Equity	11.96%	US Equities	0.52%
Mutual Funds - Canadian Equity	10.38%	Cash	2.13%
Financials	4.61%	Other Net Current Assets	-0.49%
Industrials	2.57%	<b>Total</b>	<b>100.00%</b>
Information Technology	1.08%		
Consumer Discretionary	0.76%		
Energy	0.72%		
Materials	0.57%		
Consumer Staples	0.45%		
Communication Services	0.44%		
Real Estate	0.32%		
Cash	2.13%		
Other Net Current Assets	-0.49%		
<b>Total</b>	<b>100.00%</b>		

**Top 25 Holdings**

Company	% of Net Asset Value	Industry Sector
1 Pembroke Canadian Bond Fund	13.65%	Bond Funds
2 Guardian Fundamental Global Equity Fund	13.37%	Global & International Equity Funds
3 Pembroke Corporate Bond Fund	9.30%	Bond Funds
4 Pembroke American Growth Fund	8.65%	US Equity Funds
5 iShares Core S&P 500 ETF	8.52%	Exchange Traded Funds
6 Pembroke International Growth Fund	6.79%	Global & International Equity Funds
7 Pembroke Canadian Growth Fund	5.11%	Canadian Equity Funds
8 Pembroke Canadian All Cap Fund	5.06%	Canadian Equity Funds
9 iShares S&P/TSX 60 Index ETF	4.60%	Exchange Traded Funds
10 iShares Gold Bullion ETF	4.24%	Exchange Traded Funds
11 Pembroke Concentrated Fund	3.30%	Canadian Equity Funds
12 iShares Core MSCI EAFE ETF	2.26%	Exchange Traded Funds
13 iShares Core MSCI Emerging Markets ETF	1.76%	Exchange Traded Funds
14 Watsco	0.52%	Industrials
15 Sleep Country Canada	0.45%	Consumer Discretionary
16 Alaris Equity Partners	0.44%	Financials
17 EQB	0.44%	Financials
18 AGF Management	0.41%	Financials
19 Topaz Energy	0.41%	Energy
20 Guardian Capital Group - Class A	0.40%	Financials
21 Element Fleet Management	0.40%	Financials
22 TMX Group	0.38%	Financials
23 Canadian Western Bank	0.38%	Financials
24 Stingray Group	0.36%	Communication Services
25 Evertz Technologies	0.35%	Information Technology
<b>Top 25 Holdings</b>	<b>91.55%</b>	

PEMBROKE GLOBAL BALANCED FUND

**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
<b>Net assets attributable to holders of redeemable units, beginning of period <sup>(1)</sup></b>	12.86	11.65	13.22	12.35	10.60	9.19
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total revenue	0.15	0.32	0.23	0.63	0.34	0.37
Total expenses	(0.01)	(0.02)	(0.01)	-	-	(0.01)
Realized gains (losses) for the period	0.12	0.17	(0.11)	0.40	0.24	(0.05)
Unrealized gains (losses) for the period	0.59	1.02	(1.44)	0.56	1.76	0.82
<b>Total Increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	<b>0.85</b>	<b>1.49</b>	<b>(1.33)</b>	<b>1.59</b>	<b>2.34</b>	<b>1.13</b>
<b>Distributions to holders of redeemable units:</b>						
From income (excluding dividends)	(0.15)	(0.21)	(0.17)	(0.15)	(0.15)	-
From dividends	(0.06)	(0.07)	(0.06)	(0.05)	(0.04)	(0.30)
From capital gains	-	-	-	(0.56)	(0.08)	(0.01)
Return on capital	-	-	-	-	-	-
<b>Total distributions to holders of redeemable units <sup>(3)</sup></b>	<b>(0.21)</b>	<b>(0.28)</b>	<b>(0.23)</b>	<b>(0.76)</b>	<b>(0.27)</b>	<b>(0.31)</b>
<b>Net assets attributable to holders of redeemable units, end of period <sup>(4)</sup></b>	<b>13.51</b>	<b>12.86</b>	<b>11.65</b>	<b>13.22</b>	<b>12.35</b>	<b>10.60</b>

(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) <sup>(1)</sup>	164,919	157,203	146,151	155,192	92,405	40,826
Number of redeemable units outstanding (000's) <sup>(1)</sup>	12,211	12,220	12,548	11,738	7,484	3,851
Management expense ratio (%) <sup>(2)</sup>	0.21	0.22	0.19	0.05	0.09	0.11
Management expense ratio before waivers or absorptions (%) <sup>(2)</sup>	0.40	0.37	0.37	0.32	0.26	0.78
Trading expense ratio (%) <sup>(3)</sup>	0.02	0.03	0.04	0.05	0.06	0.14
Portfolio turnover rate (%) <sup>(4)</sup>	19.14	13.00	25.23	19.59	40.82	7.83
Net asset value per unit (\$)	13.51	12.86	11.65	13.22	12.35	10.60

(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 has had expenses waived or absorbed for all the periods presented. The waiver or absorption of operating expenses is expected to continue for an indefinite period of time and can be terminated by PPW at its discretion and without prior notice.

The Fund was previously a pooled fund and the MER did not account for various fund expenses that will now be incurred as a mutual fund. The MER for this Fund is calculated using the total expenses incurred by the Fund and the average proportion of the MER of the underlying investment funds. The MER of the Fund as a standalone is 0.07 %.

(3) The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The TER for this Fund is calculated using the total commissions and other portfolio transaction costs incurred by the Fund and the average proportion of the TER of the underlying investment funds.

(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.

## PEMBROKE GLOBAL BALANCED FUND

**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.

<b>Assets under management under \$5 million</b>		
<b>Name of the Fund</b>	<b>Assets under management</b>	
	<b>Under \$1 million</b>	<b>Between \$1 million and \$5 million</b>
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%

<b>Assets under management above \$5 million</b>			
<b>Name of the 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	-	-	-
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 \$0.9 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.

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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.

P E M B R O K E

P R I V A T E W E A L T H M A N A G E M E N T

150 King Street West, Suite 1210  
Toronto, Ontario M5H 1J9, Canada  
Tel. 416-366-2550 800-668-7383 Fax 416-366-6833

1002 Sherbrooke Street West, Suite 1700  
Montreal, Quebec H3A 3S4, Canada  
Tel. 514-848-0716 800-667-0716 Fax 514-848-9620

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

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