

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

THE GBC MONEY MARKET FUND

THE GBC CANADIAN BOND FUND

THE GBC CORPORATE BOND FUND

THE GBC GROWTH AND INCOME FUND

THE GBC GLOBAL BALANCED FUND

THE GBC CANADIAN GROWTH FUND

THE GBC AMERICAN GROWTH FUND INC.

THE GBC INTERNATIONAL GROWTH FUND

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2019

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DECEMBER 31, 2019 FINANCIAL STATEMENTS

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Independent Auditor's Report

To the Securityholders of

The GBC Money Market Fund
The GBC Canadian Bond Fund
The GBC Corporate Bond Fund
The GBC Growth and Income Fund
The GBC Global Balanced Fund
The GBC Canadian Growth Fund
The GBC American Growth Fund Inc.
The GBC International Growth Fund

(each individually, the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of comprehensive income, changes in financial position attributable to holders of redeemable securities and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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DECEMBER 31, 2019 FINANCIAL STATEMENTS

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
February 14, 2020

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DECEMBER 31, 2019 FINANCIAL STATEMENTS

**Approval of the Annual Financial Statements:
December 31, 2019**

The GBC Money Market Fund
The GBC Canadian Bond Fund
The GBC Corporate Bond Fund
The GBC Growth and Income Fund
The GBC Global Balanced Fund
The GBC Canadian Growth Fund
The GBC International Growth Fund

(collectively referred to as the “Funds” or individually as a “Fund”, including The GBC American Growth Fund Inc.)

Approved by the Trustee, Pembroke Private Wealth Management Ltd.



Jeffrey S. D. Tory
Director




Michael P. McLaughlin
Director

Montreal, February 14, 2020

**Approval of the Annual Financial Statements:
December 31, 2019**

The GBC American Growth Fund Inc.

Approved by the Board



Marc A. Courtois
Chairman



Glen Roane
Director

Montreal, February 14, 2020

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THE GBC MONEY MARKET FUND

STATEMENTS OF FINANCIAL POSITION

As at December 31

	2019	2018
<small>(IN CANADIAN DOLLARS)</small>	\$	\$
Assets		
Cash	14,983	30,819
Investments at fair value through profit or loss	13,137,206	9,449,207
Total assets	13,152,189	9,480,026
Liabilities	-	-
Total Liabilities (excluding net assets attributable to holders of redeemable units)	-	-
Net assets attributable to holders of redeemable units	13,152,189	9,480,026
Net assets attributable to holders of redeemable units per unit		
Net assets CAD	10.00	10.00
Investments, at cost	13,078,873	9,427,054

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC MONEY MARKET FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Income		
Interest income for distribution purposes	190,711	142,073
Total operating income (loss)	190,711	142,073
Expenses		
Securityholders' information fees	8,864	9,086
Filing fees	18,473	19,615
Custodial fees	3,587	4,121
Audit fees	15,923	15,039
Legal fees	7,563	4,885
Independent Review Committee fees	5,357	6,541
Total operating expenses	59,767	59,287
Profit (loss) before undernoted	130,944	82,786
Expenses absorbed by Manager	16,201	59,287
Increase (decrease) in net assets attributable to holders of redeemable units	147,145	142,073
Weighted average number of redeemable units outstanding during the year	1,140,607	1,145,386
Increase (decrease) in net assets attributable to holders of redeemable units per unit	0.13	0.12

The accompanying notes are an integral part of these annual financial statements

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THE GBC MONEY MARKET FUND

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Net assets attributable to holders of redeemable units at beginning of the year	9,480,026	11,186,625
Increase (decrease) in net assets attributable to holders of redeemable units	147,145	142,073
Distributions to holders of redeemable units		
From net investment income	(147,145)	(142,073)
Redeemable unit transactions		
Proceeds from redeemable units issued	22,177,106	22,240,451
Redemption of redeemable units	(18,488,941)	(23,917,834)
Redemption of redeemable units, management fees (Note 5)	(16,002)	(29,216)
Net increase (decrease) from unit transactions	3,672,163	(1,706,599)
Net assets attributable to holders of redeemable units at end of the year	13,152,189	9,480,026

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC MONEY MARKET FUND

STATEMENTS OF CASH FLOWS

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Cash flows provided from operating activities		
Increase (decrease) in amount attributable to holders of redeemable units	147,145	142,073
Adjustments for:		
Interest income for distribution purposes	(190,711)	(142,073)
	(43,566)	-
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(30,628,163)	(42,169,257)
Proceeds from sale and maturity of investments	26,976,344	43,795,364
Net decrease (increase) in other receivables	-	3,221
Net increase (decrease) in accrued expenses and other payables	-	(1,001)
	(3,695,385)	1,628,327
Interest received	154,531	137,225
Net cash flows provided from operating activities	(3,540,854)	1,765,552
Cash flows provided from financing activities		
Proceeds from redeemable units issued	22,029,961	22,098,378
Redemption of redeemable units	(18,504,943)	(23,947,050)
Net cash flows provided from financing activities	3,525,018	(1,848,672)
Net increase (decrease) in cash	(15,836)	(83,120)
Cash at the beginning of the year	30,819	113,939
Cash at the end of the year	14,983	30,819
Non-Cash Transactions		
Reinvested distributions from net investment income	147,145	142,073

The accompanying notes are an integral part of these annual financial statements

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THE GBC MONEY MARKET FUND

Schedule of Investment Portfolio

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Face Value	Canada Treasury Bills	Cost \$	Fair Value \$
1,525,000	1.701% February 6, 2020	1,510,635	1,522,465
125,000	1.685% February 6, 2020	123,874	124,794
100,000	1.681% February 6, 2020	99,110	99,836
3,670,000	1.636% February 6, 2020	3,640,310	3,664,127
1,110,000	1.616% February 6, 2020	1,102,097	1,108,244
130,000	1.651% February 6, 2020	129,136	129,790
705,000	1.664% February 6, 2020	702,279	703,848
1,620,000	1.681% April 2, 2020	1,605,436	1,613,198
360,000	1.670% April 2, 2020	356,800	358,498
130,000	1.679% April 2, 2020	129,080	129,454
565,000	1.680% May 14, 2020	560,638	561,541
275,000	1.680% May 14, 2020	273,064	273,315
2,370,000	1.736% June 11, 2020	2,350,329	2,351,894
500,000	1.725% June 11, 2020	496,085	496,202
Total short-term investments - 99.89%		13,078,873	13,137,206
Other assets - net - 0.11%			14,983
Total net assets - 100.00 %			13,152,189

The accompanying notes are an integral part of these annual financial statements

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THE GBC CANADIAN BOND FUND

STATEMENTS OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
(IN CANADIAN DOLLARS)		
Assets		
Cash	598,033	646,116
Investments at fair value through profit or loss	32,861,186	36,904,074
Due from brokers for investment securities sold	19,992	-
Accrued income	258,118	284,780
HST/QST receivable	11,844	35,269
Total assets	33,749,173	37,870,239
Liabilities		
Accrued expenses	5,833	5,780
Distributions payable to unitholders	281,263	346,573
Total liabilities (excluding net assets attributable to holders of redeemable units)	287,096	352,353
Net assets attributable to holders of redeemable units	33,462,077	37,517,886
Net assets attributable to holders of redeemable units per unit		
Net assets CAD	12.85	12.59
Investments, at cost	31,489,548	36,532,563

The accompanying notes are an integral part of these annual financial statements

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THE GBC CANADIAN BOND FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Income		
Interest income for distribution purposes	1,261,512	1,513,982
Net realized gains (losses) on investments at fair value through profit or loss	(206,841)	(172,968)
Net change in unrealized gains (losses) on investments at fair value through profit or loss	1,000,127	(686,273)
Total operating income (loss)	2,054,798	654,741
Expenses		
Management fees (Note 5)	-	4,277
Securityholders' information fees	24,493	21,770
Filing fees	13,931	14,269
Custodial fees	4,349	3,368
Audit fees	22,266	20,048
Legal fees	9,607	4,919
Independent Review Committee fees	5,357	6,541
Fund valuation fees	44,894	32,386
Total operating expenses	124,897	107,578
Profit (loss) before undemoted	1,929,901	547,163
Expenses absorbed by the Manager	9,808	12,395
Increase (decrease) in net assets attributable to holders of redeemable units	1,939,709	559,558
Increase (decrease) in net assets attributable to holders of redeemable units		
Net assets - Class A	1,939,709	620,248
Net assets - Class O	-	(60,690)
Weighted average number of redeemable units outstanding during the year		
Net assets - Class A	2,747,627	3,049,035
Net assets - Class O	-	1,415,583
Increase (decrease) in net assets attributable to holders of redeemable units per unit		
Net assets - Class A	0.71	0.20
Net assets - Class O	-	(0.04)

The accompanying notes are an integral part of these annual financial statements

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THE GBC CANADIAN BOND FUND

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Net assets attributable to holders of redeemable units at beginning of the year	37,517,886	43,034,510
Increase (decrease) in net assets attributable to holders of redeemable units	1,939,709	559,558
Distributions to holders of redeemable units		
From net investment income - Class A	(1,167,617)	(1,398,598)
Total distributions to holders of redeemable units	(1,167,617)	(1,398,598)
Redeemable unit transactions		
Proceeds from redeemable units issued - Class A	8,128,095	5,577,300
Proceeds from redeemable units issued - Class O	-	1,061,176
Redemption of redeemable units - Class A	(12,807,645)	(10,342,872)
Redemption of redeemable units - Class O	-	(801,175)
Redemption of redeemable units, management fees (Note 5)	(148,351)	(168,769)
Transfer from Class O redeemable units to Class A redeemable units	-	(18,102,093)
Transfer to Class A redeemable units from Class O redeemable units	-	18,098,849
Net increase (decrease) from unit transactions	(4,827,901)	(4,677,584)
Net assets attributable to holders of redeemable units at end of the year	33,462,077	37,517,886

The accompanying notes are an integral part of these annual financial statements

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THE GBC CANADIAN BOND FUND

STATEMENTS OF CASH FLOWS

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Cash flows provided from operating activities		
Increase (decrease) in amount attributable to holders of redeemable units	1,939,709	559,558
Adjustments for:		
Interest income for distribution purposes	(1,261,512)	(1,513,982)
	678,197	(954,424)
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(6,154,105)	(10,710,237)
Proceeds from sale and maturity of investments	10,990,279	15,925,253
Net realized losses (gains) on investments at fair value through profit or loss	206,841	172,968
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(1,000,127)	686,273
Net decrease (increase) in due from/to brokers	(19,992)	-
Net decrease (increase) in other receivables	23,425	2,887
Net increase (decrease) in accrued expenses and other payables	53	(13,910)
	4,724,571	5,108,810
Interest received	1,288,174	1,570,666
Net cash flows provided from operating activities	6,012,745	6,679,476
Cash flows provided from financing activities		
Distributions to holders of redeemable units	(29,716)	(47,384)
Proceeds from redeemable units issued	6,924,884	5,289,679
Redemption of redeemable units	(12,955,996)	(11,312,816)
Net cash flows provided from financing activities	(6,060,828)	(6,070,521)
Net increase (decrease) in cash	(48,083)	608,955
Cash at the beginning of the year	646,116	37,161
Cash at the end of the year	598,033	646,116
Non-Cash Transactions		
Transfer from Class O redeemable units to Class A redeemable units	-	(18,102,093)
Transfer to Class A redeemable units from Class O redeemable units	-	18,098,849
Reinvested distributions from net investment income	1,203,211	1,345,553

The accompanying notes are an integral part of these annual financial statements

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THE GBC CANADIAN BOND FUND

Schedule of Investment Portfolio

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Investments	Face Value	Coupon Rate	Maturity Date	Cost \$	Fair Value \$	% of Net Assets
Canadian Governmental Issuers or Canadian Government - Related Issuers						
CBC Monetization Trust	181,718	4.688%	15-May-2027	205,147	197,382	
New Brunswick Highway	1,273,984	6.470%	30-Nov-2027	1,592,004	1,478,571	
ORNGE Issuer Trust	1,368,020	5.727%	11-Jun-2034	1,371,523	1,590,362	
Toronto Hospital Secured	1,044,684	5.640%	8-Dec-2022	1,190,912	1,094,993	
				4,359,586	4,361,308	13.03%
Asset/Mortgaged-Backed						
Bankers Hall	517,223	4.377%	20-Nov-2023	517,223	528,059	
BNS NHA MBS	393,000	6.450%	1-Jan-2025	245,754	242,863	
CSS FSCC Partnership	413,334	6.915%	31-Jul-2042	538,897	557,763	
First National NHA MBS	300,000	2.400%	1-Sep-2029	296,755	294,958	
First National NHA MBS	400,000	2.035%	1-Aug-2024	383,130	382,681	
Greater Toronto Airports Authority	356,519	6.450%	30-Jul-2029	451,175	427,877	
Green Timbers LP	84,355	6.838%	30-Jun-2037	108,462	109,019	
MCAP Service NHA MBS	419,000	2.315%	1-Sep-2021	209,941	211,589	
Merrill Lynch NHA MBS	213,000	2.355%	1-Oct-2020	104,131	104,984	
Merrill Lynch NHA MBS	579,000	2.165%	1-Jun-2022	350,727	352,846	
NAV Canada	1,158,342	7.560%	1-Mar-2027	1,459,283	1,362,261	
North Battleford Power LP	942,498	4.958%	31-Dec-2032	1,059,533	1,050,525	
PSPIB-RE Summit Inc.	332,644	3.266%	12-Jun-2020	333,941	332,877	
Scotia Capital NHA MBS	98,000	2.050%	1-Feb-2024	91,295	91,503	
Spy Hill Power LP	460,184	4.140%	31-Mar-2036	507,140	487,139	
WTH Car Rental ULC	200,000	1.912%	20-Jul-2020	197,120	199,820	
				6,854,507	6,736,764	20.14%
Canadian Corporations						
Bank of Montreal	2,335,000	2.161%	1-Feb-2023	2,334,564	2,342,316	
Enbridge Gas Distribution	791,000	3.510%	29-Nov-2047	788,285	859,658	
Highway 407	2,022,000	7.125%	26-Jul-2040	2,422,217	3,198,720	
Honda Canada Finance	125,000	2.380%	13-Sep-2021	125,000	125,374	
NAV Canada	49,000	7.400%	1-Jun-2027	71,075	65,519	
NAV Canada	659,000	3.209%	29-Sep-2050	667,297	715,457	
NAV Canada	773,000	3.293%	30-Mar-2048	783,211	847,852	
Royal Bank of Canada	644,000	2.410%	23-Mar-2020	645,004	644,602	
Royal Bank of Canada	1,536,000	2.201%	27-Jun-2022	1,536,000	1,539,882	
Toronto-Dominion Bank	490,000	2.376%	28-Jun-2023	490,000	494,103	
Toronto-Dominion Bank	1,586,000	1.680%	8-Jun-2021	1,568,234	1,579,075	
				11,430,887	12,412,558	37.09%
Total Bonds - Canadian				22,644,980	23,510,630	70.26%

The accompanying notes are an integral part of these annual financial statements

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THE GBC CANADIAN BOND FUND

Schedule of Investment Portfolio - (continued)

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Investments	Face Value	Coupon Rate	Maturity Date	Cost \$	Fair Value \$	% of Net Assets
Foreign Governmental Issuers or Foreign Government - Related Issuers -						
Denominated in Canadian Dollar						
Eurofima	74,000	4.550%	30-Mar-2027	82,869	85,097	
KFW	944,000	5.050%	4-Feb-2025	1,137,248	1,077,506	
Neder Waterschapsbank	522,000	5.200%	31-Mar-2025	492,403	594,357	
Neder Waterschapsbank	1,433,000	4.550%	16-Mar-2029	1,376,391	1,688,518	
				3,088,911	3,445,478	10.30%
Foreign Corporations - Denominated in Canadian Dollar						
France						
Caisse Francaise de Financement Local	358,000	4.680%	9-Mar-2029	315,620	425,125	
				315,620	425,125	1.27%
United Kingdom						
Lloyds Bank	1,436,000	2.528%	11-Jul-2023	1,436,000	1,429,552	
				1,436,000	1,429,552	4.27%
United States						
Apple	2,017,000	2.513%	19-Aug-2024	2,017,000	2,037,456	
PepsiCo	767,000	2.150%	6-May-2024	765,564	764,525	
Walt Disney	1,221,000	2.758%	7-Oct-2024	1,221,473	1,248,420	
				4,004,037	4,050,401	12.10%
				5,755,657	5,905,078	17.64%
Total Foreign Bonds				8,844,568	9,350,556	27.94%
Total Investments				31,489,548	32,861,186	98.20%
Other assets - net					600,891	1.80%
Total net assets					33,462,077	100.00%

Note: When classifying the bonds in this portfolio, the Manager and the portfolio manager rely on the classifications from PC Bond Analytics, a business unit of the FTSE TMX Group. Although some bonds are classified as being issued by governmental issuers under such classification, it does not mean that they are issued by a government but rather by an issuer related to a government (provincial or federal).

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC CORPORATE BOND FUND

STATEMENTS OF FINANCIAL POSITION

As at December 31

	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Assets		
Cash	236,129	1,311,418
Investments at fair value through profit or loss	124,754,436	114,336,516
Due from brokers for investment securities sold	30,319	-
Foreign exchange forward contract	349,925	-
Accrued income	611,418	649,995
HST/QST receivable	1,645	2,932
Total assets	125,983,872	116,300,861
Liabilities		
Accrued expenses	6,688	6,580
Distributions payable to unitholders	874,103	958,540
Foreign exchange forward contract	-	520,112
Total liabilities (excluding net assets attributable to holders of redeemable units)	880,791	1,485,232
Net assets attributable to holders of redeemable units	125,103,081	114,815,629
Net assets attributable to holders of redeemable units per unit		
Net assets CAD	12.83	12.50
Investments, at cost	121,939,084	113,213,783

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC CORPORATE BOND FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Income		
Interest income for distribution purposes	4,421,764	3,458,088
Net realized gains (losses) on investments		
at fair value through profit or loss	(88,613)	897,821
Net realized gain (loss) on forward contracts	368,068	(796,093)
Net change in unrealized gains (losses) on investments		
at fair value through profit or loss	1,692,619	(837,383)
Net change in unrealized gains (losses) on investments		
on forward contracts	870,037	(903,280)
Net realized foreign exchange gains (losses)	(10,328)	(2,100)
Total operating income (loss)	7,253,547	1,817,053
Expenses		
Securityholders' information fees	20,140	18,124
Filing fees	13,877	3,976
Custodial fees	8,662	8,534
Audit fees	15,486	14,245
Legal fees	17,291	3,837
Independent Review Committee fees	4,357	-
Fund valuation fees	50,334	50,446
Total operating expenses	130,147	99,162
Profit (loss) before undemoted	7,123,400	1,717,891
Expenses absorbed by the Manager	27,453	-
Profit (loss) before taxes	7,150,853	1,717,891
Withholding taxes	-	(8,009)
Profit (loss) after taxes	7,150,853	1,709,882
Increase (decrease) in net assets attributable to holders of		
 redeemable units	7,150,853	1,709,882
Weighted average number of redeemable units outstanding		
 during the year	9,399,892	9,426,269
Increase (decrease) in net assets attributable to holders of		
 redeemable units per unit	0.76	0.18

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC CORPORATE BOND FUND

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Net assets attributable to holders of redeemable units at beginning of the year	114,815,629	119,166,997
Increase (decrease) in net assets attributable to holders of redeemable units	7,150,853	1,709,882
Distributions to holders of redeemable units		
From net investment income	(4,158,262)	(3,349,046)
Total distributions to holders of redeemable units	(4,158,262)	(3,349,046)
Redeemable unit transactions		
Proceeds from redeemable units issued	42,656,267	24,265,721
Redemption of redeemable units	(34,650,231)	(26,240,272)
Redemption of redeemable units, management fees (Note 5)	(711,175)	(737,653)
Net increase (decrease) from unit transactions	7,294,861	(2,712,204)
Net assets attributable to holders of redeemable units at end of the year	125,103,081	114,815,629

