PEMBROKE

PRIVATE WEALTH MANAGEMENT

THE GBC GLOBAL BALANCED FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

INCEPTION DATE
January 1, 2018

THE PORTFOLIO MANAGMENT 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

The GBC 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

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. Because this is a new fund, the risk rating is only an estimate by Pembroke Private Wealth Management Ltd. ("PPW").

Results of Operations

From January 1, 2018 until April 8, 2019, units of the Fund were distributed pursuant to an exemption from the prospectus requirement (i.e. "Pooled Fund"). On April 8, 2019, The Pembroke Partner's Fund was converted from a pooled fund to a mutual fund and renamed The GBC Global Balanced Fund.

The performance reported refers to performance of the Fund beginning as at April 9, 2019, which was the first valuation of the Fund following its conversion to a mutual fund. There is no comparative performance reported.

For the period ended June 30, 2019, the Fund posted a return of 1.07%. In comparison, the Fund's benchmark index posted a return of 1.18%. 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.

During the period, the top contributors to the Fund's performance were the Guardian Fundamental Global Equity Fund and The GBC Corporate Bond Fund. Bottom contributors to the Fund's performance during the period included The GBC American Growth Fund Inc. and the iShares Core MSCI EAFE ETF.

As at June 30, 2019, the total net asset value of the Fund was $16.3 million as compared to $0.9 million as at December 31, 2018. The cash position was 3.6% of net asset value. The number of units outstanding in the Fund as at June 30, 2019 was 1.6 million compared with 0.1 million as at December 31, 2018.

Unrealized appreciation on investments as at June 30, 2019 was $6,541 as compared to -$78,617 as at December 31, 2018 resulting in an increase in the unrealized appreciation on investments of $85,158. The Fund had net realized losses on investments sold during the period of $51,779.

Fees and Expenses

During the six-month period, the Fund incurred a total of $47,949 in operating expenses. PPW absorbed $41,307 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 0.10%, after absorbed expenses (1.93% 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 %. There are no management fees charged to the Fund starting January 1, 2019. Refer to the Management fee 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. It is the intention of the Manager to absorb Fund expenses to maintain the MER of the Fund at approximately 0.05%.

Unitholder Activity

Throughout the six-month period, $15.3 million flowed into the Fund by way of subscriptions and $32,567 flowed out of the Fund as a result of redemptions.

Related Party Transactions

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

The three dominant central banks (the Federal Reserve, the European Central Bank and the Bank of Japan) are all contending with sub-target inflation alongside strong employment and moderate economic growth. Weakening inflation is the signal that all three banks point to as a cautionary economic indicator and the reason for maintaining accommodative monetary policy. Trade restrictions and tariffs have begun to impact trade flows and to affect manufacturing output. The Canadian Central Bank has also signalled that its accommodative stance is appropriate for the current economic environment.

In June, the IMF cited geopolitical tensions and trade restrictions as they reduced their 2020 world economic growth forecast to 3.5% (a growth rate in line with the average of the annual world GDP growth rates published by the World Bank Group for the years 1961 to 2018). Earnings forecasts appear to be following a similar trajectory: still growing at a satisfactory rate, but with risks of deceleration. Equity valuations remain reasonable across most markets, although valuations are also vulnerable to negative earnings or growth surprises.

The outlook for global equities is therefore one of continued growth albeit with higher geopolitical risks such as protectionist trade policies. The Fund's Canadian bond exposure is defensive in this environment, characterized by lower duration than its benchmarks. Altogether, the Fund remains broadly diversified and conservatively positioned.

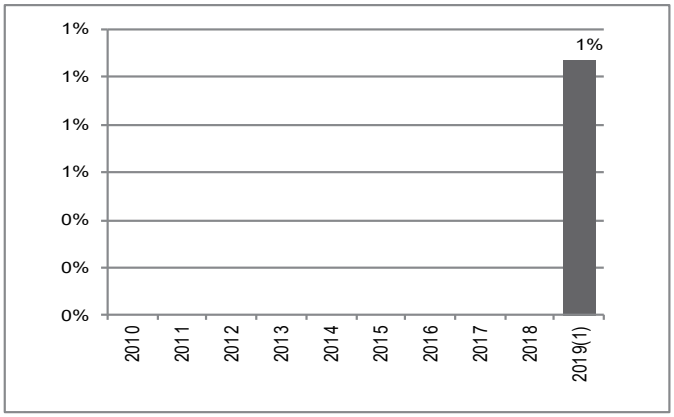
Past Performance

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) Period return as at June 30, 2019. The performance reported refers to performance of the Fund beginning as at April 9, 2019, which was the first valuation of the Fund following its conversion to a mutual fund. There is no comparative performance reported.

(2) Effective 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. The prospectus and other information on the other GBC Funds are available on SEDAR at www.sedar.com.

