

PEMBROKE

PRIVATE WEALTH MANAGEMENT

PEMBROKE CANADIAN GROWTH FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

INCEPTION DATE
NOVEMBER 30, 1988

THE PORTFOLIO MANAGEMENT TEAM
PEMBROKE MANAGEMENT LTD.

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

Investment Objective and Strategies

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

Risk

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

Results of Operations

For the six-month period ended June 30, 2025, the Fund posted a return of 3.27%. In comparison, the Fund’s benchmark index, the S&P/TSX Composite posted a return of 10.17% for the same period. For the year ended December 31, 2024, the Fund posted a return of 20.61% compared to the Fund’s benchmark which posted a 21.65% return.

The strategy finished the first half of 2025 with modest positive returns, selling off sharply in the first quarter but subsequently rebounding markedly in the second quarter. Trade tensions caused significant uncertainty, freezing of corporate decision making, and valuation contraction in the beginning of the year. The easing of these tensions in the second quarter led to a rally in equity markets as risk premiums narrowed and investors became more constructive in their outlooks for corporate earnings.

The Fund’s focus on investing in smaller, underfollowed companies with attractive long-term growth prospects and aligned management teams results in a portfolio that differs significantly from the TSX Composite in both composition and concentration. As such, performance in shorter-term time periods will often diverge markedly from the benchmark. In the year-to-date, the fund’s underweight position in precious metals issuers relative to the index was a major factor contributing to its lagging performance.

Most sectors represented in the portfolio were in positive territory for the first half of the year, with the energy, consumer discretionary and industrials groups leading the charge. On the negative front, the Fund’s investments in the information technology, real estate, and communication services sectors were headwinds to performance in the period.

Two stocks were significant contributors to performance in the first half of 2025.

Shares in 5N Plus (“VNP”), a producer of specialty semiconductors and performance materials servicing the solar, space, and healthcare markets, performed well in the first half of the year despite selling off in the first quarter. As an exporter to the United States and as a key supplier to the American domestic solar industry, investors were concerned that VNP would face headwinds from the Trump administration’s policies pertaining to trade with Canada as well as its lack of support for the clean energy industry. In reality, punitive tariffs levied on China bolstered VNP’s relative competitive position in the United States. Moreover, utility scale solar continues to improve its cost competitiveness relative to other forms of power generation, regardless of prevailing incentive programs. While the fears that swirled around the VNP story in the first quarter were understandable, they were ultimately overblown.

From a longer-term perspective, Pembroke remains excited about VNP’s prospects irrespective of near-term noise on the political and trade fronts. The company sits at the intersection of a number of secular trends, including energy scarcity and independence, nearshoring/onshoring of domestic manufacturing, and the commercialization/militarization of space. Pembroke believes the company’s hard won expertise in materials science serves as a deep and durable moat, and positions it well to compound shareholders’ capital at attractive rates.

Shares in Terravest Industries (“TVK”), a diversified manufacturer and seller of HVAC, compressed gas, and energy processing equipment to a variety of end markets, performed well in the first half of 2025. The company has established an impeccable track record of execution with its acquisition strategy, consistently closing deals which are strategically and financially rewarding to shareholders. The company was particularly busy in the first half of 2025, completing the largest acquisition in the company’s history and providing a strategic beachhead to new markets in the United States. While future inorganic growth is difficult to predict, Pembroke believes that the company’s aligned and skilled management team will continue to allocate shareholders’ capital in a manner that will lead to further compounding of capital.

Results of Operations (Cont'd)

Two stocks were significant detractors to performance in the first half of 2025.

Shares in D2L ("DTOL"), a provider of learning management systems for educational institutions and organizations through its Brightspace platform, were weak in the first half of the year. While the company reported strong financial results and solid execution in the two quarters reported so far this year, its forward-looking financial guidance reflected the uncertain funding environment facing its core customers in the US education market. The Trump administration's cuts to the Department of Education as well as its targeting of funding to post-secondary institutions has slowed customer purchasing behaviour. Nonetheless, Pembroke believes that the modernization of legacy learning platforms is inevitable, particularly given DTOL's proven ability to make educators more productive and improve learner outcomes. DTOL shares trade at attractive valuations in light of its growth and profitability metrics, as well as versus its peers.

Shares in Tecsys ("TCS"), a provider of transformative supply chain solutions to the healthcare and distribution industries, sold off in the first half of 2025. While the company delivered impressive growth in software revenues, bookings and backlogs, fears of potential cuts to healthcare spending in the United States caused investors to temper their expectations for forward looking growth. Moreover, the company signaled its intention to increase its spending levels on both sales and research efforts, a decision which is expected to bolster long-term growth but will dampen near-term profit margins. TCS is led by a management team with impeccable alignment with fellow shareholders, and has a competitive position that supports very high win rates and very low churn. Pembroke remains enthusiastic about the prospects for TCS both as a business and an investment.