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC CORPORATE BOND FUND

STATEMENTS OF CASH FLOWS

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Cash flows provided from operating activities		
Increase (decrease) in amount attributable to holders of redeemable units	7,150,853	1,709,882
Adjustments for:		
Interest income for distribution purposes	(4,421,764)	(3,458,088)
Taxes recognized in profit or loss	-	8,009
	<u>2,729,089</u>	<u>(1,740,197)</u>
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(62,713,104)	(71,578,965)
Proceeds from sale and maturity of investments	53,899,190	80,643,527
Net realized losses (gains) on investments at fair value through profit or loss	88,613	(897,821)
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(1,692,619)	837,383
Net change in unrealized losses (gains) on investments on forward contracts	(870,037)	903,280
Net decrease (increase) in due from/to brokers	(30,319)	-
Net decrease (increase) in other receivables	1,287	(1,432)
Net increase (decrease) in accrued expenses and other payables	108	1,461
	<u>(8,587,792)</u>	<u>8,167,236</u>
Interest received	4,460,341	3,468,831
Taxes paid	-	(8,009)
Net cash flows provided from operating activities	<u>(4,127,451)</u>	<u>11,628,058</u>
Cash flows provided from financing activities		
Distributions to holders of redeemable units	(255,702)	(561,742)
Proceeds from redeemable units issued	38,669,270	17,216,410
Redemption of redeemable units	(35,361,406)	(26,977,925)
Net cash flows provided from financing activities	<u>3,052,162</u>	<u>(10,323,257)</u>
Net increase (decrease) in cash	<u>(1,075,289)</u>	<u>1,304,801</u>
Cash at the beginning of the year	<u>1,311,418</u>	<u>6,617</u>
Cash at the end of the year	<u>236,129</u>	<u>1,311,418</u>
Non-Cash Transactions		
Reinvested distributions from net investment income	3,986,997	7,049,311

The accompanying notes are an integral part of these annual financial statements

PEMBROKE

THE GBC CORPORATE BOND FUND

Schedule of Investment Portfolio

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Investments	Face Value	Coupon Rate	Maturity Date	Cost \$	Fair Value \$	% of Net Assets
Canada Treasury Bills						
Canada Treasury Bill	1,610,000	1.637%	23-Jan-2020	1,607,054	1,607,054	1.28%
Canadian Corporate Bonds						
Bank of Montreal	11,117,000	2.161%	1-Feb-2023	11,105,135	11,151,835	
Black Press Group	768,081	12.000%	31-Mar-2024	768,081	758,119	
ClearStream Energy Services	1,413,000	8.000%	23-Mar-2026	1,413,000	1,413,000	
Cogeco Communications	777,000	4.925%	14-Feb-2022	781,923	813,543	
Cogeco Communications	2,919,000	4.175%	26-May-2023	2,981,139	3,041,049	
Element Fleet Management	179,000	4.250%	30-Jun-2024	179,000	205,698	
Element Fleet Management	897,000	4.250%	30-Jun-2020	888,366	901,440	
Ford Credit Canada	1,996,000	5.000%	10-Jan-2022	1,996,000	2,058,568	
Ford Credit Canada	4,107,000	5.190%	21-Mar-2024	4,107,000	4,225,446	
GE Capital Canada Funding Company	2,335,000	4.600%	26-Jan-2022	2,324,653	2,415,438	
GE Capital Canada Funding Company	3,824,000	3.171%	6-Feb-2023	3,824,000	3,846,064	
Honda Canada Finance	2,590,000	2.298%	18-Dec-2020	2,591,693	2,594,334	
Kraft Canada	6,080,000	3.020%	6-Jul-2020	6,080,000	6,105,110	
Magna International	258,000	3.100%	15-Dec-2022	261,689	261,867	
Postmedia Network	794,870	8.250%	15-Jul-2023	794,946	791,317	
Royal Bank of Canada	3,874,000	2.201%	27-Jun-2022	3,874,000	3,883,790	
SNC-Lavalin Group	348,000	2.510%	2-Mar-2021	348,156	345,369	
SNC-Lavalin Group	562,000	2.689%	24-Nov-2020	562,114	561,265	
Sobeys	440,000	6.640%	7-Jun-2040	451,004	560,380	
Sobeys	611,000	5.790%	6-Oct-2036	606,267	702,033	
Sobeys	623,000	6.060%	29-Oct-2035	628,139	734,975	
Sobeys	1,009,000	4.700%	8-Aug-2023	1,015,862	1,067,856	
Stuart Olson	533,000	7.000%	20-Sep-2024	533,000	533,000	
The Manufacturers Life Insurance Company	326,000	3.181%	22-Nov-2022	334,308	333,290	
The Manufacturers Life Insurance Company	1,611,000	2.100%	1-Jun-2020	1,599,971	1,610,382	
The Manufacturers Life Insurance Company	1,888,000	2.389%	5-Jan-2021	1,883,670	1,890,532	
Toronto-Dominion Bank	2,677,000	2.376%	28-Jun-2023	2,677,000	2,699,417	
Toronto-Dominion Bank	4,619,000	1.680%	8-Jun-2021	4,596,622	4,598,833	
Videotron	567,000	5.750%	15-Jan-2026	594,492	596,413	
Videotron	900,000	5.625%	15-Jun-2025	938,243	970,031	
Videotron	1,184,000	4.500%	15-Jan-2030	1,184,000	1,199,836	
VW Credit Canada	607,000	2.566%	30-Mar-2020	607,059	607,457	
VW Credit Canada	1,827,000	2.741%	27-Sep-2021	1,827,812	1,832,850	
Xplornet Communications , Series A Private Placement (Senior secured bonds with 741 detachable warrants at nominal value)	741		30-Sep-2020	-	-	
Xplornet Communications , Series C Private Placement (Senior unsecured bonds with 1,606 detachable warrants at nominal value)	1,606		24-Sep-2023	-	-	
Xplornet Communications , Series B Private Placement (Senior secured bonds with 444 detachable warrants at nominal value)	444		30-Sep-2020	3	-	
Xplornet Communications , Series D Private Placement (Senior secured bonds with 970 detachable warrants at nominal value)	970		25-Oct-2023	-	-	
Yellow Pages Digital & Media Solutions	560,669	8.000%	30-Nov-2022	453,242	572,303	
				64,811,589	65,882,840	52.67%

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC CORPORATE BOND FUND

Schedule of Investment Portfolio - (continued)

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Investments - (continued)	Face Value	Coupon Rate	Maturity Date	Cost \$	Fair Value \$	% of Net Assets
Canadian Corporate Bonds - Denominated in US Dollars						
Bank of Nova Scotia	1,230,000	2.160%	31-Aug-2085	1,049,728	1,339,800	
Canadian Imperial Bank of Commerce	460,000	2.188%	31-Aug-2085	365,356	483,288	
Enbridge	122,000	3.500%	10-Jun-2024	159,483	165,084	
National Bank of Canada	650,000	2.188%	29-Aug-2087	413,950	594,235	
Royal Bank of Canada	750,000	2.188%	29-Jun-2085	533,979	765,892	
TransCanada PipeLines	2,262,000	4.120%	15-May-2067	2,668,095	2,458,585	
				5,190,591	5,806,884	4.64%
Asset/Mortgage-Backed						
BMO NHA	697,000	1.935%	1-Jul-2024	665,526	666,034	
BMO NHA MBS	1,000,000	1.925%	1-Sep-2024	958,699	958,824	
First National NHA MBS	833,000	2.050%	1-Feb-2024	801,452	800,144	
First National NHA MBS	755,000	2.045%	1-Jun-2024	718,334	718,744	
First National NHA MBS	1,651,000	1.965%	1-Sep-2022	1,630,648	1,630,289	
First National NHA MBS	704,000	2.035%	1-Aug-2024	674,309	673,518	
I.G Investment NHA MBS	461,000	1.950%	1-Jul-2024	455,938	450,815	
MCAP Service NHA MBS	1,237,000	2.315%	1-Sep-2021	619,801	624,666	
MCAP Service NHA MBS	467,000	1.898%	1-Dec-2023	427,798	428,373	
MCAP Service NHA MBS	1,018,000	2.051%	1-May-2024	961,539	963,774	
Merrill Lynch Financial Assets	535,000	6.673%	7-May-2021	74,296	68,466	
Merrill Lynch NHA MBS	1,550,000	2.065%	1-Jun-2020	680,700	682,690	
Merrill Lynch NHA MBS	593,000	2.265%	1-Aug-2020	290,434	293,533	
Merrill Lynch NHA MBS	1,843,000	2.355%	1-Oct-2020	901,006	908,387	
Merrill Lynch NHA MBS	1,051,000	2.315%	1-Jun-2021	484,258	486,562	
Merrill Lynch NHA MBS	2,006,000	2.165%	1-May-2022	1,139,331	1,146,419	
Merrill Lynch NHA MBS	1,556,000	2.165%	1-Jun-2022	942,541	948,235	
Merrill Lynch NHA MBS	1,138,000	1.915%	1-Jul-2023	973,249	976,094	
People's Trust NHA MBS	546,000	1.925%	1-Jul-2024	516,852	517,123	
People's Trust NHA MBS	321,000	1.945%	1-Aug-2024	311,824	312,251	
Scotia Capital NHA MBS	1,402,000	2.050%	1-Feb-2024	1,306,084	1,309,049	
Scotia Capital NHA MBS	2,062,000	1.900%	1-Jul-2024	2,007,782	1,995,063	
WTH Car Rental ULC	563,000	2.781%	22-Jul-2024	564,788	566,280	
				18,107,189	18,125,333	14.49%
Total Bonds - Canadian				88,109,369	89,815,057	71.79%
Foreign Corporate Bonds - Denominated in Canadian Dollars						
United Kingdom						
Heathrow Funding Limited	91,000	3.000%	17-Jun-2021	92,393	91,937	
Lloyds Bank	6,129,000	2.528%	11-Jul-2023	6,124,840	6,101,481	
United States						
Apple Inc.	557,000	2.513%	19-Aug-2024	560,897	562,649	
Metropolitan Life Global Funding I	1,000,000	2.561%	27-Sep-2022	1,000,000	1,000,200	
				7,778,130	7,756,267	6.20%

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC CORPORATE BOND FUND

Schedule of Investment Portfolio - (continued)

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Investments - (continued)	Face Value	Coupon Rate	Maturity Date	Cost \$	Fair Value \$	% of Net Assets
Foreign Corporate Bonds - Denominated in US Dollars						
United States						
AT&T	3,470,000	3.067%	12-Jun-2024	4,525,307	4,580,733	
BZ Holdings	718,000	3.000%	22-May-2022	883,643	931,065	
BZ Holdings, Convertible Bond Warrants	185,319	3.000%	31-Dec-2028	-	-	
Ford Motor Credit Company	2,188,000	5.183%	7-Jan-2022	2,913,952	2,932,821	
General Electric	75,000	2.801%	15-Apr-2020	99,183	97,385	
General Electric	185,000	3.001%	15-Apr-2023	233,048	240,095	
General Electric	338,000	2.894%	15-Mar-2023	430,939	440,143	
General Electric	943,000	2.271%	5-May-2026	1,108,002	1,162,256	
Maxar Technologies	992,405	4.531%	5-Oct-2024	1,084,788	1,241,324	
Navient	657,000	5.625%	4-Aug-2033	753,681	734,667	
Navient	788,000	5.625%	25-Jan-2025	804,398	1,016,605	
SSL Robotics	3,765,000	9.750%	31-Dec-2023	4,913,152	5,321,658	
Italy						
UniCredit	1,444,000	3.750%	12-Apr-2022	1,830,028	1,919,565	
UniCredit	1,655,000	5.901%	14-Jan-2022	2,200,412	2,250,467	
United Kingdom						
Lloyds Bank	298,000	2.384%	7-May-2021	387,140	387,783	
Royal Bank of Scotland Group	124,000	3.380%	15-May-2023	157,869	162,640	
				22,325,542	23,419,207	18.72%
Total Foreign Corporate Bonds				30,103,672	31,175,474	24.92%
	Number of shares			Cost \$	Fair Value \$	% of Net Assets
Canadian Equities						
Clearstream Energy Services	70,333			87,073	3,165	
Clearstream Energy Services, Preferred Shares	1,565			1,565,000	1,565,000	
Clearstream Energy Services, Preferred Shares	113			113,039	113,000	
Yellow Pages	52,504			353,877	475,686	
				2,118,989	2,156,851	1.72%
Total investments				121,939,084	124,754,436	99.72%
Other assets - net					348,645	0.28%
Total net assets				121,939,084	125,103,081	100.00%

Note: When classifying the bonds in this portfolio, the Manager and the portfolio manager rely on the classifications from PC Bond Analytics, a business unit of the FTSE TMX Group. Although some bonds are classified as being issued by governmental issuers under such classification, it does not mean that they are issued by a government but rather by an issuer related to a government (provincial or federal).

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC CORPORATE BOND FUND

Schedule of Derivatives

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Foreign Exchange Contracts

Contracts	Counterparty	Credit Rating of the Counterparty	Settlement Date	Contract Rate (\$)	Current Rate (\$)	Buy	Par Value	Sell	Par Value	Unrealized Gain (Loss) (\$)
1	Bank of Nova Scotia	A-1	2020-03-18	1.3138	1.2985	CAD	29,996,281	USD	(22,831,000)	349,925

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC GROWTH AND INCOME FUND

STATEMENTS OF FINANCIAL POSITION

As at December 31

	2019	2018
<small>(IN CANADIAN DOLLARS)</small>	\$	\$
Assets		
Cash	593,488	1,061,515
Investments at fair value through profit or loss	32,337,187	42,494,403
Due from brokers for investment securities sold	-	7,879
Accrued income	63,024	221,227
QST/HST receivable	53,451	71,819
Total assets	33,047,150	43,856,843
Liabilities		
Accrued expenses	4,677	4,703
Distributions payable to unitholders	253,899	594,851
Total liabilities (excluding net assets attributable to holders of redeemable units)	258,576	599,554
Net assets attributable to holders of redeemable units	32,788,574	43,257,289
Net assets attributable to holders of redeemable units per unit		
Net assets CAD	13.40	11.95
Investments, at cost	27,776,086	42,310,218

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC GROWTH AND INCOME FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Income		
Dividend income	852,937	1,000,055
Interest income for distribution purposes	70,951	121,993
Distributions from underlying funds	377,183	516,346
Net realized gains (losses) on investments at fair value through profit or loss	504,579	390,537
Net change in unrealized gains (losses) on investments at fair value through profit or loss	4,376,916	(7,700,713)
Net realized foreign exchange gains (losses)	(2,062)	(6,876)
Total operating income (loss)	6,180,504	(5,678,658)
Expenses		
Management fees (Note 5)	-	3,013
Securityholders' information fees	45,655	36,915
Filing fees	13,931	14,354
Custodial fees	7,633	6,202
Audit fees	11,764	11,485
Legal fees	8,028	4,963
Independent Review Committee fees	5,358	6,541
Fund Valuation	39,056	32,436
Transaction costs on purchase and sale of investments	48,517	62,818
Total operating expenses	179,942	178,727
Profit (loss) before undernoted	6,000,562	(5,857,385)
Expenses absorbed by the Manager	14,327	-
Profit (loss) before taxes	6,014,889	(5,857,385)
Withholding taxes	(11,695)	(10,866)
Profit (loss) after tax	6,003,194	(5,868,251)
Increase (decrease) in net assets attributable to holders of redeemable units	6,003,194	(5,868,251)
Weighted average number of redeemable units outstanding during the year	3,058,015	3,760,936
Increase (decrease) in net assets attributable to holders of redeemable units per unit	1.96	(1.56)

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC GROWTH AND INCOME FUND

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Net assets attributable to holders of redeemable units at beginning of the year	43,257,289	51,909,521
Increase (decrease) in net assets attributable to holders of redeemable units	6,003,194	(5,868,251)
Distributions to holders of redeemable units		
From net realized capital gains	-	(236,589)
From net investment income	(1,214,900)	(1,458,518)
Total distributions to holders of redeemable units	(1,214,900)	(1,695,107)
Redeemable unit transactions		
Proceeds from redeemable units issued	4,072,505	10,754,409
Redemption of redeemable units	(18,805,789)	(11,161,932)
Redemption of redeemable units, management fees (Note 5)	(523,725)	(681,351)
Net increase (decrease) from unit transactions	(15,257,009)	(1,088,874)
Net assets attributable to holders of redeemable units at end of the year	32,788,574	43,257,289

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC GROWTH AND INCOME FUND

STATEMENTS OF CASH FLOWS

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Cash flows provided from operating activities		
Increase (decrease) in amount attributable to holders of redeemable units	6,003,194	(5,868,251)
Adjustments for:		
Interest income for distribution purposes	(70,951)	(121,993)
Dividend income	(852,937)	(1,000,055)
Taxes recognized in profit or loss	11,695	10,866
	5,091,001	(6,979,433)
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(8,238,373)	(11,208,130)
Proceeds from sale of investments	23,228,567	15,001,825
Net realized losses (gains) on investments at fair value through profit or loss	(504,579)	(390,537)
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(4,376,916)	7,700,713
Transaction costs on purchase and sale of investments	48,517	62,818
Net decrease (increase) in due from/to brokers	7,879	(40,684)
Net decrease (increase) in other receivables	18,368	2,679
Net increase (decrease) in accrued expenses and other payables	(26)	(57,262)
	15,274,438	4,091,989
Interest received	70,951	121,993
Dividends received	1,011,140	1,024,725
Taxes paid	(11,695)	(10,866)
Net cash flows provided from operating activities	16,344,834	5,227,841
Cash flows provided from financing activities		
Distributions to holders of redeemable units	(52,862)	(166,415)
Proceeds from redeemable units issued	2,569,515	6,679,774
Redemption of redeemable units	(19,329,514)	(11,843,283)
Net cash flows provided from financing activities	(16,812,861)	(5,329,924)
Net increase (decrease) in cash	(468,027)	(102,083)
Cash at the beginning of the year	1,061,515	1,163,598
Cash at the end of the year	593,488	1,061,515
Non-Cash Transactions		
Reinvested distributions from net investment income and capital gains	1,502,990	4,074,635

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC GROWTH AND INCOME FUND

Schedule of Investment Portfolio

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments	Cost \$	Fair Value \$
Underlying Funds			
Bond Funds - 29.17 %			
744,216	The GBC Canadian Bond Fund	9,600,758	9,565,260
Total Underlying Funds - 29.17 %		9,600,758	9,565,260
Canadian Equities			
Communication Services - 1.63 %			
74,950	Stingray Digital Group	648,083	535,143
Consumer Discretionary - 10.51 %			
5,400	Cogeco	295,148	562,086
43,650	Gamehost	510,645	370,152
23,300	New Look Vision Group	538,205	754,920
19,900	Park Lawn Corporation	241,370	582,871
16,750	Pollard Banknote	100,097	335,000
41,550	Sleep Country Canada	1,025,533	839,726
		2,710,998	3,444,755
Consumer Staples - 1.87 %			
23,800	Jamieson Wellness	442,266	612,850
Energy - 1.71 %			
45,950	Enerflex	702,764	561,969
Financials - 12.53 %			
31,450	Canadian Western Bank	900,106	1,002,941
47,900	Chesswood Group	560,412	488,101
4,300	Equitable Group	287,285	470,205
8,300	Genworth MI Canada	473,386	471,606
44,200	Guardian Capital Group	977,974	1,186,768
4,350	TMX Group	363,170	489,158
		3,562,333	4,108,779
Health Care - 0.27 %			
4,493	Andlauer Healthcare Group	68,186	90,085
Industrials - 8.51 %			
21,950	Calian	689,205	845,075
18,650	Morneau Shepell	314,760	630,184
12,300	Toromont Industries	796,847	868,257
5,050	WSP Global	363,089	447,784
		2,163,901	2,791,300

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC GROWTH AND INCOME FUND

Schedule of Investment Portfolio - (continued)

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - (continued)	Cost \$	Fair Value \$
Canadian Equities - (continued)			
Information Technology - 13.15 %			
65,650	Evertz Technologies	1,116,019	1,172,509
10,850	Open Text	600,303	620,837
57,350	Sylogist	495,467	564,898
55,000	Tecsys	345,599	1,175,350
75,200	Vecima Networks	775,132	778,320
		3,332,520	4,311,914
Materials - 3.68 %			
26,459	Richards Packaging Income Fund	569,983	1,206,266
Real Estate - 10.99 %			
15,900	Altus Group	296,204	603,564
61,100	Automotive Properties Real Estate Investments	432,244	742,365
56,500	Information Services Corporation	953,189	867,840
76,665	Pro Real Estate Investment Trust	302,414	565,790
77,150	Tricon Capital Group	633,858	820,105
		2,617,909	3,599,664
Total Canadian Equities - 64.85 %		16,818,943	21,262,725
US Equities			
Consumer Discretionary - 1.43 %			
15,700	Collectors Universe	409,612	469,274
Financials - 3.17 %			
7,750	James River Group Holdings	405,933	414,152
11,194	Main Street Capital	540,840	625,776
		946,773	1,039,928
Total US Equities - 4.60 %		1,356,385	1,509,202
Total Investments - 98.62 %		27,776,086	32,337,187
Other assets - net - 1.38 %			451,387
Total net assets - 100.00 %			32,788,574