Industry Sector	% of Net Asset Value
Mutual Funds - Bonds	33.20%
Mutual Funds - Global and International Equity	25.19%
Exchange Traded Funds	19.97%
Mutual Funds - Canadian Equity	9.23%
Mutual Funds - US Equity	8.18%
Financials	2.38%
Consumer Discretionary	2.34%
Industrials	1.95%
Real Estate	1.59%
Information Technology	1.35%
Consumer Staples	0.39%
Energy	0.30%
Communication Service	0.29%
Materials	0.18%
Cash	3.60%
Other Net Current Assets	-10.14%
Total	**100.00%**

Summary of Underlying Asset Allocation	% of Net Asset Value
Canadian Equities	9.82%
Mutual Funds	75.80%
Exchange Traded Funds	19.97%
US Equities	0.95%
Cash	3.60%
Other Net Current Assets	-10.14%
Total	**100.00%**

Top 25 Holdings

	Company	% of Net Asset Value	Industry Sector
1	The GBC Corporate Bond Fund	28.06%	Mutual Funds - Bonds
2	Guardian Fundamental Global Equity Fund	17.20%	Mutual Funds - Global and International Equity
3	The GBC Canadian Growth Fund	9.23%	Mutual Funds - Canadian Equity
4	The GBC American Growth Fund Inc.	8.18%	Mutual Funds - US Equity
5	The GBC International Growth Fund	7.99%	Mutual Funds - Global and International Equity
6	iShares S&P/TSX 60 Index ETF	7.01%	Exchange Traded Funds
7	iShares Core S&P 500 ETF	6.97%	Exchange Traded Funds
8	iShares Core MSCI EAFE ETF	5.99%	Exchange Traded Funds
9	The GBC Canadian Bond Fund	5.15%	Mutual Funds - Bonds
10	Evertz Technologies	0.54%	Communication Services
11	Guardian Capital Group	0.49%	Consumer Discretionary
12	Canadian Western Bank	0.47%	Consumer Discretionary
13	NFI Group	0.40%	Consumer Discretionary
14	Calian Group	0.40%	Consumer Discretionary
15	Sleep Country Canada	0.36%	Consumer Discretionary
16	Information Services	0.35%	Consumer Discretionary
17	Automotive Properties Real Estate Investments	0.35%	Consumer Discretionary
18	Main Street Capital	0.34%	Consumer Discretionary
19	Collectors Universe	0.33%	Consumer Staples
20	Gildan Activewear	0.32%	Consumer Staples
21	Enerflex	0.30%	Energy
22	PRO Real Estate Investment Trust	0.30%	Financials
23	Altus Group	0.30%	Financials
24	Tricon Capital Group	0.30%	Financials
25	Sylogist	0.29%	Financials
	Top 25 Holdings	**101.62%**	

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, 2019 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, 2019 interim financial statements are unaudited.

THE FUND'S NET ASSETS PER UNIT

	June 30, 2019	December 31, 2018
Net assets attributable to holders of redeemable units, beginning of period [1]	9.19	10.00
Increase (decrease) in net assets attributable to holders of redeemable units:		
Total revenue	0.20	0.37
Total expenses	(0.02)	(0.11)
Realized gains (losses) for the period	(0.06)	-
Unrealized gains (losses) for the period	0.19	(0.79)
Total Increase (decrease) in net assets attributable to holders of redeemable units [2]	**0.31**	**(0.53)**
Distributions to holders of redeemable units:		
From income (excluding dividends)	-	(0.06)
From dividends	-	(0.05)
From capital gains	-	(0.17)
Return on capital	-	-
Total distributions to holders of redeemable units [3]	**-**	**(0.28)**
Net assets attributable to holders of redeemable units, end of period [4]	**10.17**	**9.19**

(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, 2019	December 31, 2018
Total net asset value ($) (000's)[1]	16,311	919
Number of redeemable units outstanding (000's)[1]	1,604	1,000
Management expense ratio (%)[2]	0.10	1.25
Management expense ratio before waivers or absorptions (%)[2]	1.93	1.25
Trading expense ratio (%) [3]	0.30	-
Portfolio turnover rate (%) [4]	22.83	13.89
Net asset value per unit ($)	10.17	9.19

(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. It is the intention of the Manager to absorb Fund expenses to maintain the MER of the Fund at approximately 0.05% 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 %

(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.

Financial Highlights (Cont'd)

Management Fees

Management fees are charged directly to unitholders. Subject to the maximum fees set forth below, unitholders will be charged management fees based on the assets under management of their PPW relationship. Such management fees will be payable directly to PPW by the redemption (without charge) of a sufficient number of units of the Fund held. This approach results in enhanced fee transparency, aligns the mutual fund fee structure with the pooled fund fee structure and in certain cases results in reduced fees.

Assets under management under $5 million		
Name of the Fund	**Assets under management**	
	Under $1 million	**Between $1 million and $5 million**
The GBC Money Market Fund	0.10%	0.10%
The GBC Canadian Bond Fund	0.65%	0.50%
The GBC Corporate Bond Fund	0.75%	0.60%
The GBC Growth and Income Fund	1.30%	1.20%
The GBC Global Balanced Fund	1.30%	1.00%
The GBC Canadian Growth Fund	1.70%	1.50%
The GBC American Growth Fund Inc.	1.50%	1.50%
The GBC International 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**
The GBC Money Market Fund	0.10%	0.10%	0.10%
The GBC Canadian Bond Fund	0.40%	0.40%	0.40%
The GBC Corporate Bond Fund	0.50%	0.50%	0.50%
The GBC Growth and Income Fund	0.85%	0.75%	0.65%
The GBC Global Balanced Fund	0.75%	0.75%	0.75%
The GBC Canadian Growth Fund	1.00%	0.85%	0.75%
The GBC American Growth Fund Inc.	1.00%	0.85%	0.75%
The GBC International 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 $21,253 for the six-month period ended June 30, 2019.

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.

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, 2019, 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.

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 GBC Funds.
Pembroke Management Ltd. is an investment adviser.

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Unitholder Recordkeeping provided by L&T Infotech Financial Services Technologies Inc.
Annual audit performed by Deloitte LLP.