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC GLOBAL BALANCED FUND

STATEMENTS OF FINANCIAL POSITION

As at December 31

	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Assets		
Cash	946,763	1,015
Investments at fair value through profit or loss	40,735,379	923,103
Accrued income	12,997	24,747
QST receivable	9	-
Total assets	41,695,148	948,865
Liabilities		
Accrued expenses	-	1,755
Distributions payable to unitholders	525,307	27,491
Due to brokers for investment securities purchased	344,000	-
HST payable	-	236
Total liabilities (excluding net assets attributable to holders of redeemable units)	869,307	29,482
Net assets attributable to holders of redeemable units	40,825,841	919,383
Net assets attributable to holders of redeemable units per unit		
Net assets CAD	10.60	9.19
Investments, at cost	39,464,533	1,001,720

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC GLOBAL BALANCED FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Income		
Dividend income	152,731	-
Interest income for distribution purposes	47,860	9
Distributions from underlying funds	428,347	36,614
Net realized gains (losses) on investments		
at fair value through profit or loss	(82,224)	294
Net change in unrealized gains (losses) on investments		
at fair value through profit or loss	1,349,462	(78,617)
Net realized foreign exchange gains (losses)	1,498	
Total operating income (loss)	1,897,674	(41,700)
Expenses		
Securityholders' information fees	5,187	237
Filing fees	12,125	-
Custodial fees	10,843	2,821
Audit fees	11,396	-
Legal fees	15,309	-
Independent Review Committee fees	4,356	-
Fund valuation fees	35,225	8,368
Management fee - Exchange Traded Funds	16,035	-
Transaction costs on purchase and sale of investments	17,620	-
Total operating expenses	128,096	11,426
Profit (loss) before undernoted	1,769,578	(53,126)
Expenses absorbed by Manager	110,476	-
Profit (loss) before taxes	1,880,054	(53,126)
Withholding taxes	(13,140)	-
Profit (loss) after tax	1,866,914	(53,126)
Increase (decrease) in net assets attributable to holders of redeemable units	1,866,914	(53,126)
Weighted average number of redeemable units outstanding during the year	1,654,470	100,000
Increase (decrease) in net assets attributable to holders of redeemable units per unit	1.13	(0.53)

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC GLOBAL BALANCED FUND

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Net assets attributable to holders of redeemable units at beginning of the year	919,383	-
Increase (decrease) in net assets attributable to holders of redeemable units	1,866,914	(53,126)
Distributions to holders of redeemable units		
From net realized capital gains	(30,911)	(16,552)
From net investment income	(494,396)	(10,939)
Total distributions to holders of redeemable units	(525,307)	(27,491)
Redeemable unit transactions		
Proceeds from redeemable units issued	42,952,245	1,000,000
Redemption of redeemable units	(4,200,063)	-
Redemption of redeemable units, management fees (Note 5)	(187,331)	-
Net increase (decrease) from unit transactions	38,564,851	1,000,000
Net assets attributable to holders of redeemable units at end of the year	40,825,841	919,383

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC GLOBAL BALANCED FUND

STATEMENTS OF CASH FLOWS

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Cash flows provided from operating activities		
Increase (decrease) in amount attributable to holders of redeemable units	1,866,914	(53,126)
Adjustments for:		
Dividend income	(152,731)	-
Interest income for distribution purposes	(47,860)	(9)
Distributions from underlying funds	(428,347)	(36,614)
Taxes recognized in profit or loss	13,140	-
	1,251,116	(89,749)
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(39,874,754)	(1,066,046)
Proceeds from sale of investments	1,312,096	64,620
Net realized losses (gains) on investments at fair value through profit or loss	82,224	(294)
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(1,349,462)	78,617
Transaction costs on purchase and sale of investments	17,620	-
Net decrease (increase) in due from/to brokers	344,000	-
Net decrease (increase) in other receivables	(9)	-
Net increase (decrease) in accrued expenses and other payables	(1,991)	1,991
	(38,219,160)	(1,010,861)
Dividends received	164,481	-
Interest received	47,860	9
Distributions from underlying funds	428,347	11,867
Taxes paid	(13,140)	-
Net cash flows provided from operating activities	(37,591,612)	(998,985)
Cash flows provided from financing activities		
Proceeds from redeemable units issued	42,952,245	1,000,000
Redemption of redeemable units	(4,387,394)	-
Net cash flows provided from financing activities	38,537,360	1,000,000
Net increase (decrease) in cash	945,748	1,015
Cash at the beginning of the year	1,015	-
Cash at the end of the year	946,763	1,015
Non-Cash Transactions		
Reinvested distributions from net capital gains	-	16,552
Reinvested distributions from net investment income	-	10,939

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC GLOBAL BALANCED FUND

Schedule of Investment Portfolio

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments	Cost \$	Fair Value \$
Underlying Funds			
Bond Funds - 30.01 %			
147,775	The GBC Canadian Bond Fund	1,915,379	1,899,325
807,247	The GBC Corporate Bond Fund	10,312,274	10,353,265
		12,227,653	12,252,590
Canadian Equity Funds - 8.20 %			
50,608	The GBC Canadian Growth Fund	3,318,255	3,347,816
US Equity Funds - 7.10 %			
74,060	The GBC American Growth Fund Inc.	2,882,115	2,898,677
Global & International Equity Funds - 22.47 %			
265,937	Guardian Fundamental Global Equity Fund	5,841,114	6,244,992
99,601	The GBC International Growth Fund	2,715,305	2,930,195
		8,556,419	9,175,187
Exchange Traded Funds - 20.15 %			
29,112	iShares Core MSCI EAFE ETF	2,385,616	2,463,625
6,835	iShares Core S&P 500 ETF	2,693,164	2,864,964
113,322	iShares S&P/TSX 60 Index ETF	2,820,235	2,896,510
		7,899,015	8,225,099
	Total Underlying Funds - 87.93 %	34,883,457	35,899,369
Canadian Equities			
Communication Services - 0.30 %			
16,900	Stingray Digital Group	112,940	120,666
Consumer Discretionary - 1.65 %			
1,126	Cogeco	102,037	117,205
5,028	Gamehost	49,188	42,637
4,662	New Look Vision Group	152,867	151,049
4,123	Park Lawn Corporation	115,728	120,763
3,335	Pollard Banknote	74,651	66,700
8,768	Sleep Country Canada	173,596	177,201
		668,067	675,555
Consumer Staples - 0.33 %			
5,215	Jamieson Wellness	109,127	134,286
Energy - 0.30 %			
9,872	Enerflex	139,378	120,735

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC GLOBAL BALANCED FUND

Schedule of Investment Portfolio - (continued)

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - (continued)	Cost \$	Fair Value \$
Canadian Equities - (continued)			
Financials - 2.17 %			
7,090	Canadian Western Bank	219,927	226,100
9,939	Chesswood Group	101,496	101,278
982	Equitable Group	82,887	107,382
1,799	Genworth MI Canada	102,618	102,219
9,237	Guardian Capital Group	230,329	248,013
890	TMX Group	86,933	100,081
		824,190	885,073
Health Care - 0.05 %			
953	Andlauer Healthcare Group	14,468	19,108
Industrials - 1.44 %			
4,418	Calian	152,741	170,093
3,875	Morneau Shepell	119,271	130,936
2,578	Toromont Industries	166,163	181,981
1,163	WSP Global	87,609	103,123
		525,784	586,133
Information Technology - 2.15 %			
13,661	Evertz Technologies	241,972	243,985
2,418	Open Text	134,364	138,358
11,973	Sylogist	132,548	117,934
9,665	Tecsys	144,940	206,541
16,704	Vecima Networks	155,819	172,886
		809,643	879,704
Materials - 0.63 %			
5,604	Richards Packaging Income Fund	242,402	255,486
Real Estate - 2.03 %			
3,562	Altus Group	120,713	135,214
15,584	Automotive Properties Real Estate Investments	167,360	189,346
11,683	Information Services Corporation	190,472	179,451
19,288	Pro Real Estate Investment Trust	133,350	142,345
17,548	Tricon Capital Group	185,749	186,535
		797,644	832,891
Total Canadian Equities - 11.05 %		4,243,643	4,509,637

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC GLOBAL BALANCED FUND

Schedule of Investment Portfolio - (continued)

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - (continued)	Cost \$	Fair Value \$
US Equities			
Consumer Discretionary - 0.25 %			
3,372	Collectors Universe	104,132	100,789
Financials - 0.55 %			
1,695	James River Group Holdings	100,093	90,579
2,415	Main Street Capital	133,208	135,005
		233,301	225,584
	Total US Equities - 0.80 %	337,433	326,373
	Total Investments - 99.78 %	39,464,533	40,735,379
	Other assets - net - 0.22 %		90,462
	Total net assets - 100.00 %		40,825,841

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC CANADIAN GROWTH FUND

STATEMENTS OF FINANCIAL POSITION

As at December 31

(IN CANADIAN DOLLARS)	2019	2018
	\$	\$
Assets		
Cash	7,566,010	5,904,678
Investments at fair value through profit or loss	285,046,970	256,202,707
Due from brokers for investment securities sold	-	6,537,871
Accrued income	337,674	393,478
QST receivable	3,507	3,563
HST receivable	-	3,142
Total assets	292,954,161	269,045,439
Liabilities		
Distributions payable to unitholders	637,120	217,734
Due to brokers for investment securities purchased	9,518	6,638,971
HST payable	2,774	-
Total liabilities (excluding net assets attributable to holders of redeemable units)	649,412	6,856,705
Net assets attributable to holders of redeemable units	292,304,749	262,188,734
Net assets attributable to holders of redeemable units per unit		
Net assets CAD	66.15	54.82
Investments, at cost	221,430,669	230,242,251

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC CANADIAN GROWTH FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Income		
Dividend income	4,256,747	4,547,625
Interest income for distribution purposes	72,627	19,347
Net realized gains (losses) on investments at fair value through profit or loss	24,724,981	4,304,367
Net change in unrealized gains (losses) on investments at fair value through profit or loss	37,655,845	(76,008,281)
Net realized foreign exchange gains (losses)	(12,908)	(28,684)
Total operating income (loss)	66,697,292	(67,165,626)
Expenses		
Management fees (Note 5)	-	(46,646)
Securityholders' information fees	102,530	110,945
Filing fees	15,434	18,108
Custodial fees	20,927	25,705
Audit fees	31,802	31,236
Legal fees	7,441	4,806
Independent Review Committee fees	5,357	6,541
Transaction costs on purchase and sale of investments	435,381	826,192
Total operating expenses	618,872	976,887
Profit (loss) before taxes	66,078,420	(68,142,513)
Taxes recovered	491,832	4,383
Profit (loss) after taxes	66,570,252	(68,138,130)
Increase (decrease) in net assets attributable to holders of redeemable units	66,570,252	(68,138,130)
Weighted average number of redeemable units outstanding during the year	4,489,515	5,185,709
Increase (decrease) in net assets attributable to holders of redeemable units per unit	14.83	(13.14)

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC CANADIAN GROWTH FUND

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Net assets attributable to holders of redeemable units at beginning of the year	262,188,734	379,490,251
Increase (decrease) in net assets attributable to holders of redeemable units	66,570,252	(68,138,130)
Distributions to holders of redeemable units		
From net investment income	(4,193,369)	(3,874,003)
From net realized capital gains	(9,400,000)	-
From management fee rebates	-	(38,325)
Total distributions to holders of redeemable units	(13,593,369)	(3,912,328)
Redeemable unit transactions		
Proceeds from redeemable units issued	25,409,792	10,794,845
Redemption of redeemable units	(43,694,779)	(50,568,193)
Redemption of redeemable units, management fees (Note 5)	(4,575,881)	(5,477,711)
Net increase (decrease) from unit transactions	(22,860,868)	(45,251,059)
Net assets attributable to holders of redeemable units at end of the year	292,304,749	262,188,734

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC CANADIAN GROWTH FUND

STATEMENTS OF CASH FLOWS

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Cash flows provided from operating activities		
Increase (decrease) in amount attributable to holders of redeemable units	66,570,252	(68,138,130)
Adjustments for:		
Interest income for distribution purposes	(72,627)	(19,347)
Dividend income	(4,256,747)	(4,547,625)
	62,240,878	(72,705,102)
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(93,483,987)	(137,912,426)
Proceeds from sale of investments	126,585,169	184,830,476
Net realized losses (gains) on investments at fair value through profit or loss	(24,724,981)	(4,304,367)
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(37,655,845)	76,008,281
Transaction costs on purchase and sale of investments	435,381	826,192
Net decrease (increase) in due from/to brokers	(91,582)	(373,117)
Net decrease (increase) in other receivables	3,198	403,433
Net increase (decrease) in accrued expenses and other payables	2,774	(619,521)
	33,311,005	46,153,849
Interest received	72,627	19,347
Dividends received	4,312,551	4,616,591
Net cash flows provided from operating activities	37,696,183	50,789,787
Cash flows provided from financing activities		
Distributions to holders of redeemable units	(217,734)	(861,265)
Proceeds from redeemable units issued	12,453,543	7,100,292
Redemption of redeemable units	(48,270,660)	(56,045,904)
Net cash flows provided from financing activities	(36,034,851)	(49,806,877)
Net increase (decrease) in cash	1,661,332	982,910
Cash at the beginning of the year	5,904,678	4,921,768
Cash at the end of the year	7,566,010	5,904,678
Non-Cash Transactions		
Reinvested distributions from management fee rebates	-	38,325
Reinvested distributions from net investment income distribution	3,990,080	3,656,228
Reinvested distributions from capital gains distribution	8,966,169	-

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC CANADIAN GROWTH FUND

Schedule of Investment Portfolio

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - Canadian Equities	Cost \$	Fair Value \$
Communication Services - 4.35 %			
313,250	IMAX Corporation	9,636,400	8,311,927
616,950	Stingray Digital	5,215,510	4,405,023
		14,851,910	12,716,950
Consumer Discretionary - 17.06 %			
491,400	Aritzia	7,369,183	9,361,170
211,950	BRP	7,345,112	12,538,962
31,150	Cogeco	1,507,499	3,242,404
1,188,500	Goodfood Market	3,913,384	3,720,005
287,950	Points International	4,339,974	5,707,169
296,054	Pollard Banknote	6,098,383	5,921,080
464,650	Sleep Country Canada	11,441,794	9,390,577
		42,015,329	49,881,367
Consumer Staples - 2.16 %			
245,050	Jamieson Wellness	5,340,705	6,310,038
Energy - 4.66 %			
384,750	Enerflex	6,396,227	4,705,493
368,700	Parex Resources	7,075,905	8,904,105
		13,472,132	13,609,598
Financials - 16.51 %			
355,150	Canadian Western Bank	10,009,319	11,325,734
160,071	Currency Exchange International	4,094,599	2,881,278
79,350	Equitable Group	4,786,406	8,676,923
56,200	goeasy	2,211,103	3,908,710
400,400	Guardian Capital Group	9,802,379	10,750,740
58,737	Trisura Group	1,627,480	2,365,339
3,150,600	Westaim	9,546,601	8,349,090
		42,077,887	48,257,814
Health Care - 0.38 %			
55,459	Andlauer Healthcare Group	841,680	1,111,953
105,940	Helius Medical Technologies - Warrants	-	-
		841,680	1,111,953
Industrials - 11.41 %			
137,550	Badger Daylighting	3,750,573	4,833,507
35,164	Boyd Group Income Fund	1,465,829	7,103,128
8,925	Calian	346,455	343,613
1,542,950	DIRTT Environmental Solutions	8,818,720	6,557,538
141,995	GDI Integrated Facility	4,372,447	4,803,691
153,550	Richelieu Hardware	1,049,161	4,165,812
1,810,800	Westport Fuel Systems	5,442,031	5,559,156
		25,245,216	33,366,445

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC CANADIAN GROWTH FUND

Schedule of Investment Portfolio - (continued)

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - Canadian Equities (continued)	Cost \$	Fair Value \$
Information Technology - 24.76 %			
83,300	Ceridian HCM Holding	4,600,455	7,337,897
163,800	Descartes Systems Group	1,575,399	9,090,900
196,586	Enghouse Systems	6,458,292	9,471,513
621,600	Evertz Technologies	10,664,359	11,101,776
129,450	Kinaxis	7,821,478	12,947,589
154,700	Lightspeed POS	3,147,214	5,580,029
634,600	Sangoma Technologies	1,508,103	1,580,154
356,800	Sylogist	3,146,644	3,514,480
244,450	Tecsys	3,602,270	5,223,897
79,600	Tucows	3,601,851	6,513,668
		46,126,065	72,361,903
Materials - 5.06 %			
133,162	Richards Packaging	4,636,159	6,070,856
232,250	Stella Jones	6,543,776	8,714,020
		11,179,935	14,784,876
Real Estate - 11.17 %			
179,950	Altus Group	3,521,218	6,830,902
124,100	Colliers International	7,206,645	12,546,508
27,973	FirstService Corporation	256,871	3,381,654
930,100	Tricon Capital Group	9,295,076	9,886,962
		20,279,810	32,646,026
Total Investments - Canadian Equities - 97.52 %		221,430,669	285,046,970
Other assets - net - 2.48 %			7,257,779
Total net assets - 100.00 %			292,304,749

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC AMERICAN GROWTH FUND INC.

STATEMENTS OF FINANCIAL POSITION

As at December 31

	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Assets		
Cash	1,746,395	1,312,983
Investments at fair value through profit or loss	176,862,654	168,249,075
Accrued income	33,740	38,622
Income taxes recoverable (Note 6)	8,672,932	6,595,612
QST receivable	4,846	4,586
HST receivable	1,831	6,865
Total assets	187,322,398	176,207,743
Liabilities		
Accrued expenses	30,866	32,027
Due to brokers for investment securities purchased	-	147,848
Total liabilities (excluding net assets attributable to holders of redeemable shares)	30,866	179,875
Net assets attributable to holders of redeemable shares	187,291,532	176,027,868
Net assets attributable to holders of redeemable shares per share		
Net assets CAD	39.14	34.14
Net assets USD	30.14	25.03
Investments, at cost	136,327,585	142,392,837

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC AMERICAN GROWTH FUND INC.

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Income		
Dividend income	470,557	720,000
Interest income for distribution purposes	70,552	44,497
Net realized gains (losses) on investments		
at fair value through profit or loss	11,086,424	20,650,210
Net change in unrealized gains (losses) on investments		
at fair value through profit or loss	14,678,831	(6,898,928)
Net realized foreign exchange gains (losses)	(245,226)	208,456
Total operating income (loss)	26,061,138	14,724,235
Expenses		
Directors' fees and expenses (Note 8)	96,441	78,689
Securityholders' information fees	141,390	143,215
Filing fees	14,830	14,269
Custodial fees	16,188	18,430
Audit fees	44,270	39,596
Legal fees	7,465	4,823
Independent Review Committee fees	5,357	6,541
Insurance fees	13,625	13,625
Transaction costs on purchase and sale of investments	162,391	228,981
Total operating expenses	501,957	548,169
Profit (loss) before taxes	25,559,181	14,176,066
Withholding taxes	(65,325)	(96,250)
Profit (loss) after tax	25,493,856	14,079,816
Increase (decrease) in net assets attributable to holders of redeemable shares	25,493,856	14,079,816
Weighted average number of redeemable shares outstanding during the year	4,967,285	5,290,273
Increase (decrease) in net assets attributable to holders of redeemable shares per share	5.13	2.66

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC AMERICAN GROWTH FUND INC.

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE SHARES**

For the years ended December 31	2019	2018
<small>(IN CANADIAN DOLLARS)</small>	\$	\$
Net assets attributable to holders of redeemable		
shares at beginning of the year	176,027,868	172,032,555
Increase (decrease) in net assets attributable to holders of		
redeemable shares	25,493,856	14,079,816
Redeemable share transactions		
Proceeds from redeemable shares issued	11,735,997	6,788,922
Redemption of redeemable shares	(23,376,808)	(14,204,250)
Redemption of redeemable shares, management fees (Note 5)	(2,589,381)	(2,669,175)
Net increase (decrease) from share transactions	(14,230,192)	(10,084,503)
Net assets attributable to holders of redeemable		
shares at end of the year	187,291,532	176,027,868

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC AMERICAN GROWTH FUND INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Cash flows provided from operating activities		
Increase (decrease) in amount attributable to holders of redeemable shares	25,493,856	14,079,816
Adjustments for:		
Interest income for distribution purposes	(70,552)	(44,497)
Dividend income	(470,557)	(720,000)
Taxes recognized in profit or loss	65,325	96,250
	25,018,072	13,411,569
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(65,603,804)	(93,568,873)
Proceeds from sale of investments	82,593,089	104,753,795
Net realized losses (gains) on investments at fair value through profit or loss	(11,086,424)	(20,650,210)
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(14,678,831)	6,898,928
Transaction costs on purchase and sale of investments	162,391	228,981
Net decrease (increase) in due from/to brokers	(147,848)	147,848
Net decrease (increase) in other receivables	(2,072,546)	(1,406,200)
Net increase (decrease) in accrued expenses and other payables	(1,161)	(247,961)
	14,182,938	9,567,877
Interest received	70,552	44,497
Dividends received	475,439	716,436
Taxes paid	(65,325)	(96,250)
Net cash flows provided from operating activities	14,663,604	10,232,560
Cash flows provided from financing activities		
Proceeds from redeemable shares issued	11,735,997	6,788,922
Redemption of redeemable shares	(25,966,189)	(16,960,356)
Net cash flows provided from financing activities	(14,230,192)	(10,171,434)
Net increase (decrease) in cash	433,412	61,126
Cash at the beginning of the year	1,312,983	1,251,857
Cash at the end of the year	1,746,395	1,312,983
Non-Cash Transactions		
Reinvested distributions from management fee rebates	-	16,856

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC AMERICAN GROWTH FUND INC.

Schedule of Investment Portfolio

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - US Equities	Cost \$	Fair Value \$
Communication Services - 3.73 %			
197,150	Boingo Wireless	3,198,590	2,803,840
139,050	Hemisphere Media Group	2,355,802	2,681,882
63,575	Rosetta Stone	1,430,302	1,497,842
		6,984,694	6,983,564
Consumer Discretionary - 14.02 %			
23,450	Dorman Products	2,268,725	2,306,193
97,500	Gentherm	4,044,360	5,621,239
78,100	Installed Building Products	4,831,392	6,985,917
30,300	LCI Industries	2,472,656	4,215,955
187,050	Stoneridge	6,481,060	7,123,017
		20,098,193	26,252,321
Consumer Staples - 1.59 %			
47,242	MGP Ingredients	3,983,674	2,972,791
		3,983,674	2,972,791
Financials - 10.09 %			
153,350	Axos Financial	4,431,288	6,030,897
91,150	Encore Capital Group	3,731,363	4,186,116
178,050	National General Holdings	4,903,503	5,110,655
89,850	Seacoast Banking Corporation of Florida	3,299,218	3,567,433
		16,365,372	18,895,101
Health Care - 15.53 %			
14,000	Amedisys	2,410,312	3,035,140
115,150	BioTelemetry	6,358,322	6,924,481
22,750	Charles River Laboratories	3,158,511	4,513,707
57,250	Globus Medical	3,322,443	4,378,099
101,500	Healthstream	3,020,294	3,585,727
135,126	HMS Holdings	2,913,109	5,194,849
54,000	Vocera Communications	1,855,664	1,456,007
		23,038,655	29,088,010
Industrials - 21.85 %			
34,600	A. O. Smith	2,225,460	2,140,867
58,500	Albany International	4,216,592	5,768,386
58,090	CRA International	3,434,506	4,109,614
111,858	Franklin Covey	2,783,822	4,682,412
74,700	Kornit Digital	1,507,789	3,321,007
22,250	NV5 Global	1,987,878	1,457,919
23,660	Protolabs	3,426,584	3,120,592
52,500	SiteOne Landscape Supply	4,213,778	6,181,152
32,750	Trex Company	2,215,419	3,823,109
41,100	Woodward	4,429,995	6,322,408
		30,441,823	40,927,466

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC AMERICAN GROWTH FUND INC.

Schedule of Investment Portfolio - (continued)

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - US Equities - (continued)	Cost \$	Fair Value \$
Information Technology - 27.62 %			
28,700	Avalara	2,820,157	2,730,435
36,000	Bottomline Technologies	2,282,668	2,506,164
32,850	Euronet Worldwide	3,395,583	6,722,389
105,600	Genpact	4,907,345	5,783,754
153,000	International Money Express	2,665,390	2,392,545
16,900	MongoDB	1,358,795	2,888,803
14,900	Monolithic Power Systems	2,073,761	3,445,064
17,600	Paycom	2,223,546	6,052,117
35,200	Perficient	1,797,302	2,106,217
245,150	Pure Storage	5,442,184	5,447,838
31,150	RealPage	2,246,613	2,174,597
74,000	Upland Software	2,023,841	3,432,131
70,550	WNS Global Services	2,177,989	6,061,347
		35,415,174	51,743,401
	Total Investments - US Equities - 94.43 %	136,327,585	176,862,654
	Other assets - net - 5.57 %		10,428,878
	Total net assets - 100.00 %		187,291,532

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC INTERNATIONAL GROWTH FUND

STATEMENTS OF FINANCIAL POSITION

As at December 31

	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Assets		
Cash	4,273,955	11,960,305
Investments at fair value through profit or loss	183,533,372	158,845,864
Due from brokers for investment securities sold	1,105,509	219,156
Accrued income	308,138	258,481
Other receivables	93,480	186,624
Total assets	189,314,454	171,470,430
Liabilities		
Accrued expenses	33,052	33,562
Distributions payable to unitholders	3,062,110	11,005,586
Due to brokers for investment securities purchased	234,100	152,757
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,329,262	11,191,905
Net assets attributable to holders of redeemable units	185,985,192	160,278,525
Net assets attributable to holders of redeemable units per unit		
Net assets CAD	29.42	23.40
Investments, at cost	150,272,819	162,303,060

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC INTERNATIONAL GROWTH FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Income		
Dividend income	3,591,457	4,741,044
Interest income for distribution purposes	348,178	141,925
Net realized gains (losses) on investments		
at fair value through profit or loss	4,642,857	9,466,747
Net change in unrealized gains (losses) on investments		
at fair value through profit or loss	36,717,749	(41,255,510)
Net realized foreign exchange gains (losses)	(336,816)	(1,707,714)
Total operating income (loss)	44,963,425	(28,613,508)
Expenses		
Management fees (Note 5)	-	16,529
Securityholders' information fees	190,564	113,618
Filing fees	19,267	20,704
Custodial fees	147,018	173,710
Audit fees	19,236	19,135
Legal fees	7,913	5,005
Independent Review Committee fees	5,357	6,541
Fund valuation fees	38,974	172,655
Transaction costs on purchase and sale of investments	159,109	469,119
Total operating expenses	587,438	997,016
Profit (loss) before taxes	44,375,987	(29,610,524)
Withholding taxes	(507,560)	(620,198)
Taxes recovered	8,279	244,567
Profit (loss) after taxes	43,876,706	(29,986,155)
Increase (decrease) in net assets attributable to holders of redeemable units	43,876,706	(29,986,155)
Increase (decrease) in net assets attributable to holders of redeemable units		
Net assets - Class A	43,876,706	(32,164,762)
Net assets - Class O	-	2,178,607
Weighted average number of redeemable units outstanding during the year		
Net assets - Class A	6,737,644	6,648,425
Net assets - Class O	-	2,292,546
Increase (decrease) in net assets attributable to holders of redeemable units per unit		
Net assets - Class A	6.51	(4.84)
Net assets - Class O	-	0.95

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC INTERNATIONAL GROWTH FUND

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Net assets attributable to holders of redeemable units at beginning of the year	160,278,525	187,119,469
Increase (decrease) in net assets attributable to holders of redeemable units	43,876,706	(29,986,155)
Distributions to holders of redeemable units		
From net investment income - Class A	(3,062,110)	(3,887,674)
From net realized capital gains - Class A	-	(7,117,912)
From management fee rebates - Class A	-	(3,013)
Total distributions to holders of redeemable units	(3,062,110)	(11,008,599)
Redeemable unit transactions		
Proceeds from redeemable units issued - Class A	26,630,207	33,778,309
Proceeds from redeemable units issued - Class O	-	6,815,856
Redemption of redeemable units - Class A	(39,155,998)	(21,520,185)
Redemption of redeemable units - Class O	-	(2,128,009)
Redemption of redeemable units, management fees (Note 5)	(2,582,138)	(2,921,371)
Transfer from Class O redeemable units to Class A redeemable units	-	(74,865,781)
Transfer to Class A redeemable units from Class O redeemable units	-	74,994,991
Net increase (decrease) from unit transactions	(15,107,929)	14,153,810
Net assets attributable to holders of redeemable units at end of the year	185,985,192	160,278,525

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC INTERNATIONAL GROWTH FUND

STATEMENTS OF CASH FLOWS

For the years ended December 31	2019	2018
(IN CANADIAN DOLLARS)	\$	\$
Cash flows provided from operating activities		
Increase (decrease) in amount attributable to holders of redeemable units	43,876,706	(29,986,155)
Adjustments for:		
Interest income for distribution purposes	(348,178)	(141,925)
Dividend income	(3,591,457)	(4,741,044)
Taxes recognized in profit or loss	499,281	375,631
	40,436,352	(34,493,493)
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(64,456,614)	(157,621,636)
Proceeds from sale of investments	80,970,603	157,235,402
Net realized losses (gains) on investments at fair value through profit or loss	(4,642,857)	(9,466,747)
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(36,717,749)	41,255,510
Transaction costs on purchase and sale of investments	159,109	469,119
Net decrease (increase) in due from/to brokers	(805,010)	(296,684)
Net decrease (increase) in other receivables	93,144	17,230
Net increase (decrease) in accrued expenses and other payables	(510)	(154,274)
	15,036,468	(3,055,573)
Interest received	348,178	141,925
Dividends received	3,541,800	4,794,026
Taxes paid	(499,281)	(375,631)
Net cash flows provided from operating activities	18,427,165	1,504,747
Cash flows provided from financing activities		
Distributions to holders of redeemable units	(445,573)	(426,481)
Proceeds from redeemable units issued	16,070,194	31,238,273
Redemption of redeemable units	(41,738,136)	(26,569,565)
Net cash flows provided from financing activities	(26,113,515)	4,242,227
Net increase (decrease) in cash	(7,686,350)	5,746,974
Cash at the beginning of the year	11,960,305	6,213,331
Cash at the end of the year	4,273,955	11,960,305
Non-Cash Transactions		
Transfer from Class O redeemable units to Class A redeemable units	-	(74,865,781)
Transfer to Class A redeemable units from Class O redeemable units	-	74,994,991
Reinvested distributions from management fee rebates	-	3,013
Reinvested distributions from net investment income and capital gains	10,560,013	9,482,089

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC INTERNATIONAL GROWTH FUND

Schedule of Investment Portfolio

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - Developed Europe	Cost \$	Fair Value \$
	Belgium - 2.27 %		
18,297	Melexis	2,151,962	1,785,755
10,291	Warehouses De Pauw	1,869,285	2,429,695
		4,021,247	4,215,450
	Denmark - 3.05 %		
37,054	Netcompany Group	1,722,878	2,288,081
19,447	Royal Unibrew	1,176,391	2,310,785
28,076	Tryg	945,341	1,080,139
		3,844,610	5,679,005
	Faroe Islands - 1.32 %		
25,631	Bakkafrost	2,047,055	2,458,551
	France - 5.09 %		
15,480	Alten	2,085,939	2,534,935
10,015	Ipsen	1,695,899	1,151,652
26,883	Nexity	1,975,122	1,752,286
22,220	Rubis	1,196,623	1,770,808
24,541	Worldline	1,384,777	2,255,843
		8,338,360	9,465,524
	Germany - 4.25 %		
16,102	Carl Zeiss Meditec	2,083,082	2,664,916
13,445	CTS Eventim	768,967	1,096,932
5,852	Grenkeleasing	622,942	785,803
18,304	Norma Group	1,295,007	1,012,448
1,345	Rational	1,240,163	1,403,734
20,256	TeamViewer	773,501	939,973
		6,783,662	7,903,806
	Israel - 3.06 %		
15,190	CyberArk Software	2,456,474	2,296,346
6,429	Elbit Systems	1,068,599	1,297,583
36,130	Mizrahi Tefahot Bank	763,156	1,247,925
5,354	Wix.com	497,510	849,658
		4,785,739	5,691,512
	Italy - 3.34 %		
53,188	Amplifon	1,334,042	1,985,066
20,767	Brunello Cucinelli	1,151,611	954,012
92,502	Carel Industries	1,667,622	1,866,198
83,228	Technogym	1,296,060	1,404,094
		5,449,335	6,209,370
	Jersey Islands - 0.77 %		
122,812	Sanne Group	1,396,055	1,428,292
	Netherlands - 2.62 %		
26,157	Basic-Fit	1,197,230	1,288,813
25,180	Euronext	1,982,151	2,662,776
8,107	IMCD	933,582	918,085
		4,112,963	4,869,674

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC INTERNATIONAL GROWTH FUND

Schedule of Investment Portfolio - (continued)

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - Developed Europe (continued)	Cost \$	Fair Value \$
	Spain - 0.48 %		
58,334	EDP Renováveis	801,712	891,568
	Sweden - 10.25 %		
32,274	AAK	816,501	795,799
21,721	AddTech	764,532	911,703
44,520	Beijer Ref	1,301,354	1,694,738
28,462	Biotage	492,528	488,898
100,105	Evolution Gaming Group	1,826,332	3,910,530
79,253	Indutrade	2,520,379	3,680,023
19,648	Lifco	1,169,814	1,556,844
27,182	MIPS	663,269	747,057
67,574	Nibe Industrier	1,070,777	1,520,185
16,769	Nolato	1,681,047	1,277,617
43,584	Thule Group	1,122,449	1,304,102
43,228	Vitrolife	1,208,489	1,182,668
		14,637,471	19,070,164
	Switzerland - 5.18 %		
74	Belimo Holding	620,784	722,410
21,272	Galenica Sante	1,439,228	1,704,893
6,838	Kardex	1,035,492	1,492,593
1,990	Siegfried Holding	1,052,739	1,249,829
6,290	Tecan Group	1,846,058	2,291,101
9,926	VAT Group	1,682,696	2,173,950
		7,676,997	9,634,776
	United Kingdom - 18.55 %		
77,247	Abcam	1,282,357	1,794,096
362,444	Avast	1,825,290	2,819,258
34,980	Aveva Group	1,370,912	2,797,823
311,168	Beazley	2,367,925	2,972,057
69,767	Big Yellow Group	1,139,501	1,438,198
41,767	Burford Capital	806,474	510,859
92,193	Diploma	1,905,328	3,205,503
178,901	Electrocomponents	2,255,071	2,082,446
43,175	Fevertree Drinks	1,624,759	1,552,348
47,387	Hill & Smith Holdings	1,106,126	1,199,084
66,030	Intermediate Capital Group	1,022,497	1,826,227
16,136	Renishaw	1,094,683	1,044,466
252,332	Rotork	1,523,036	1,452,127
73,239	Safestore Holdings	852,388	1,014,063
118,986	Scapa Group	882,902	498,739
80,917	Softcat	1,069,869	1,601,326
96,119	SSP Group	842,009	1,073,273
140,013	UNITE Group	2,066,277	3,030,584
28,841	Victrex	1,413,163	1,235,647
66,336	Workspace Group	1,049,937	1,353,796
		27,500,504	34,501,920
	Total investments		
	Developed Europe - 60.23 %	91,395,710	112,019,612

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC INTERNATIONAL GROWTH FUND

Schedule of Investment Portfolio - (continued)

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - Developed Asia	Cost \$	Fair Value \$
	Australia - 1.66 %		
79,598	Corporate Travel Management	2,056,077	1,487,433
554,008	Orora	1,530,947	1,605,923
		3,587,024	3,093,356
	Hong Kong - 0.55 %		
483,200	MGM China Holdings	1,369,455	1,022,897
	Japan - 15.92 %		
64,000	Asahi Intecc	1,532,669	2,443,745
58,800	Benefit One	995,201	1,586,367
10,400	Digital Arts	612,156	692,458
13,600	GMO Payment Gateway	1,255,188	1,213,854
37,300	Harmonic Drive Systems	1,973,387	2,345,553
38,800	TIS	1,282,409	2,976,930
35,200	Matsumotokiyoshi Holdings	1,826,977	1,778,779
27,800	Monotaro	837,184	969,615
76,400	Nihon M&A Center	1,572,540	3,432,292
67,600	Nihon Unisys	2,194,010	2,762,696
36,600	NS Solutions	1,604,336	1,572,206
23,000	Paltac Corporation	1,470,620	1,438,086
34,300	Park24	1,279,822	1,092,367
26,700	SMS	883,160	963,746
14,600	Sushiro Global Holdings	1,297,275	1,632,369
19,600	TechnoPro Holdings	1,521,395	1,789,136
13,100	Tokyo Century	611,273	914,435
		22,749,602	29,604,634
	New Zealand - 1.97 %		
142,393	Ryman Healthcare	1,607,167	2,034,275
429,480	Spark New Zealand	1,471,962	1,626,918
		3,079,129	3,661,193
	Singapore - 0.57 %		
460,500	Mapletree Commercial Trust	731,970	1,061,387
	Total investments - Developed Asia - 20.67 %	31,517,180	38,443,467
	Investments - Emerging Asia		
	Cambodia - 0.94 %		
772,000	NagaCorp	1,116,774	1,747,327
	China - 2.79%		
38,657	Huazhu Group	1,806,963	2,008,644
252,500	Li Ning	363,723	981,220
36,000	Silergy	765,264	1,479,427
226,000	TravelSky Technology	873,011	715,380
		3,808,961	5,184,671

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC INTERNATIONAL GROWTH FUND

Schedule of Investment Portfolio - (continued)

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - Emerging Asia - (continued)	Cost \$	Fair Value \$
	India - 1.47 %		
36,396	Crompton Greaves Consumer Electricals	180,196	158,593
357,838	Motherson Sumi Systems	882,888	952,714
32,108	PVR	1,086,855	1,107,366
82,046	RBL Bank	1,013,626	514,017
		3,163,565	2,732,690
	Indonesia - 0.34 %		
4,516,500	Ace Hardware Indonesia	726,072	630,712
	Taiwan - 3.49 %		
12,000	ASPEED Technology	425,815	497,814
151,732	Chailease Holding	571,160	905,784
87,000	Eclat Textile	1,408,323	1,516,672
117,200	Feng Tay Enterprises	894,221	988,621
117,000	GlobalWafers	1,651,649	1,935,908
21,000	Voltronic Power Technology	639,950	649,520
		5,591,118	6,494,319
	Thailand - 0.86 %		
372,500	Tisco Financial Group	1,152,997	1,600,520
	Total investments - Emerging Asia - 9.89 %	15,559,487	18,390,239
	Investments - Emerging Europe, Africa Middle East (EMEA)		
	South Africa - 2.07 %		
66,650	Bidvest Group	1,042,630	1,265,628
82,312	Clicks Group	1,546,657	1,958,585
5,347	Koh Young Technology	601,959	632,545
		3,191,246	3,856,758
	United Arab Emirates - 0.50 %		
84,991	Network International Holdings	808,797	935,876
	Total investments - EMEA - 2.57 %	4,000,043	4,792,634
	Investments - Emerging Latin America		
	Argentina - 1.56 %		
21,099	Globant	1,579,402	2,901,537
	Brazil - 1.84 %		
99,300	CVC Brasil Operadora e Agencia de Viagens	1,200,913	1,402,041
74,300	IRB Brasil Resseguros	823,186	932,897
55,600	SulAmérica	842,404	1,073,949
		2,866,503	3,408,887

The accompanying notes are an integral part of these annual financial statements

P E M B R O K E

THE GBC INTERNATIONAL GROWTH FUND

Schedule of Investment Portfolio - (continued)

As at December 31, 2019

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - Emerging Latin America - (continued)	Cost \$	Fair Value \$
	Mexico - 1.92 %		
178,700	Grupo Aeroportuario Centro Norte	1,524,451	1,740,420
7,558	Grupo Aeroportuario del Sureste	1,830,043	1,836,576
		3,354,494	3,576,996
	Total investments - Emerging Latin America - 5.32 %	7,800,399	9,887,420
	Total Investments - 98.68 %	150,272,819	183,533,372
	Other net assets - 1.32 %		2,451,820
	Total net assets - 100.00 %		185,985,192

The accompanying notes are an integral part of these annual financial statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

1. The Funds**(i) Establishment of the Funds**

The GBC Money Market Fund is an open-end mutual fund established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated September 8, 1988, as amended by Supplemental Deeds dated November 16, 1988, December 7, 1990, March 27, 1991, January 26, 1996, March 25, 2008 and January 8, 2018.

The GBC Canadian Bond Fund is an open-end mutual fund established in accordance with the laws of the Province of Ontario by a Declaration of Trust dated December 11, 1984, as amended by Supplemental Deeds dated January 20, 1986, December 15, 1988, October 20, 1989, December 7, 1990, October 15, 1992, January 26, 1996, December 11, 2003, November 30, 2006 and January 8, 2018.

The GBC Corporate Bond Fund is an open-end mutual fund established under the laws of the Province of Ontario pursuant to a Master Declaration of Trust dated January 1, 2009 as amended by a Supplemental Deed dated February 27, 2019. From January 1, 2009 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 Corporate Bond Fund was converted from a pooled fund to a mutual fund and renamed The GBC Corporate Bond Fund.

The GBC Growth and Income Fund is an open-end mutual fund established in accordance with the laws of the Province of Ontario by a Declaration of Trust dated November 1, 2006, as amended by a Supplemental Deed dated January 8, 2018.

The GBC Global Balanced Fund is an open-end mutual fund established under the laws of the Province of Ontario and established pursuant to a Declaration of Trust dated January 1, 2018 as amended by a Supplemental Deed dated February 27, 2019. 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 Partners' Fund was converted from a pooled fund to a mutual fund and renamed The GBC Global Balanced Fund.

The GBC Canadian Growth Fund is an open-end mutual fund established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated September 8, 1988, as amended by Supplemental Deeds dated November 16, 1988, December 7, 1990, March 27, 1991, January 26, 1996, March 25, 2008 and January 8, 2018.

The GBC American Growth Fund Inc. was a closed-end investment corporation until October 1, 1988, when Articles of Amendment were issued converting the Fund from a corporation to an open-end mutual fund corporation. The Articles were further amended on January 8, 2018.

The GBC International Growth Fund was an unincorporated investment trust created under the laws of the Province of Alberta by a Declaration of Trust dated October 27, 1989, as amended by a Supplemental Deed dated March 25, 1991. On January 6, 1994, the Declaration of Trust was restated to incorporate all amendments up to that date to change the governing laws to the laws of the Province of Ontario. Pursuant to a Simplified Prospectus dated January 7, 1994, the Fund became an open-end mutual fund and was authorized by the Canadian Securities Commissions to sell units to the public starting January 13, 1994. The Declaration of Trust was further amended by Supplemental Declarations dated January 6, 1996, November 30, 2006, March 25, 2008 and January 8, 2018.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

1. The Funds – (continued)**(i) Establishment of the Funds – (continued)**

The amendments made on January 8, 2018 to the Articles of Incorporation and the Declarations of Trusts were to allow for the unilateral redemption of units/shares held by unitholders/shareholders at the net asset value per unit/share corresponding to the amount of management fees owed by such holder to the Fund Manager.

(ii) The Manager and Investment Manager

Pembroke Private Wealth Management Ltd. (“PPW” or the “Manager”) is the Funds’ Manager. The Manager provides the day-to-day management of the business and operations of the Funds. PPW is also the trustee for all the Funds except for The GBC American Growth Fund Inc. which has a Board of Directors. The registered address of the Funds is: 1002 Sherbrooke Street West, Suite 1700, Montreal, Quebec, H3A 3S4, Canada.

Pembroke Management Ltd. (“Pembroke”) is the investment manager of The GBC Money Market Fund, The GBC Growth and Income Fund, The GBC Global Balanced Fund, The GBC Canadian Growth Fund and The GBC American Growth Fund Inc. Pembroke is the parent company of PPW. Canso Investment Counsel Ltd is the investment manager of The GBC Canadian Bond Fund and The GBC Corporate Bond Fund and William Blair Investment Management, LLC is the investment manager of The GBC International Growth Fund.

2. Basis of presentation and significant accounting policies

The financial statements of the Funds for the years ended December 31, 2019 and December 31, 2018 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The significant accounting policies used in the preparation of these financial statements are summarized below. These policies have been applied consistently to all years presented.

(i) Functional and presentation currency

These financial statements are presented in Canadian dollars which is the Funds’ functional and presentation currency.

(ii) Foreign currency translation

Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary items and non-monetary assets and liabilities that are denominated in foreign currencies are recognized in profit or loss in the period in which they arise. Foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognized together with other changes in the fair value. Foreign exchange gains and losses on monetary items and non-monetary assets and liabilities other than those classified as fair value through profit or loss are included in the line item net realized foreign exchange gains (losses) in the statements of comprehensive income.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

2. Basis of presentation and significant accounting policies – (continued)

(iii) Recognition of revenue and expenses

Interest income for distribution purposes shown on the statements of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities. The interest income for distribution purposes is the tax basis of calculating the interest received and is subject to tax. It includes interest income from cash and cash equivalents and on debt securities at fair value through profit or loss.

Dividend income is recognized on the ex-dividend date when the right to receive payment is established. Dividend and interest income for distribution purposes are recognized gross of withholding tax, if any.

Distributions received from underlying funds are recorded at the date of distribution. Distributions are included in distributions from underlying funds and are presented as a separate line item in the statements of comprehensive income.

All expenses are recognized in the statements of comprehensive income on an accrual basis.

(iv) Due from and due to brokers for investment securities sold or purchased

Amounts due from and due to brokers for investment securities sold or purchased represent receivables for investment securities sold and payables for investment securities purchased that have been contracted for but not yet settled or delivered on the year-end dates, respectively. These amounts are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from brokers.

(v) Financial assets and financial liabilities at fair value through profit or loss

Classification

Financial Assets

Under IFRS 9 - *Financial Instruments* ("IFRS 9"), the Manager classifies the Funds' investments in debt and equity securities and open-ended investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. These financial assets are managed, and their performance is evaluated, on a fair value basis.

The Manager also manages these financial assets with the objective of realizing cash flows through sales. The Manager has not taken the option to irrevocably designate any of the Funds' equity securities at fair value through other comprehensive income. Consequently, these financial assets are mandatorily measured at fair value through profit or loss.

Financial Liabilities

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition are a part of a portfolio of identified financial instruments that the Manager manages together and has a recent actual pattern of short-term profit-taking.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

2. Basis of presentation and significant accounting policies – (continued)

(v) Financial assets and financial liabilities at fair value through profit or loss – (continued)

Classification - (continued)

Financial assets and financial liabilities at amortized cost

At each reporting date, the Manager measures the Funds' loss allowance on amounts due from brokers for investment securities sold, accrued income and other short-term receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Manager measures the loss allowance at an amount equal to the 12 month expected credit losses. Given the short-term nature of the receivables and the high credit quality, the Manager has determined that the expected credit loss allowances of the Funds are not material.

Recognition, derecognition and measurement

Regular purchases and sales of investments are recognized on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the statements of comprehensive income.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the statements of comprehensive income.

Dividend income from financial assets at fair value through profit or loss is recognized in the statements of comprehensive income within dividend income when the Fund's right to receive payment is established.

Purchases and sales of foreign investments are translated at the exchange rates prevailing on the respective dates of such transactions. The fair values of foreign investments represent their quoted market values translated into Canadian dollars at exchange rates prevailing at year-end.

Fair value estimation

The fair value of financial assets and liabilities in active markets is based on quoted market prices at the close of trading on each valuation date. The Funds use the last traded market price for both financial assets and liabilities where the last traded price falls within the day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The cost of investments is determined on a weighted average cost basis.

If a significant event causing a material movement in fair value occurs subsequent to the close of trading up to midnight on the valuation date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Fund's valuation time that materially affects the integrity of the closing prices for any security, instrument or currency affected by that event so that they cannot be considered 'readily available' market quotations.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

2. Basis of presentation and significant accounting policies – (continued)**(v) Financial assets and financial liabilities at fair value through profit or loss – (continued)**

Fair value estimation – (continued)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Manager uses a variety of methods and makes assumptions that are based on market conditions existing at each valuation date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

(vi) Increase (decrease) in net assets attributable to holders of redeemable units/shares per unit/share

Increase (decrease) in net assets attributable to holders of redeemable units/shares per unit/share is disclosed in the statements of comprehensive income and represents the increase (decrease) in the net assets attributable to holders of redeemable units/shares for the year divided by the weighted average number of units/shares outstanding during the year.

(vii) Distributions payable to holders of redeemable units/shares

The net investment income and net realized capital gains of each of the Funds, as applicable, are paid to the unitholders/shareholders of each relevant Fund as follows: For The GBC Money Market Fund, the net investment income is distributed monthly on the last valuation day of each month. For The GBC Canadian Bond Fund, The GBC Corporate Bond Fund and The GBC Growth and Income Fund, the net investment income is distributed quarterly on the last valuation day of the quarter and net realized capital gains are distributed once a year on the last valuation day of December. For The GBC Global Balanced Fund, The GBC Canadian Growth Fund and The GBC International Growth Fund, the net investment income and net realized capital gains are distributed once a year on the last valuation day of December. For The GBC American Growth Fund Inc., proposed distributions to holders of redeemable shares in the form of dividends are recognized when they are appropriately authorized by the Board of Directors and not at the discretion of the Fund.

The distributions to holders of redeemable units/shares are recognized in the statements of changes in net assets attributable to holders of redeemable units/shares.

(viii) Taxation

The Funds are domiciled in Canada and under the current *Income Tax Act* (Canada) are not subject to tax on income, profits or capital gains or other taxes payable for the year if they allocate such gains (less capital losses carried forward) and earnings to unitholders (except for The GBC American Growth Fund Inc.).

The Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statements of comprehensive income.

Refer to Note 6 for the disclosure relating to taxation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

2. Basis of presentation and significant accounting policies – (continued)**(ix) Fair value measurement**

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

IFRS 13 - *Fair value measurement* (“IFRS 13”) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1: Valuation based on inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date.
- Level 2: Valuation based on inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Valuation based on inputs that are partially unobservable. There is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The inputs are considered as observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

Refer to Note 7 for fair value hierarchy and related disclosures.

(x) Forward contracts

Forward contracts are agreements to purchase or sell financial instruments at a specified future date. As they are not traded on an exchange, the agreements between counterparties are not standardized. Changes in value of forward contracts are settled only on termination of the contract. Open forward contracts are revalued to fair value in the statements of financial position, based on the difference between the contract rate and the applicable forward rate to close out the contract. Change in unrealized gains and losses associated with the revaluation of open forward contracts are recorded in the statements of comprehensive income as unrealized gain (loss). Forward contracts are used by The GBC Corporate Bond Fund.

3. Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Manager to make estimates, judgements and assumptions that affect the application of accounting policies and amounts recorded in the financial statements. Estimates are based on the Manager's best knowledge of current events and actions that the Funds may undertake in the future and are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

3. Accounting estimates and judgements – (continued)

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

Fair value of securities not quoted in an active market

The Funds may hold financial instruments that are not quoted in active markets. The fair value of such securities may be determined by the Manager using reputable pricing sources or indicative prices from bond/debt market makers. The Manager exercises judgement on the pricing sources used. Fair value is determined based on models that make maximum use of observable inputs and rely as little as possible on unobservable inputs. The Manager considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. When no quoted prices are available, the fair value is estimated using present value or other valuation methods, which are influenced by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates, which reflect varying degrees of risk, including liquidity risk, credit risk, and risks related to interest rates, exchange rates and price and rate volatility.

The calculation of the fair values may differ given the role that judgment plays in applying the acceptable estimation and valuation techniques. Estimated fair value reflects market conditions on a given date and for this reason cannot be representative of future fair values.

*Critical judgements**Functional currency*

The Manager considers the Canadian dollar the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions of the Funds. The Canadian dollar is the currency in which each of the Funds measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors. This determination also considers the competitive environment in which the Funds are compared to other Canadian investment products.

Classification of puttable instruments

Each of the Funds' redeemable units/shares are classified as financial liabilities to which all of its gains and losses are attributed. Each of the Funds' units/shares do not meet all the criteria under IAS 32 - *Financial Instruments: Presentation* ("IAS 32") to be classified as equity by exception.

Segmented information

Each of the Funds is organized in one main operating segment, namely the management of the Fund's investments in order to achieve the Fund's investment objective.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

3. Accounting estimates and judgements – (continued)*Unconsolidated structured entity*

The Manager has determined that the Funds' investments in underlying funds and Exchange Traded Funds ("ETF") are unconsolidated structured entities. This represents a significant judgment by the Manager and generally because decision making about the underlying funds' and ETFs' investing activities is not governed by the Funds.

IAS 7 Statement of Financial Position disclosures

IAS 7 - *Statement of Cash Flows* ("IAS 7") requires disclosures related to changes in liabilities arising from financing activities. Units/shares issued by the Funds are classified as liabilities in accordance with IAS 32. The units/shares are considered liabilities for the purposes of the IAS 7 disclosures, regardless of their classification for financial reporting purposes under IAS 32.

4. Redeemable units/shares**(i) Authorized and issued capital**

The authorized capital of the Funds consists of an unlimited number of unit or share capital which rank equally in all respects and represent a pro rata interest in the net assets of the Funds. A unit or share capital does not confer any interest in any particular asset or investment of the Fund.

The Funds' redeemable units or share capital, which are redeemable at the holder's option, are classified as financial liabilities on the statements of financial position. Redeemable units or shares can be put back into the Fund at any dealing date for cash equal to a proportionate share of the Fund's net asset value attributable to the unit or share class. The redeemable units or shares are carried at the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the unit or share back into the Fund. Quantitative information about each Funds' capital is provided in the statements of changes in financial position attributable to holders of redeemable units/shares.

The GBC American Growth Fund Inc., being a mutual fund corporation, issues shares with voting rights, whereas all the other Funds are mutual fund trusts and, therefore, issue units.

The Manager manages the capital of the Funds in accordance with the Funds' investment objectives, policies and restrictions, as outlined in the Simplified Prospectus. The Funds' overall strategies for managing capital remain unchanged from the prior year.

The Funds do not have any specific capital requirements on the subscriptions and redemptions of units/shares, other than certain minimum subscription requirements.

Further to the special meetings of holders of the Funds held on January 8, 2018, Class O Units of The GBC Canadian Bond Fund were converted into Class A Units of The GBC Canadian Bond Fund and Class O Units of The GBC International Growth Fund were converted into Class A Units of The GBC International Growth Fund and both were ceased to be distributed on January 31, 2018. Such conversion entailed the redemption, at no cost, of the outstanding Class O Units and the issuance of Class A Units.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

4. Redeemable units/shares – (continued)

(i) Authorized and issued capital – (continued)

The following is a summary of the changes in issued and outstanding units/shares:

The GBC Money Market Fund

	Dec. 31, 2019	Dec. 31, 2018
Outstanding, beginning of year	948,003.002	1,118,663.200
Issued during the year	2,217,712.131	2,224,044.787
	3,165,715.133	3,342,707.987
Redeemed during the year	1,850,494.296	2,394,704.985
Outstanding, end of year	1,315,220.837	948,003.002

The GBC Canadian Bond Fund - Class A

	Dec. 31, 2019	Dec. 31, 2018
Outstanding, beginning of year	2,980,653.442	1,957,304.178
Issued during the year	629,638.844	1,853,438.221
	3,610,292.286	3,810,742.399
Redeemed during the year	1,006,813.790	830,088.957
Outstanding, end of year	2,603,478.496	2,980,653.442

The GBC Canadian Bond Fund - Class O

	Dec. 31, 2019	Dec. 31, 2018
Outstanding, beginning of year	-	1,396,479.897
Issued during the year	-	82,786.947
	-	1,479,266.844
Redeemed during the year	-	1,479,266.844
Outstanding, end of year	-	-

The GBC Corporate Bond Fund

	Dec. 31, 2019	Dec. 31, 2018
Outstanding, beginning of year	9,186,120.138	9,396,518.923
Issued during the year	3,342,385.862	1,911,120.635
	12,528,506.000	11,307,639.558
Redeemed during the year	2,774,211.177	2,121,519.420
Outstanding, end of year	9,754,294.823	9,186,120.138

The GBC Growth and Income Fund

	Dec. 31, 2019	Dec. 31, 2018
Outstanding, beginning of year	3,620,494.922	3,715,139.549
Issued during the year	322,860.975	797,638.567
	3,943,355.897	4,512,778.116
Redeemed during the year	1,495,593.397	892,283.194
Outstanding, end of year	2,447,762.500	3,620,494.922

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

4. Redeemable units/shares – (continued)

(i) Authorized and issued capital – (continued)

The GBC Global Balanced Fund

	Dec. 31, 2019	Dec. 31, 2018
Outstanding, beginning of year	100,000.000	-
Issued during the year	4,164,849.690	100,000.000
	4,264,849.690	100,000.000
Redeemed during the year	413,994.311	-
Outstanding, end of year	3,850,855.379	100,000.000

The GBC Canadian Growth Fund

	Dec. 31, 2019	Dec. 31, 2018
Outstanding, beginning of year	4,782,335.539	5,500,976.632
Issued during the year	384,490.368	178,232.772
	5,166,825.907	5,679,209.404
Redeemed during the year	748,097.301	896,873.865
Outstanding, end of year	4,418,728.606	4,782,335.539

The GBC American Growth Fund Inc.

	Dec. 31, 2019	Dec. 31, 2018
Outstanding, beginning of year	5,156,073.241	5,435,793.715
Issued during the year	304,139.928	190,953.981
	5,460,213.169	5,626,747.696
Redeemed during the year	674,979.281	470,674.455
Outstanding, end of year	4,785,233.888	5,156,073.241

The GBC International Growth Fund - Class A

	Dec. 31, 2019	Dec. 31, 2018
Outstanding, beginning of year	6,848,362.829	4,061,198.476
Issued during the year	1,062,407.126	3,644,428.767
	7,910,769.955	7,705,627.243
Redeemed during the year	1,588,890.393	857,264.414
Outstanding, end of year	6,321,879.562	6,848,362.829

The GBC International Growth Fund - Class O

	Dec. 31, 2019	Dec. 31, 2018
Outstanding, beginning of year	-	2,151,895.915
Issued during the year	-	215,376.355
	-	2,367,272.270
Redeemed during the year	-	2,367,272.270
Outstanding, end of year	-	-

P E M B R O K E

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

4. Redeemable units/shares – (continued)

(ii) Valuation of Fund units/shares

The net asset value per unit or share (“NAVPU”) is calculated weekly as at the close of business on each Tuesday, or if any such Tuesday is not a business day, then on the next business day immediately succeeding it, and on the last business day of the month. For Funds that have only one class of units/shares, the NAVPU is determined by dividing the net assets of the Fund by the number of redeemable units/shares outstanding on the valuation date. For Funds that have more than one class of units/shares, the net assets of a particular class of units/shares is computed by calculating the value of that class’ proportionate share of the assets and liabilities common to all classes less the liabilities attributable only to that class.

A notice of redemption must be given in writing to the Manager at any of its offices in Canada. The value of the units or shares to be redeemed will be established as at the valuation date following the receipt of such notice. Within two business days following the valuation date, the Manager will pay the holder the value of the units/shares redeemed.

5. Management fees and expenses

Management fees are paid to the Manager in consideration for investment management, administrative and advisory services. Management fees are charged directly to unitholders/shareholders. Subject to the maximum fees set forth below, unitholders/shareholders 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/shares 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
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%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

5. Management fees and expenses – (continued)

The Funds pay all expenses incurred in the ordinary course of business relating to their organization, management and operations, including transaction costs on the purchase and sale of investment securities, custodial and safekeeping fees, audit fees, registrar and transfer agents' fees, filing fees, information fees, as well as legal fees relating to the distribution of units/shares of the Funds and preparation of any filings required under any securities legislation and taxes of all kinds for which the Funds are, or might be, subject to.

6. Income taxes

The Funds (except for The GBC American Growth Fund Inc.) qualify as Mutual Fund Trusts under the *Income Tax Act* (Canada). The Funds (except for The GBC American Growth Fund Inc.) are not subject to income taxes on their net taxable capital gains or their net earnings for the year if they allocate such gains (less capital losses carried forward) and earnings to unitholders. It is the intention of the Manager to allocate the taxable income of the Funds annually to unitholders so as to eliminate any income taxes otherwise payable by the individual Funds.

The GBC American Growth Fund Inc. is treated as a mutual fund corporation under the *Income Tax Act* (Canada). Income taxes on net realized capital gains are recoverable by the Fund when its capital gains are distributed to shareholders either through share redemptions or the declaration of capital gains dividends. Income taxes paid on dividends from taxable Canadian corporations may be refunded, generally at the rate of \$1 for every \$3 of taxable dividends paid.

As at December 31, 2019, certain Funds have accumulated non-capital losses and capital losses available to reduce future taxable income that can be carried forward to a maximum of 10 years for years 2004 and 2005 and 20 years for 2006 and subsequent years. Accumulated capital losses available to reduce realized capital gains in future years that can be carried forward indefinitely are as follows:

	Non-capital losses	Capital losses
For Quebec purposes:		
The GBC Canadian Bond Fund	\$ —	\$ 574,155
The GBC American Growth Fund Inc.	\$ 27,754,900	\$ —

During 2019, The GBC American Growth Fund Inc. utilized \$196,000 of non-capital losses (2018 – \$183,541). The non-capital losses expire starting in 2026 with the last loss ending in 2037. There is no deferred income tax asset recorded on the statements of financial position.

7. Financial instruments' risk management

The Funds' financial assets may principally comprise investments in equity and debt instruments, short-term investments, trade and other receivables, and/or cash and cash equivalents. Financial liabilities may comprise accrued expenses, trade and other payables. The Funds' activities expose them to a variety of financial risks that are associated with their investment strategies, financial instruments and the markets in which they invest. The level of risk depends on the Funds' investment objectives and the types of securities they invest in. The value of investments within the Funds' portfolios can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, market and company news related to specific securities within the Funds.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

7. Financial instruments' risk management – (continued)

The most important risks arising from the Funds' financial instruments include credit risk, liquidity risk and market risk (comprising interest rate risk, currency risk and other price risk). The risks and the related risk management practices employed by the Funds are summarized in the Simplified Prospectus and are discussed below.

(i) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a loss by failing to discharge its obligations. The Funds are exposed to credit risk on their debt instruments, cash and cash equivalents and other short-term trade receivables.

The Manager measures the Funds' credit risk and lifetime expected credit loss ("ECL") related to the short-term receivables using historical analysis and forward-looking information in determining the ECL.

The Funds use highly rated, well established financial institutions for cash transactions and as a result, the risk of default is considered minimal. The Funds are also exposed to credit risk with the custodian. Should the custodian become insolvent, it could cause a delay for the Funds in obtaining access to their assets.

Where a Fund invests in debt instruments, this represents the main concentration of credit risk. The fair value of debt instruments includes consideration of the credit worthiness of the issuer and represents the maximum credit risk exposure of the Fund. All transactions executed by a Fund in listed securities are settled/paid for upon delivery using approved brokers meeting minimum risk rating levels. The risk of default is considered minimal, as delivery of securities sold is only made once the Fund has received payment, and payment is made on a purchase once the securities have been received by the Fund. The trade will fail if either party fails to meet its obligation

(ii) Liquidity risk

Liquidity risk is defined as the risk that a Fund may encounter difficulties in meeting the obligations associated with its financial liabilities on time or at a reasonable price.

Each Fund is exposed to weekly and end-of-month cash redemptions of redeemable units/shares. The units/shares of each Fund are issued and redeemed on demand at the current NAV per unit/share at the option of the holder. Liquidity risk is managed by investing the majority of the Funds' assets in investments that are traded in an active market and can be readily disposed of.

Each Fund may, from time to time, invest in securities that are not traded in an active market and may be illiquid. A lack of buyer interest in a particular security may increase the level of difficulty in selling this security and, therefore, result in a loss or reduced return. Portfolio diversification and concentration limits reduce this risk.

(iii) Interest rate risk

Interest rate risk arises from the possibility that changes in market interest rates will affect future cash flows or the fair values of financial instruments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

7. Financial instruments' risk management – (continued)**(iii) Interest rate risk – (continued)**

Interest rate risk arises when a Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates.

(iv) Currency risk

Currency risk corresponds to the risk that the fair value or future cash flows of a financial instrument denominated in a currency other than the Canadian dollar will fluctuate because of changes in foreign exchange rates.

Changes in the value of the Canadian dollar relative to foreign currencies will affect the value, in Canadian dollar terms, of foreign securities held in the Funds. These fluctuations may reduce, or even eliminate, any return the Funds have earned on foreign securities. Currency exposure may increase the volatility of foreign investments relative to Canadian investments and can also affect the relative competitive position of entities whose securities are held by the Funds. It is not the Manager's policy to hedge the currency risk between the Canadian dollar and foreign currencies. Thus, the Manager does not manage currency risk.

(v) Other price risk

Other price risk corresponds to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The investments of the Funds are subject to normal market fluctuations and the risks inherent with investing in financial markets. Financial instruments held by each Fund are susceptible to market price risk arising from uncertainties about future prices of the instruments. The investment manager mitigates this risk through a careful selection of securities within the parameters of the Funds' investment strategies and through diversification of the investment portfolios. The investment manager monitors the Funds' overall market positions on a daily basis and positions are maintained within established ranges in an attempt to mitigate this risk.

Refer to Discussion of Financial Risk Management for Fund-specific risk disclosure.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Money Market Fund

Risk management

The investment objective of The GBC Money Market Fund (the "Fund") is to maximize interest income while preserving capital and maintaining liquidity.

To manage risk, the Fund invests primarily in high quality, short-term debt securities issued by the Government of Canada or any Canadian provincial government, obligations of Canadian banks and trust companies, and commercial paper with an approved credit rating.

Credit risk

As at December 31, 2019 and December 31, 2018, the Fund invested in debt instruments with the following credit ratings, representing the maximum credit risk exposure:

Debt Instruments by Credit Rating	December 31, 2019		December 31, 2018	
	\$ Fair Value	% of Net Assets	\$ Fair Value	% of Net Assets
AAA	13,137,206	99.89	9,449,207	99.67
Total	13,137,206	99.89	9,449,207	99.67

Credit ratings are obtained from Standard & Poor's Financial Services LLC, Moody's Investor Service Inc. and/or DBRS. Where more than one rating is obtained for a security, the lowest rating has been used.

Liquidity risk

The tables below analyze the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

December 31, 2019

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Redeemable units	13,152,189	-	-	13,152,189
Total	13,152,189	-	-	13,152,189

December 31, 2018

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Redeemable units	9,480,026	-	-	9,480,026
Total	9,480,026	-	-	9,480,026

Redeemable units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Money Market Fund – (continued)

Liquidity risk – (continued)

The Manager manages the Fund's liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2019 and December 31, 2018.

Interest rate risk

The Fund has minimal sensitivity to changes in interest rates since securities are usually held to maturity and tend to be short-term in nature. As at December 31, 2019 and December 31, 2018, the Fund's exposure to financial assets was as follows:

	December 31, 2019		December 31, 2018	
	\$	\$	\$	\$
	Interest bearing instruments	Non-interest bearing instruments	Interest bearing instruments	Non-interest bearing instruments
Investments	13,137,206	-	9,449,207	-
Cash	-	14,983	-	30,819

The following tables detail the Fund's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

December 31, 2019

Contractual maturities	< 1 month	1 - 3 months	3 months - 1 year	> 1 year	Total
	\$	\$	\$	\$	\$
Interest bearing instruments	-	7,353,104	5,784,102	-	13,137,206
Non-interest bearing instruments	14,983	-	-	-	14,983
Total	14,983	7,353,104	5,784,102	-	13,152,189

December 31, 2018

Contractual maturities	< 1 month	1 - 3 months	3 months - 1 year	> 1 year	Total
	\$	\$	\$	\$	\$
Interest bearing instruments	-	7,861,825	1,587,382	-	9,449,207
Non-interest bearing instruments	30,819	-	-	-	30,819
Total	30,819	7,861,825	1,587,382	-	9,480,026

Currency risk

The Fund did not have any financial instruments denominated in currencies other than the Canadian dollar. As a result, the Fund did not have any significant exposure to currency risk as at December 31, 2019 and December 31, 2018.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Money Market Fund – (continued)

Other price risk

All of the Fund's financial instruments are interest bearing. As a result, the Fund did not have any significant exposure to other price risk as at December 31, 2019 and December 31, 2018.

Concentration risk

The following table is a summary of the Fund's concentration risk of its fixed income investments by market segment.

	December 31, 2019	December 31, 2018
	%	%
Government of Canada Treasury Bills	99.89	99.67
Total	99.89	99.67

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2019 and December 31, 2018.

Fair value at December 31, 2019				
	Level 1	Level 2	Level 3	Total
Description	\$	\$	\$	
Government of Canada Treasury Bills	-	13,137,206	-	13,137,206
Total	-	13,137,206	-	13,137,206

Fair value at December 31, 2018				
	Level 1	Level 2	Level 3	Total
Description	\$	\$	\$	
Government of Canada Treasury Bills	-	9,449,207	-	9,449,207
Total	-	9,449,207	-	9,449,207

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Canadian Bond Fund

Risk management

The investment objective of The GBC Canadian Bond Fund (the “Fund”) is to provide a high level of income and some capital growth while preserving capital by investing primarily in bonds, debentures and other debt instruments of Governmental Issuers or Government-Related Issuers and corporations. The Fund must maintain a minimum allocation of at least 25% in Governmental Issuers or Government-Related Issuers with no more than 10% concentration per issuer. Foreign pay issuers are not permitted due to currency risk, though foreign issued Maple Bonds are acceptable, adding a diversification benefit. A minimum credit rating of “A” is required by all issuers to minimize credit risk.

When classifying the bonds in its portfolio, the Manager and the portfolio manager rely on the classifications from PC Bond Analytics, a business unit of the FTSE TMX Group. Although some bonds are classified as being issued by governmental issuers under such classification, it does not mean that they are actually issued by a government but rather by an issuer related to a government (provincial or federal).

Risk is mitigated by employing a Maximum Loss methodology which limits each position according to its potential impact on a portfolio’s long-term value-added. The higher the trading price of a security compared to its downside potential, the smaller the position allowed. The risk assessment allows the security’s specific features that modify its downside risk to be considered. This includes the priority of the security and quality of the issuer.

Credit risk

As at December 31, 2019 and December 31, 2018, the Fund invested in debt instruments with the following credit ratings, representing the maximum credit risk exposure:

Debt Instruments by Credit Rating	December 31, 2019		December 31, 2018	
	\$ Fair Value	% of Net Assets	\$ Fair Value	% of Net Assets
AAA	12,464,110	37.25	13,150,763	35.10
AA	6,208,635	18.55	6,860,634	18.30
A	14,188,441	42.40	15,717,608	41.89
BBB	-	-	1,175,069	3.13
Total	32,861,186	98.20	36,904,074	98.42

Credit ratings are obtained from Standard & Poor’s Financial Services LLC, Moody’s Investor Service Inc. and/or DBRS. Where more than one rating is obtained for a security, the lowest rating has been used.

Liquidity risk

The tables below analyze the Fund’s financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Canadian Bond Fund – (continued)

Liquidity risk – (continued)

December 31, 2019

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Accrued expenses	5,833	-	-	5,833
Distributions payable to unitholders	281,263	-	-	281,263
Redeemable units	33,462,077	-	-	33,462,077
Total	33,749,173	-	-	33,749,173

December 31, 2018

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Accrued expenses	5,780	-	-	5,780
Distributions payable to unitholders	346,573	-	-	346,573
Redeemable units	37,517,886	-	-	37,517,886
Total	37,870,239	-	-	37,870,239

Redeemable units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Manager manages the Fund's liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2019 and December 31, 2018.

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk as at December 31, 2019 and December 31, 2018. It includes the Fund's financial assets at their fair values, categorized by the earlier of contractual re-pricing or maturity dates.

	December 31, 2019		December 31, 2018	
	\$	\$	\$	\$
	Interest bearing instruments	Non Interest bearing instruments	Interest bearing instruments	Non Interest bearing instruments
Investments	32,861,186	-	36,904,074	-
Cash	-	598,033	-	438,143
Other assets	-	289,954	-	528,022
Liabilities	-	287,096	-	352,353

As at December 31, 2019 and December 31, 2018, had prevailing interest rates increased or decreased by 100 basis points, with all other variables remaining constant, the decrease or increase respectively in net assets would amount to approximately \$1,755,000 (2018 - \$1,718,000). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Canadian Bond Fund – (continued)

Interest rate risk – (continued)

The following tables detail the Fund's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

December 31, 2019

Contractual maturities	< 1 month \$	1 - 3 months \$	3 months - 1 year \$	> 1 year \$	Total \$
Interest bearing instruments	-	644,602	637,681	31,578,903	32,861,186
Non-interest bearing instruments	600,891	-	-	-	600,891
Total	600,891	644,602	637,681	31,578,903	33,462,077

December 31, 2018

Contractual maturities	< 1 month \$	1 - 3 months \$	3 months - 1 year \$	> 1 year \$	Total \$
Interest bearing instruments	-	-	2,433,925	34,470,149	36,904,074
Non-interest bearing instruments	613,812	-	-	-	613,812
Total	613,812	-	2,433,925	34,470,149	37,517,886

Currency risk

The Fund did not have any financial instruments denominated in a currency other than the Canadian dollar. As a result, the Fund did not have any significant exposure to currency risk as at December 31, 2019 and December 31, 2018.

Other price risk

All of the Fund's financial instruments are interest bearing. As a result, the Fund did not have any significant exposure to other price risk as at December 31, 2019 and December 31, 2018.

Concentration risk

The following table is a summary of the Fund's concentration risk of its bond investments by market segment.

Industry Sector	December 31, 2019 %	December 31, 2018 %
Canadian Governmental Issuers		
or Government-Related issuers	13.03	13.83
Canadian Corporations	37.09	53.10
Asset/Mortgaged-Backed	20.14	2.90
Foreign Governmental Issuers		
or Government-Related issuers	10.30	10.21
Foreign Corporations	17.64	18.32
Total	98.20	98.36

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Canadian Bond Fund – (continued)

Concentration risk – (continued)

As at December 31, 2019, the Fund does not hold an individual investment position greater than 9.6% (2018 – 9.8%) of the total net assets attributable to the holders of redeemable units.

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2019 and December 31, 2018.

Fair value at December 31, 2019				
Description	Level 1	Level 2	Level 3	Total
	\$	\$	\$	
Bonds	-	32,861,186	-	32,861,186
Total	-	32,861,186	-	32,861,186

Fair value at December 31, 2018				
Description	Level 1	Level 2	Level 3	Total
	\$	\$	\$	
Bonds	-	36,904,074	-	36,904,074
Total	-	36,904,074	-	36,904,074

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2019 and December 31, 2018. Securities classified as Level 2 consist of active bonds which are priced daily and are valued based on inputs other than quoted prices. Included as Level 2 are bonds with the following:

- Modeled prices where market inputs are used;
- Fixed income prices where spreads, yields and other recognized valuation techniques are used; and
- Vendor generated fair value factors.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Corporate Bond Fund

Risk management

The investment objective of The GBC Corporate Bond Fund (the “Fund”) is to achieve above-average income returns through a diversified portfolio composed primarily of fixed income securities of corporate entities anywhere in the world.

In selecting investments for the Fund, the portfolio manager takes a “bottom up” approach to portfolio construction focusing on security selection and then adjusting the portfolio to stay within its duration and term targets. The exposure to credit risk depends on the phase of the credit cycle and the bottom up valuation of individual securities. With respect to any corporate, municipal or other issuer, the Fund may invest a maximum of 10% of its assets in any issuer rated BBB or above, a maximum of 8% of its assets in any issuer rated BB and a maximum of 5% in any issuer rated below BB. For the purposes of determining the rating of securities in which the Fund invests, the portfolio manager relies on the classifications from PC Bond Analytics, a business unit of the FTSE TMX Group.

The Fund may utilize forward currency contracts and related options, purchase and sell options on currencies or securities to hedge against fluctuations caused by changes in currency exchange rates.

Credit risk

As at December 31, 2019 and December 31, 2018, the Fund invested in debt instruments with the following credit ratings, representing the maximum credit risk exposure:

Debt Instruments by Credit Rating	December 31, 2019		December 31, 2018	
	\$ Fair Value	% of Net Assets	\$ Fair Value	% of Net Assets
AAA	41,997,796	33.57	36,657,925	31.90
AA	1,562,849	1.25	6,462,468	5.60
A	14,956,586	11.96	14,877,447	13.00
BBB	42,922,000	34.31	37,692,138	32.80
BB	8,489,430	6.79	9,344,060	8.10
B	7,926,602	6.34	3,793,347	3.30
Below B	-	-	566,164	0.50
Not rated	4,742,322	3.79	3,074,665	2.70
Total	122,597,585	98.01	112,468,214	97.90

Credit ratings are obtained from Standard & Poor’s Financial Services LLC, Moody’s Investor Service Inc. and/or DBRS. Where more than one rating is obtained for a security, the lowest rating has been used.

Liquidity risk

The tables below analyze the Fund’s financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Corporate Bond Fund – (continued)

Liquidity risk – (continued)

December 31, 2019

Financial liabilities	< 7 days	7 days - 3 months	3 months - 1 year	Total
	\$	\$	\$	\$
Accrued expenses	6,688	-	-	6,688
Distributions payable to unitholders	874,103	-	-	874,103
Redeemable units	125,103,081	-	-	125,103,081
Total	125,983,872	-	-	125,983,872

December 31, 2018

Financial liabilities	< 7 days	7 days - 3 months	3 months - 1 year	Total
	\$	\$	\$	\$
Accrued expenses	6,580	-	-	6,580
Distributions payable to unitholders	958,540	-	-	958,540
Foreign exchange forward contract	-	520,112	-	520,112
Redeemable units	114,815,629	-	-	114,815,629
Total	115,780,749	520,112	-	116,300,861

Redeemable units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Manager manages the Fund's liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2019 and December 31, 2018.

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk as at December 31, 2019 and December 31, 2018. It includes the Fund's financial assets at their fair values, categorized by the earlier of contractual re-pricing or maturity dates.

	December 31, 2019		December 31, 2018	
	\$	\$	\$	\$
	Interest bearing instruments	Non Interest bearing instruments	Interest bearing instruments	Non Interest bearing instruments
Investments	122,597,585	2,156,851	112,468,214	1,868,302
Cash	-	236,129	-	1,311,418
Other assets	-	993,307	-	652,927
Liabilities	-	880,791	-	1,485,232

As at December 31, 2019 and December 31, 2018, had prevailing interest rates increased or decreased by 100 basis points, with all other variables remaining constant, the decrease or increase in net assets would amount to approximately \$1,459,000 (December 31, 2018 - \$1,486,000). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Corporate Bond Fund – (continued)

Interest rate risk – (continued)

The following tables detail the Fund's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

December 31, 2019

Contractual maturities	< 1 month \$	1 - 3 months \$	3 months - 1 year \$	> 1 year \$	Total \$
Interest bearing instruments	1,607,054	607,457	13,754,526	106,628,548	122,597,585
Non-interest bearing instruments	2,505,496	-	-	-	2,505,496
Total	4,112,550	607,457	13,754,526	106,628,548	125,103,081

December 31, 2018

Contractual maturities	< 1 month \$	1 - 3 months \$	3 months - 1 year \$	> 1 year \$	Total \$
Interest bearing instruments	-	1,311,521	10,064,566	101,092,127	112,468,214
Non-interest bearing instruments	2,347,415	-	-	-	2,347,415
Total	2,347,415	1,311,521	10,064,566	101,092,127	114,815,629

Currency risk

The tables below indicate the foreign currency to which the Fund had significant exposure at December 31, 2019 and December 31, 2018, in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

December 31, 2019

Currency Exposure	Fair Value \$	% of Net Assets	Impact on net assets \$	%
US Dollar	111,346	0.1	11,135	-
Corporate Bonds - US Dollar	23,419,207	18.7	2,341,921	1.9
Total	23,530,553	18.8	2,353,056	1.9

December 31, 2018

Currency Exposure	Fair Value \$	% of Net Assets	Impact on net assets \$	%
US Dollar	6,806	-	681	-
Corporate Bonds - US Dollar	25,013,588	21.8	2,501,359	2.2
Total	25,020,394	21.8	2,502,040	2.2

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Corporate Bond Fund – (continued)

Other price risk

The majority of the Fund's financial instruments are interest bearing. As a result, the Fund did not have any direct significant exposure to other price risk as at December 31, 2019 and December 31, 2018.

Concentration risk

The following table is a summary of the Fund's concentration risk of its investments by market segment.

Industry Sector	December 31, 2019	December 31, 2018
	%	%
Government of Canada Treasury Bills	1.28	-
Canadian Corporate Bonds	52.67	60.08
Canadian Corporate Bonds - Denominated in US Dollar	4.64	6.49
Asset/Mortgage-Backed	14.49	6.07
Foreign Corporate Bonds - denominated in Canadian Dollar	6.20	10.02
Foreign Corporate Bonds - denominated in US Dollar	18.72	15.29
Equities - Canadian	1.72	1.63
Total	99.72	99.58

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

As at December 31, 2019, the Fund does not hold an individual investment position greater than 8.9% (December 31, 2018 – 10.1%) of the total net assets attributable to the holders of redeemable units.

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2019 and December 31, 2018.

Description	Fair value at December 31, 2019			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	
Government of Canada Treasury Bills	-	1,607,054	-	1,607,054
Equity investments	478,851	-	1,678,000	2,156,851
Bonds	-	120,059,466	931,065	120,990,531
Foreign exchange forward contract	-	349,925	-	349,925
Total	478,851	122,016,445	2,609,065	125,104,361

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Corporate Bond Fund – (continued)

Fair value disclosure – (continued)

Description	Fair value at December 31, 2018			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	
Equity investments	303,302	-	1,565,000	1,868,302
Bonds	1,637,398	107,516,825	3,313,991	112,468,214
Foreign exchange forward contract	-	(520,112)	-	(520,112)
Total	1,940,700	106,996,713	4,878,991	113,816,404

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2019 and December 31, 2018. Securities classified as Level 2 consist of active bonds which are priced daily and are valued based on inputs other than quoted prices. Included as Level 2 are bonds with the following:

- Modeled prices where market inputs are used;
- Fixed income prices where spreads, yields and other recognized valuation techniques are used; and
- Vendor generated fair value factors.

Bonds classified as Level 3 in 2018 were transferred to Level 2 during the year ended 2019 as the inputs used in the valuation of the bonds became observable.

The following is a reconciliation of Level 3 fair value measurements:

Bonds	2019	2018
	\$	\$
Balance as at beginning of the year	4,878,991	4,030,777
Realized gain/(loss)	2,747	116,028
Change in unrealized appreciation (depreciation)	(50,807)	55,712
Purchases	113,039	1,565,000
Sales	(639,548)	(1,667,121)
Transfers in and/or out of Level 3	(1,695,357)	778,595
Balance as at end of the year	2,609,065	4,878,991

The following sections provides information regarding 2019 Level 3 securities. It includes a summary of the valuation techniques used and the sensitivity of the fair value of these securities to changes in input values.

BZ Holdings, 3%, May 22, 2022

- Price: \$100.00 US; Fair Value: \$931,065
- Valuation Technique: internally developed model using a combination of three techniques:
 - 1) discounted value of expected cash flows
 - 2) relative value
 - 3) option pricing methodologies
 The output of the model is compared to recent private placement funding rounds to confirm its reasonability.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Corporate Bond Fund – (continued)

Fair value disclosure – (continued)

BZ Holdings, 3%, May 22, 2022 – (continued)

- Unobservable Inputs: The primary unobservable inputs for this security include audited financial data, recent private offering valuation multiples of competitors, and the liquidation preference rights held by preferred shareholders.
- Change in input values: A reasonably possible change in the key inputs to the model could result in an increase or decrease of 9%, or an increase or decrease in the security price of \$9.00.

ClearStream Energy Services, Preferred Shares

- Price: \$1,000.00; Fair Value: \$ 1,565,000
- Valuation Technique: The private placement financing technique
- Unobservable Inputs: The last transacted price unless there is a material subsequent event that warrants a review. The preferred shares were issued on January 16, 2018 at \$1,000. There have been no subsequent material events affecting value.
- Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$300.

ClearStream Energy Services, Preferred Shares, Series 2

- Price: \$1,000.00; Fair Value: \$ 113,000
- Valuation Technique: The private placement financing technique
- Unobservable Inputs: The last transacted price unless there is a material subsequent event that warrants a review. The preferred shares were issued on June 27, 2019 at \$1,000. There have been no subsequent material events affecting value.
- Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$300.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Growth and Income Fund

Risk management

The investment objective of The GBC Growth and Income Fund (the “Fund”) is to provide investors with a reasonable balance between long-term capital growth and income to diversify risk. The Fund invests primarily in equities, bonds and other marketable securities. The Fund may make these investments directly or by purchasing units of The GBC Canadian Bond Fund and/or of The GBC International Growth Fund.

Risk is mitigated by employing professional, experienced portfolio advisors, by daily monitoring of the Fund’s positions and market events, and by diversifying the investment portfolio through investing in different companies and across multiple industry sectors within the constraints of the Fund’s investment objective.

Credit risk

As at December 31, 2019 and December 31, 2018, the Fund invested in debt instruments through its holding of units of The GBC Canadian Bond Fund which invested in debt securities with the following credit ratings, representing the maximum credit risk exposure:

Debt Instruments by Credit Rating	December 31, 2019		December 31, 2018	
	\$ Fair Value	% of Net Assets	\$ Fair Value	% of Net Assets
AAA	3,628,063	11.07	4,969,433	11.49
AA	1,807,214	5.51	2,592,508	5.99
A	4,129,983	12.60	5,939,397	13.73
BBB	-	-	444,037	1.03
Total	9,565,260	29.18	13,945,376	32.24

Credit ratings are obtained from Standard & Poor’s Financial Services LLC, Moody’s Investor Service Inc. and/or DBRS. Where more than one rating is obtained for a security, the lowest rating has been used.

Liquidity risk

The tables below analyze the Fund’s financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

December 31, 2019

Financial liabilities	< 7 days	7 days - 3 months	3 months - 1 year	Total
	\$	\$	\$	\$
Accrued expenses	4,677	-	-	4,677
Distributions payable to unitholders	253,899	-	-	253,899
Redeemable units	32,788,574	-	-	32,788,574
Total	33,047,150	-	-	33,047,150

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Growth and Income Fund – (continued)

Liquidity risk – (continued)

December 31, 2018

Financial liabilities	< 7 days	7 days - 3 months	3 months - 1 year	Total
	\$	\$	\$	\$
Accrued expenses	4,703	-	-	4,703
Distributions payable to unitholders	594,851	-	-	594,851
Redeemable units	43,257,289	-	-	43,257,289
Total	43,856,843	-	-	43,856,843

Redeemable units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Manager manages the Fund's liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2019 and December 31, 2018.

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk as at December 31, 2019 and December 31, 2018, as a result of its holding of units of The GBC Canadian Bond Fund. The Fund's financial assets and liabilities have been included at their fair values, categorized by the earlier of contractual re-pricing or maturity dates.

	December 31, 2019		December 31, 2018	
	\$	\$	\$	\$
	Interest bearing instruments	Non-interest bearing instruments	Interest bearing instruments	Non-interest bearing instruments
Investments	9,565,260	22,771,927	13,945,376	28,549,027
Cash	-	593,488	-	1,061,515
Other assets	-	116,475	-	300,925
Liabilities	-	258,576	-	599,554

As at December 31, 2019 and December 31, 2018, had prevailing interest rates increased or decreased by 100 basis points, with all other variables remaining constant, the decrease or increase respectively in net assets would amount to approximately \$511,000 (2018 – \$649,000). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Growth and Income Fund – (continued)

Interest rate risk – (continued)

The following tables detail the Fund's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

December 31, 2019

Contractual maturities	< 1 month \$	1 - 3 months \$	3 months - 1 year \$	> 1 year \$	Total \$
Interest bearing instruments	-	187,631	185,617	9,192,012	9,565,260
Non-interest bearing instruments	23,223,314	-	-	-	23,223,314
Total	23,223,314	187,631	185,617	9,192,012	32,788,574

December 31, 2018

Contractual maturities	< 1 month \$	1 - 3 months \$	3 months - 1 year \$	> 1 year \$	Total \$
Interest bearing instruments	-	-	919,736	13,025,640	13,945,376
Non-interest bearing instruments	29,311,913	-	-	-	29,311,913
Total	29,311,913	-	919,736	13,025,640	43,257,289

Currency risk

The tables below indicate the foreign currency to which the Fund had significant exposure at December 31, 2019 and December 31, 2018, in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

December 31, 2019

Currency Exposure	Fair Value \$	% of Net Assets	Impact on net assets \$	%
US Dollar	111,346	0.3	11,135	-
US Investments	1,509,202	4.6	150,920	0.5
Total	1,620,548	4.9	162,055	0.5

December 31, 2018

Currency Exposure	Fair Value \$	% of Net Assets	Impact on net assets \$	%
US Dollar	91,845	0.2	9,185	-
US Investments	1,986,915	4.6	198,692	0.5
Total	2,078,760	4.8	207,877	0.5

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Growth and Income Fund – (continued)

Other price risk

The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of these financial instruments. The tables below indicate the financial instruments to which the Fund had significant market exposure at December 31, 2019 and December 31, 2018. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if equity markets had strengthened or weakened by 10%, with all other variables held constant:

December 31, 2019

Market Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
Investments	22,771,927	69.5	2,277,193	6.9

December 31, 2018

Market Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
Investments	28,549,027	66.0	2,854,903	6.6

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Concentration risk

The following table is a summary of the Fund's concentration risk of its equity investments by market segment.

Industry Sector	December 31, 2019	December 31, 2018
	%	%
Mutual Funds - Bonds	29.17	32.24
Communication Services	1.63	1.66
Consumer Discretionary	11.94	13.95
Consumer Staples	1.87	3.59
Energy	1.71	1.81
Financials	15.70	11.11
Health Care	0.27	-
Industrials	8.51	14.28
Information Technology	13.15	8.62
Materials	3.68	2.76
Real Estate	10.99	8.22
Utilities	-	-
Total	98.62	98.24

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

As at December 31, 2019, other than its investment in The GBC Canadian Bond Fund of 29.17% (32.24% as at December 31, 2018), the Fund does not hold an individual investment position greater than 3.7% (December 31, 2018 – 3.1%) of the total net assets attributable to the holders of redeemable units.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Growth and Income Fund – (continued)

Concentration risk – (continued)

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2019 and December 31, 2018.

Fair value at December 31, 2019				
Description	Level 1	Level 2	Level 3	Total
	\$	\$	\$	
Equity investments	22,771,927	-	-	22,771,927
Bond Mutual Fund	-	9,565,260	-	9,565,260
Total	22,771,927	9,565,260	-	32,337,187

Fair value at December 31, 2018				
Description	Level 1	Level 2	Level 3	Total
	\$	\$	\$	
Equity investments	28,549,027	-	-	28,549,027
Bond Mutual Fund	-	13,945,376	-	13,945,376
Total	28,549,027	13,945,376	-	42,494,403

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Global Balanced Fund

Risk management

The investment objective of The GBC Global Balanced Fund is to provide investors with long-term capital growth and income while minimizing risk through the diversification of assets, geographies and market capitalization. This involves investing in units of public equity funds and units of fixed income funds including units of equity exchanged traded funds.

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. The equity funds and fixed income funds to compose the Fund's portfolio will include a selection of exchange traded funds based on liquidity, fees and the makeup of underlying holdings. Occasionally, when appropriate, the Fund may also invest in individual securities to be selected by the manager and may also invest up to 10% of its asset in cash or cash equivalent securities.

When investing, the managers will target an asset allocation that will represent not more than 30% of the assets invested a single fund and not more than 7% of the assets invested in a single security. The Fund will neither invest more than 25% of its assets in Canadian equity funds or in US equity funds or more than 20% of its assets in international equity funds for a global limit of 70% of its assets to be invested in equity funds and 30% in fixed income funds. Outside these limits, a rebalancing of the investments will occur.

Credit risk

As at December 31, 2019 and December 31, 2018, the Fund invested in debt instruments through its holding of units of The GBC Canadian Bond Fund and The GBC Corporate Bond Fund which invested in debt securities with the following credit ratings, representing the maximum credit risk exposure:

Debt Instruments by Credit Rating	December 31, 2019		December 31, 2018	
	\$ Fair Value	% of Net Assets	\$ Fair Value	% of Net Assets
AAA	4,267,085	10.45	96,600	10.51
AA	490,831	1.20	23,212	2.52
A	2,083,141	5.10	53,332	5.80
BBB	3,624,728	8.88	82,522	8.98
BB	716,925	1.76	20,061	2.18
B	669,395	1.64	8,144	0.89
Below B	-	-	1,216	0.13
Not rated	400,485	0.98	6,601	0.72
Total	12,252,590	30.01	291,688	31.73

Credit ratings are obtained from Standard & Poor's Financial Services LLC, Moody's Investor Service Inc. and/or DBRS. Where more than one rating is obtained for a security, the lowest rating has been used.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Global Balanced Fund – (continued)

Liquidity risk

The tables below analyze the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

December 31, 2019

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Distributions payable to unitholders	525,307	-	-	525,307
Due to brokers for investment securities purchased	344,000	-	-	344,000
Redeemable units	40,825,841	-	-	40,825,841
Total	41,695,148	-	-	41,695,148

December 31, 2018

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Accrued expenses	1,755	-	-	1,755
Distributions payable to unitholders	27,491	-	-	27,491
HST payable	236	-	-	236
Redeemable units	919,383	-	-	919,383
Total	948,865	-	-	948,865

Redeemable units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Manager manages the Fund's liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2019 and December 31, 2018.

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk as at December 31, 2019 and December 31, 2018.

	December 31, 2019		December 31, 2018	
	\$	\$	\$	\$
	Interest bearing instruments	Non Interest bearing instruments	Interest bearing instruments	Non Interest bearing instruments
Investments	12,252,590	28,482,789	291,688	631,415
Cash	-	946,763	-	1,015
Other assets	-	13,006	-	24,747
Liabilities	-	869,307	-	29,482

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Global Balanced Fund – (continued)

Interest rate risk – (continued)

As at December 31, 2019, had prevailing interest rates increased or decreased by 100 basis points, with all other variables remaining constant, the decrease or increase in net assets would amount to approximately \$225,000 (December 31, 2018 - \$5,500). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

The following tables detail the Fund's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

December 31, 2019

Contractual maturities	< 1 month	1 - 3 months	3 months - 1 year	> 1 year	Total
	\$	\$	\$	\$	\$
Interest bearing instruments	135,714	88,556	1,198,415	10,829,904	12,252,590
Non-interest bearing instruments	28,573,251	-	-	-	28,573,251
Total	28,708,965	88,556	1,198,415	10,829,904	40,825,841

December 31, 2018

Contractual maturities	< 1 month	1 - 3 months	3 months - 1 year	> 1 year	Total
	\$	\$	\$	\$	\$
Interest bearing instruments	-	2,816	24,921	263,952	291,688
Non-interest bearing instruments	627,695	-	-	-	627,695
Total	627,695	2,816	24,921	263,952	919,383

Currency risk

The table below indicates the foreign currency to which the Fund had significant exposure at December 31, 2019, in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to the holders of redeemable shares if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

December 31, 2019

Currency Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
US Dollar	223,960	0.5	22,396	0.1
US Investments	326,373	0.8	32,637	0.1
Total	550,333	1.3	55,033	0.2

As at December 31, 2018, the Fund did not have any financial instruments denominated in a currency other than the Canadian dollar. As a result, the Fund did not have any significant exposure to currency risk as at December 31, 2018.

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Global Balanced Fund – (continued)

Other price risk

The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of these financial instruments. The tables below indicate the financial instruments to which the Fund had significant market exposure at December 31, 2019 and December 31, 2018. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if equity markets had strengthened or weakened by 10%, with all other variables held constant.

December 31, 2019

Market Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
Investments	28,482,789	69.8	2,848,279	7.0

December 31, 2018

Market Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
Investments	923,103	100.4	92,310	10.0

Concentration risk

The following table is a summary of the Fund's concentration risk of its investments by market segment.

Industry Sector	December 31, 2019	December 31, 2018
	%	%
Mutual Funds - Bonds	30.01	5.47
Mutual Funds - Equities	37.77	28.22
Pooled Funds - Bonds	-	26.26
Pooled Funds - Equities	-	40.46
Exchange Traded Funds	20.15	-
Communication Services	0.30	-
Consumer Discretionary	1.90	-
Consumer Staples	0.33	-
Energy	0.30	-
Financials	2.72	-
Health Care	0.05	-
Industrials	1.44	-
Information Technology	2.15	-
Materials	0.63	-
Real Estate	2.03	-
Utilities	-	-
Total	99.78	100.41

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Global Balanced Fund – (continued)

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2019 and December 31, 2018.

Fair value at December 31, 2019

Description	Level 1	Level 2	Level 3	Total
	\$	\$	\$	
Bond Mutual Funds	-	12,252,590	-	12,252,590
Equity Mutual Funds	15,421,680	-	-	15,421,680
Exchange Traded Funds	8,225,099	-	-	8,225,099
Equity investments	4,836,010	-	-	4,836,010
Total	28,482,789	12,252,590	-	40,735,379

Fair value at December 31, 2018

Description	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Bond Mutual Funds	-	50,225	-	50,225
Bond Pooled Funds	-	241,463	-	241,463
Equity Mutual Funds	259,430	-	-	259,430
Equity Pooled Funds	-	371,985	-	371,985
Total	259,430	663,673	-	923,103

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Canadian Growth Fund

Risk management

The investment objective of The GBC Canadian Growth Fund (the "Fund") is to provide long-term growth through capital appreciation by investing primarily in small to mid-size Canadian companies judged to have above-average growth potential or to be undervalued.

Risk is mitigated by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, and by diversifying the investment portfolio through investing in different companies and across multiple industry sectors within the constraints of the Fund's investment objective.

Credit risk

As at December 31, 2019 and December 31, 2018, the Fund did not have any significant investments in debt instruments and, therefore, the Fund has no significant direct exposure to credit risk.

Liquidity risk

The tables below analyze the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

December 31, 2019

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Distributions payable to unitholders	637,120	-	-	637,120
Due to brokers for investment				
securities purchased	9,518	-	-	9,518
HST payable	2,774	-	-	2,774
Redeemable units	292,304,749	-	-	292,304,749
Total	292,954,161	-	-	292,954,161

December 31, 2018

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Distributions payable to unitholders	217,734	-	-	217,734
Due to brokers for investment				
securities purchased	6,638,971	-	-	6,638,971
Redeemable units	262,188,734	-	-	262,188,734
Total	269,045,439	-	-	269,045,439

Redeemable units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Canadian Growth Fund – (continued)

Liquidity risk – (continued)

The Manager manages the Fund's liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2019 and December 31, 2018.

Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund was not subject to a significant amount of direct interest rate risk as at December 31, 2019 and December 31, 2018.

Currency risk

The Fund did not have any significant financial instruments denominated in currencies other than the Canadian dollar. As a result, the Fund did not have any significant exposure to currency risk as at December 31, 2019 and December 31, 2018.

Other price risk

The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of these financial instruments. The tables below indicate the financial instruments to which the Fund had significant market exposure at December 31, 2019 and December 31, 2018. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if equity markets had strengthened or weakened by 10%, with all other variables held constant:

December 31, 2019

	Fair Value	% of	Impact on net assets	
Market Exposure	\$	Net Assets	\$	%
Investments	285,046,970	97.5	28,504,697	9.8

December 31, 2018

	Fair Value	% of	Impact on net assets	
Market Exposure	\$	Net Assets	\$	%
Investments	256,202,707	97.7	25,620,271	9.8

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Canadian Growth Fund – (continued)

Concentration risk

The following table is a summary of the Fund's concentration risk of its equity investments by market segment.

Industry Sector	December 31, 2019	December 31, 2018
	%	%
Communication Services	4.35	3.49
Consumer Discretionary	17.06	12.35
Consumer Staples	2.16	2.79
Energy	4.66	10.33
Financials	16.51	13.00
Health Care	0.38	1.22
Industrials	11.41	18.82
Information Technology	24.76	23.81
Materials	5.06	4.40
Real Estate	11.17	7.51
Utilities	-	-
Total	97.52	97.72

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

As at December 31, 2019, the Fund does not hold an individual investment position greater than 4.4% (2018 – 6.0%) of the total net assets attributable to the holders of redeemable units.

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2019 and December 31, 2018.

Fair value at December 31, 2019				
Description	Level 1	Level 2	Level 3	Total
	\$	\$	\$	
Equity investments	285,046,970	-	-	285,046,970
Total	285,046,970	-	-	285,046,970

Fair value at December 31, 2018				
Description	Level 1	Level 2	Level 3	Total
	\$	\$	\$	
Equity investments	255,740,809	461,898	-	256,202,707
Total	255,740,809	461,898	-	256,202,707

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC Canadian Growth Fund – (continued)

Fair value disclosure – (continued)

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

Level 2 securities for the year ended December 31, 2019 (\$nil) and December 31, 2018 (\$461,898) consist of Helius Medical Technologies Warrants that do not trade on a public exchange. The warrants are valued by the Manager using the Black Scholes model. They are convertible on a one-for-one basis to common shares until 2021:

December 31, 2019

Issuance date	Number issued	Expiry date	Exercise price \$	Adjusted Volatility
11-Apr-18	105,940	10-Apr-21	12.25	50.00%

December 31, 2018

Issuance date	Number issued	Expiry date	Exercise price \$	Adjusted Volatility
11-Apr-18	105,940	10-Apr-21	12.25	52.39%

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC American Growth Fund Inc.

Risk management

The investment objective of The GBC American Growth Fund Inc. (the "Fund") is to provide long-term growth through capital appreciation by investing primarily in smaller US companies judged to have above-average growth potential or to be undervalued.

Risk is mitigated by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, and by diversifying the investment portfolio through investing in different companies and across multiple industry sectors within the constraints of the Fund's investment objective.

Credit risk

As at December 31, 2019 and December 31, 2018, the Fund did not have any significant investments in debt instruments and, therefore, the Fund has no significant direct exposure to credit risk.

Liquidity risk

The tables below analyze the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

December 31, 2019

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Accrued expenses	-	-	30,866	30,866
Redeemable shares	187,291,532	-	-	187,291,532
Total	187,291,532	-	30,866	187,322,398

December 31, 2018

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Accrued expenses	-	-	32,027	32,027
Due to brokers for investment securities purchased	147,848	-	-	147,848
Redeemable shares	176,027,868	-	-	176,027,868
Total	176,175,716	-	32,027	176,207,743

Redeemable shares are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Manager manages the Fund's liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2019 and December 31, 2018.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC American Growth Fund Inc. – (continued)

Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund was not subject to a significant amount of direct interest rate risk as at December 31, 2019 and December 31, 2018.

Currency risk

The tables below indicate the foreign currency to which the Fund had significant exposure at December 31, 2019 and December 31, 2018, in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable shares if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

December 31, 2019

Currency Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
US Dollar	1,689,889	0.9	168,989	0.1
US Investments	176,862,654	94.4	17,686,265	9.4
Total	178,552,543	95.3	17,855,254	9.5

December 31, 2018

Currency Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
US Dollar	1,094,914	0.6	109,491	0.1
US Investments	168,249,075	95.6	16,824,908	9.6
Total	169,343,989	96.2	16,934,399	9.7

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Other price risk

The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of these financial instruments. The tables below indicate the financial instruments to which the Fund had significant market exposure at December 31, 2019 and December 31, 2018. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable shares if equity markets had strengthened or weakened by 10%, with all other variables held constant.

December 31, 2019

Market Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
Investments	176,862,654	94.4	17,686,265	9.4

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC American Growth Fund Inc. – (continued)

Other price risk – (continued)

December 31, 2018

Market Exposure	Fair Value \$	% of Net Assets	Impact on net assets \$	%
Investments	168,249,075	95.6	16,824,908	9.6

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Concentration risk

The following table is a summary of the Fund's concentration risk of its equity investments by market segment.

Industry Sector	December 31, 2019 %	December 31, 2018 %
Communication Services	3.73	6.00
Consumer Discretionary	14.02	10.65
Consumer Staples	1.59	2.95
Energy	-	-
Financials	10.09	12.59
Health Care	15.53	17.87
Industrials	21.85	17.86
Information Technology	27.62	27.66
Materials	-	-
Real Estate	-	-
Utilities	-	-
Total	94.43	95.58

The percentages shown are a percentage of net assets attributable to the holders of redeemable shares.

As at December 31, 2019, the Fund does not hold an individual investment position greater than 3.8% (2018 – 4.5%) of the total net assets attributable to the holders of redeemable shares.

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC American Growth Fund Inc. - (continued)

Fair value disclosure – (continued)

The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2019 and December 31, 2018.

Fair value at December 31, 2019				
Description	Level 1	Level 2	Level 3	Total
	\$	\$	\$	
Equity investments	176,862,654	-	-	176,862,654
Total	176,862,654	-	-	176,862,654

Fair value at December 31, 2018				
Description	Level 1	Level 2	Level 3	Total
	\$	\$	\$	
Equity investments	168,249,075	-	-	168,249,075
Total	168,249,075	-	-	168,249,075

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC International Growth Fund

Risk management

The investment objective of The GBC International Growth Fund (the "Fund") is to provide long-term growth through capital appreciation by investing primarily in a diversified portfolio of small to mid-size foreign companies located outside of the United States.

Risk is mitigated by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, and by diversifying the investment portfolio amongst geographic sectors, capitalization and individual securities. Risk is further managed through individual position size limitations based upon capitalization. These position sizes are adjusted for outlooks in any one company, which is measured through team discussions that occur daily and in comparison, to the growth opportunities in other security names and potential purchases. A model portfolio framework is used.

Credit risk

As at December 31, 2019 and December 31, 2018, the Fund did not have any significant investments in debt instruments and, therefore, the Fund has no significant direct exposure to credit risk.

Liquidity risk

The tables below analyze the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

December 31, 2019

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Accrued expenses	33,052	-	-	33,052
Distributions payable to unitholders	3,062,110	-	-	3,062,110
Due to brokers for investment securities purchased	234,100	-	-	234,100
Redeemable units	185,985,192	-	-	185,985,192
Total	189,314,454	-	-	189,314,454

December 31, 2018

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Accrued expenses	33,562	-	-	33,562
Distributions payable to unitholders	11,005,586	-	-	11,005,586
Due to brokers for investment securities purchased	152,757	-	-	152,757
Redeemable units	160,278,525	-	-	160,278,525
Total	171,470,430	-	-	171,470,430

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC International Growth Fund – (continued)

Liquidity risk – (continued)

Redeemable units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Manager manages the Fund's liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2019 and December 31, 2018.

Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund was not subject to a significant amount of direct interest rate risk as at December 31, 2019 and December 31, 2018.

Price risk

The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of these financial instruments. The tables below indicate the financial instruments to which the Fund had significant market exposure at December 31, 2019 and December 31, 2018. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if equity markets had strengthened or weakened by 10%, with all other variables held constant:

December 31, 2019

	Fair Value	% of	Impact on net assets	
Market Exposure	\$	Net Assets	\$	%
Investments	183,533,372	98.7	18,353,337	9.9

December 31, 2018

	Fair Value	% of	Impact on net assets	
Market Exposure	\$	Net Assets	\$	%
Investments	158,845,864	99.1	15,884,586	9.9

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC International Growth Fund – (continued)

Currency risk

The tables below indicate the foreign currencies to which the Fund had significant exposure at December 31, 2019 and December 31, 2018, in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

December 31, 2019

Currency Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
Currency				
Indian Rupee	132,160	0.1	13,216	-
Singapore Dollar	69,126	-	6,913	-
Israeli Shekel	27,688	-	2,769	-
US Dollar	66	-	7	-
Investments				
U.K. Pound sterling	36,866,088	19.8	3,686,609	2.0
Euro	33,555,392	18.0	3,355,539	1.8
Japanese yen	29,604,634	15.9	2,960,463	1.6
Swedish Krona	19,070,164	10.3	1,907,016	1.0
US Dollar	9,892,761	5.3	989,276	0.5
Swiss Franc	9,634,776	5.2	963,478	0.5
New Taiwan Dollar	7,973,746	4.3	797,375	0.4
Danish Krone	5,679,005	3.1	567,901	0.3
Hong Kong Dollar	4,466,824	2.4	446,682	0.2
New Zealand dollar	3,661,193	2.0	366,119	0.2
Brazilian Real	3,408,887	1.8	340,889	0.2
South African Rand	3,224,213	1.7	322,421	0.2
Australian Dollar	3,093,356	1.7	309,336	0.2
Indian Rupee	2,732,690	1.5	273,269	0.1
Israeli Shekel	2,545,508	1.4	254,551	0.1
Norwegian Krone	2,458,551	1.3	245,855	0.1
Mexican Peso	1,740,420	0.9	174,042	0.1
Thai Baht	1,600,520	0.9	160,052	0.1
Singapore Dollar	1,061,387	0.6	106,139	0.1
South Korean won	632,545	0.3	63,255	-
Indonesian Rupiah	630,712	0.3	63,071	-
Total	183,762,412	98.8	18,376,243	9.7

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC International Growth Fund – (continued)

Currency risk – (continued)

December 31, 2018

Currency Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
Currency				
Euro	152,774	0.1	15,277	-
Brazilian Real	8,371	-	837	-
US Dollar	3,351	-	335	-
Investments				
Japanese yen	30,056,223	18.8	3,005,622	1.9
U.K. Pound sterling	29,998,085	18.7	2,999,809	1.9
Euro	29,310,050	18.3	2,931,005	1.8
Swedish Krona	9,782,558	6.1	978,256	0.6
Australian Dollar	9,318,098	5.8	931,810	0.6
Hong Kong Dollar	6,870,443	4.3	687,044	0.4
US Dollar	6,151,452	3.8	615,145	0.4
South African Rand	5,001,179	3.1	500,118	0.3
New Zealand Dollar	4,260,656	2.7	426,066	0.3
Danish Krone	3,887,772	2.4	388,777	0.2
New Taiwan Dollar	3,725,257	2.3	372,526	0.2
Brazilian Real	3,416,874	2.1	341,687	0.2
Swiss Franc	3,392,068	2.1	339,207	0.2
Hungarian Forint	2,868,805	1.8	286,881	0.2
Israeli Shekel	2,318,732	1.5	231,873	0.1
Norwegian Krone	2,131,534	1.3	213,153	0.1
Indian Rupee	1,931,982	1.2	193,198	0.1
Singapore Dollar	1,774,087	1.1	177,409	0.1
Thai Baht	1,718,651	1.1	171,865	0.1
Mexican Peso	931,358	0.6	93,136	0.1
Total	159,010,360	99.2	15,901,036	9.8

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC International Growth Fund – (continued)

Concentration risk

The following table is a summary of the Fund's concentration risk of its international equity investments by geographic region.

Geographic region	December 31, 2019	December 31, 2018
	%	%
North America	-	0.53
Developed Europe	60.23	52.68
Developed Asia	20.67	28.75
Emerging Asia	9.89	8.60
Emerging Europe, Africa, Middle East	2.57	3.12
Emerging Latin America	5.32	5.43
Total	98.68	99.11

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

The following table is a summary of the Fund's concentration risk of its equity investments by market segment.

Industry Sector	December 31, 2019	December 31, 2018
	%	%
Communication Services	2.06	3.51
Consumer Discretionary	14.33	18.20
Consumer Staples	5.83	9.25
Energy	-	3.39
Financials	9.92	13.72
Health Care	10.21	7.04
Industrials	22.58	17.78
Information Technology	23.38	14.26
Materials	2.44	4.12
Real Estate	6.50	6.47
Utilities	1.43	1.37
Total	98.68	99.11

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

As at December 31, 2019, the Fund does not hold an individual investment position greater than 2.1% (2018 – 1.9%) of the total net assets attributable to the holders of redeemable units.

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Discussion of Financial Risk Management - The GBC International Growth Fund – (continued)

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2019 and December 31, 2018.

Fair value at December 31, 2019				
Description	Level 1	Level 2	Level 3	Total
	\$	\$	\$	
Equity investments	183,533,372	-	-	183,533,372
Total	183,533,372	-	-	183,533,372

Fair value at December 31, 2018				
Description	Level 1	Level 2	Level 3	Total
	\$	\$	\$	
Equity investments	158,845,864	-	-	158,845,864
Total	158,845,864	-	-	158,845,864

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

8. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

All transactions between related parties are conducted at arm's length and can be summarized as follows:

Fund and Portfolio Manager

Pembroke Private Wealth Management Ltd. is the Funds' Manager. The Manager provides the day-to-day management of the business and operations of the Funds. PPW is also the trustee of the Funds except for The GBC American Growth Fund Inc. (which is constituted as a corporation, rather than a trust). As trustee, PPW has a fiduciary duty to act in the best interest of the holders of units of the Funds.

Pembroke Management Ltd. is the portfolio manager of The GBC Money Market Fund, The GBC Growth and Income Fund, The GBC Global Balanced Fund, The GBC Canadian Growth Fund and The GBC American Growth Fund Inc. Pembroke is the parent company of the Fund Manager, PPW. Pembroke's fees are paid by the Manager, which are for services including investment, management, administration, advisory and accounting.

The management fees earned by the Manager, which were directly paid for by holders of units/shares of the Funds for the years ended December 31, 2019 and December 31, 2018 were as follows:

	Unit/Shareholder Management Fees	
	2019	2018
	\$	\$
The GBC Money Market Fund	16,002	29,216
The GBC Canadian Bond Fund	148,351	168,769
The GBC Corporate Bond Fund	711,175	737,653
The GBC Growth and Income Fund	523,725	681,351
The GBC Global Balanced Fund	187,331	-
The GBC Canadian Growth Fund	4,575,881	5,477,711
The GBC American Growth Fund Inc.	2,589,381	2,669,175
The GBC International Growth Fund	2,582,138	2,921,371
Total	11,333,984	12,685,246

Trustee and Board of Directors' remuneration

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

The members of the Board of Directors and Audit Committee of The GBC American Growth Fund Inc. were paid a total remuneration of \$85,000 during the year ended December 31, 2019 (2018 - \$70,500) and consisted of only fixed directors' fees, which is included in Directors' fees on the statements of comprehensive income. There were no outstanding accrued fees due to the directors as at December 31, 2019 (nil as at December 31, 2018).

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

8. Related party transactions – (continued)

Trustee and Board of Directors' remuneration – (continued)

For the years ended December 31, 2019 and December 31, 2018, the Board of Directors of The GBC American Growth Fund Inc. held redeemable units/shares in the Funds as detailed below:

December 31, 2019	Number of units/shares						Distributions \$
	Beginning of the year	Acquired during the year	Distributions reinvested	Disposed during the year	Management fees paid	End of year	
The GBC Money Market Fund	87,702	6,368	-	13,394	6	80,670	-
The GBC Canadian Bond Fund	6,568	-	180	1,238	24	5,486	2,321
The GBC Corporate Bond Fund	37,110	156,485	3,851	-	567	196,879	49,072
The GBC Growth and Income Fund	31,231	952	870	5,521	52	27,480	11,361
The GBC Global Balanced Fund	29,352	33,248	805	38	87	63,280	8,523
The GBC Canadian Growth Fund	35,000	759	1,660	1,439	188	35,792	109,844
The GBC American Growth Fund Inc.	116,314	49,450	-	9,931	698	155,135	-
The GBC International Growth Fund	28,454	300	467	66	371	28,784	13,727
Total	371,731	247,562	7,833	31,627	1,993	593,506	194,848

* total number of units/shares are subject to rounding differences

December 31, 2018	Number of units/shares						Distributions \$
	Beginning of the year	Acquired during the year	Distributions reinvested	Disposed during the year	Management fees paid	End of year	
The GBC Money Market Fund	89,803	3,744	-	5,791	54	87,702	-
The GBC Canadian Bond Fund	6,374	-	226	-	32	6,568	2,855
The GBC Corporate Bond Fund	35,797	495	1,029	-	211	37,110	13,001
The GBC Growth and Income Fund	28,997	1,560	1,081	276	131	31,231	13,766
The GBC Global Balanced Fund	-	28,500	852	-	-	29,352	7,835
The GBC Canadian Growth Fund	33,933	890	517	84	256	35,000	28,323
The GBC American Growth Fund Inc.	117,217	380	-	531	752	116,314	-
The GBC International Growth Fund	26,569	569	1,831	106	409	28,454	42,843
Total	338,690	36,138	5,536	6,788	1,845	371,731	108,623

* total number of units/shares are subject to rounding differences

Other related party transactions

The GBC Growth and Income Fund and The GBC Global Balanced Fund have investments in other Funds managed by PPW which are recorded as unconsolidated structured entities. The change in fair value of the underlying funds is included in the statements of comprehensive income in net change in unrealized gains (losses) on investments at fair value through profit or loss.

During the years ended December 31, 2019 and December 31, 2018, the Funds did not provide financial support to the unconsolidated structured entities and have no intention of providing financial or other support. The Funds can redeem their units/shares in the underlying Funds at any time, subject to there being sufficient liquidity in the underlying Fund.

P E M B R O K E

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

8. Related party transactions – (continued)

Other related party transactions – (continued)

The tables below set out interest held by the Funds in the unconsolidated structured entities. The maximum exposure to loss is the carrying amounts of the financial assets held.

December 31, 2019

Top Fund	Underlying Fund	Total number of units/shares held	Total Net Assets of investee Funds \$	Fair Value \$	% Net Assets of investee Funds
The GBC Growth and Income Fund	The GBC Canadian Bond Fund	744,216	33,462,077	9,565,260	28.6%
The GBC Global Balanced Fund	The GBC Canadian Bond Fund	147,775	33,462,077	1,899,325	5.7%
The GBC Global Balanced Fund	The GBC Corporate Bond Fund	807,247	125,103,081	10,353,265	8.3%
The GBC Global Balanced Fund	The GBC Canadian Growth Fund	50,608	292,304,749	3,347,816	1.1%
The GBC Global Balanced Fund	The GBC American Growth Fund Inc.	74,060	187,291,532	2,898,677	1.5%
The GBC Global Balanced Fund	The GBC International Growth Fund	99,601	185,985,192	2,930,195	1.6%

December 31, 2018

Top Fund	Underlying Fund	Total number of units/shares held	Total Net Assets of investee Funds \$	Fair Value \$	% Net Assets of investee Funds
The GBC Growth and Income Fund	The GBC Canadian Bond Fund	1,107,796	37,517,886	13,945,376	37.2%
The GBC Global Balanced Fund	The GBC Canadian Bond Fund	3,990	37,517,886	51,138	0.1%
The GBC Global Balanced Fund	The GBC International Growth Fund	4,716	160,278,525	138,600	0.1%
The GBC Global Balanced Fund	The Pembroke Corporate Bond Fund	19,319	114,815,629	245,149	0.2%
The GBC Global Balanced Fund	The Pembroke Canadian Growth Fund	4,825	118,533,451	83,625	0.1%
The GBC Global Balanced Fund	The Pembroke Dividend Growth Fund	12,444	100,843,802	213,255	0.2%
The GBC Global Balanced Fund	The Pembroke U.S. Growth Fund	6,834	156,915,039	130,336	0.1%

9. Events after the statement of financial position date

There have been no significant events after the statement of financial position date which in the opinion of the Trustee and Board of Directors require disclosure in the financial statements.

10. Capital Management

The Funds' capital are their net assets, representing unitholders' and shareholders' equity. The Funds' objectives when managing capital is to safeguard the Funds' ability to continue as a going concern in order to provide returns for unitholders and shareholders, maximize unitholder and shareholder value and maintain financial strength.

The Funds are not subject to any externally imposed capital requirements.

11. Approval of the audited Financial Statements

The financial statements of The GBC American Growth Fund Inc. were authorized for issuance by the Board of Directors of The GBC American Growth Fund Inc. on February 14, 2020. The financial statements of The GBC Money Market Fund, The GBC Canadian Bond Fund, The GBC Corporate Bond Fund, The GBC Growth and Income Fund, The GBC Global Balanced Fund, The GBC Canadian Growth Fund and The GBC International Growth Fund were authorized for issuance by the Trustee, PPW on February 14, 2020.

PEMBROKE

The GBC Money Market Fund
The GBC Canadian Bond Fund
The GBC Corporate Bond Fund
The GBC Growth and Income Fund
The GBC Global Balanced Fund
The GBC Canadian Growth Fund
The GBC American Growth Fund Inc.
The GBC International Growth Fund

Manager and Distributor

Pembroke Private Wealth Management Ltd.,
Montreal, Quebec

Trustee, Registrar and Transfer Agent

(except for The GBC American Growth Fund Inc.)
Pembroke Private Wealth Management Ltd.,
Montreal, Quebec

Registrar and Transfer Agent

The GBC American Growth Fund Inc.
Computershare Investor Services Inc.,
Montreal, Quebec

Shareholder/Unitholder Recordkeeping

L&T Infotech Financial Services Technologies
Inc.,
Mississauga, Ontario

Investment Managers

The GBC Money Market Fund
The GBC Growth and Income Fund
The GBC Global Balanced Fund
The GBC Canadian Growth Fund,
The GBC American Growth Fund Inc.,
Pembroke Management Ltd.
Montreal, Quebec

The GBC Canadian Bond Fund
The GBC Corporate Bond Fund
Canso Investment Counsel Ltd.,
Richmond Hill, Ontario

The GBC International Growth Fund
William Blair Investment Management, LLC,
Chicago, Illinois

Independent Review Committee

Peter M. Blaikie
Corporate Director
Montreal, Quebec

Marc A. Courtois
Corporate Director
Montreal, Quebec

Glen D. Roane
Corporate Director
Calgary, Alberta

Auditor

Deloitte LLP
Chartered Professional Accountants
Toronto, Ontario

Custodian

RBC Investor & Treasury Services
Toronto, Ontario

Legal Counsel

Lavery De Billy, LLP
Montreal, Quebec

Torys, LLP
Toronto, Ontario

Trustee of Registered Plans

The Royal Trust Company
Toronto, Ontario

P E M B R O K E

The GBC American Growth Fund Inc.

Directors

A. Ian Aitken, M.S.C., CFA
President & Chief Executive Officer
Pembroke Management Ltd.
Montreal, Quebec

Marc A. Courtois ¹
Corporate Director
Montreal, Quebec

Glen D. Roane ¹
Corporate Director
Calgary, Alberta

Lloyd M. Segal
President & Chief Executive Officer
Repare Therapeutics Inc.
Montreal, Quebec

Caroline S. Miller, CFA ¹
Senior Vice President, Global Strategist
BCA Research, Inc.
Montreal, Quebec

Officers

Marc A. Courtois
Chairman

A. Ian Aitken, M.S.C., CFA
President & Chief Executive Officer

Michael P. McLaughlin, CPA, CA
Chief Financial Officer

Anthony Calzetta, CPA, CA
Secretary-Treasurer

Annual Meeting

Monday, March 16, 2020, 4:00 p.m.
Pembroke Private Wealth Management Ltd.
1002 Sherbrooke St. West, Suite 1700
Montreal, Quebec, H3A 3S4

¹ Members of the Audit Committee

P E M B R O K E

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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 advisor.