As at June 30, 2025, the total net asset value of the Fund was \$272 million as compared to \$288.4 million as at December 31, 2024. The cash position was 2.42% of net asset value. The number of units outstanding in the Fund as at June 30, 2025 was 3.0 million compared with 3.3 million as at December 31, 2024.

Unrealized appreciation on investments as at June 30, 2025, was \$75.2 million as compared to \$89.5 million as at December 31, 2024 resulting in a decrease in unrealized appreciation on investments of \$14.3 million. The Fund had net realized gains on investments sold during the period of \$20.8 million.

Fees and Expenses

During the six-month period, the Fund paid a total of \$0.3 million in operating expenses. The management expense ratio ("MER") for unitholders was 0.09%. There are no management fees charged to the Fund since January 1, 2018, as the management fees are charged directly to the unitholders outside the Fund. Refer to the Management Fees section for further details on this.

Unitholder Activity

Throughout the six-month period, \$1.7 million flowed into the Fund by way of subscriptions and \$25.7 million flowed out of the Fund as a result of redemptions.

Related Party Transactions

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

Recent Developments

Outlook

The first half of 2025 was a very volatile period, with geopolitical dynamics and trade frictions introducing significant uncertainty into financial markets and business operations alike. While this is a challenging environment for investors and management teams to navigate, it is also one that is rife with opportunities. For the aligned, disciplined, and well-financed capital allocators that run Pembroke's portfolio companies, the economic turmoil is surfacing opportunities to go on the offensive by consolidating or taking market share from weakened competitors. For them, the market's focus on larger, liquid issuers allows them to build positions in underfollowed companies with attractive long-term growth runways at attractive valuations. They are excited about the longer-term prospects of the portfolio for both earnings growth and valuation expansion.

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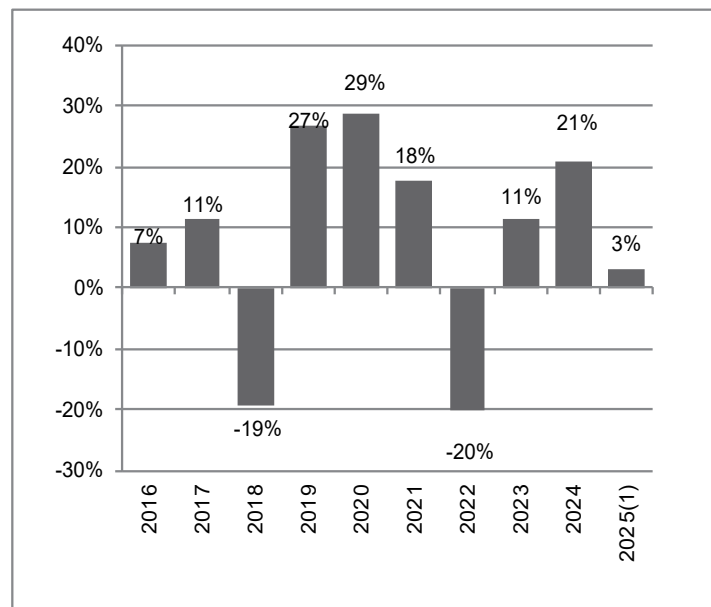
Past Performance

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

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

Year-by-year returns

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



(1) Six-month return to June 30, 2025

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

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Summary of Investment Portfolio

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

Industry Sector	% of Net Asset Value
Industrials	23.95%
Information Technology	16.43%
Financials	13.12%
Consumer Discretionary	12.40%
Energy	8.42%
Materials	7.47%
Real Estate	5.33%
Consumer Staples	3.92%
Health Care	3.24%
Communication Services	3.19%
Cash	2.42%
Other Net Current Assets	0.11%
Total	100.00%

Top 25 Holdings

Company	% of Net Asset Value	Industry Sector
1 Champion Iron	7.47%	Materials
2 MDA	5.48%	Industrials
3 TECSYS	4.37%	Information Technology
4 Hammond Power Solutions	4.35%	Industrials
5 Black Diamond Group	4.23%	Industrials
6 Jamieson Wellness	3.92%	Consumer Staples
7 Kinaxis	3.46%	Information Technology
8 Mainstreet Equity	3.31%	Real Estate
9 Groupe Dynamite	3.25%	Consumer Discretionary
10 Vitalhub	3.24%	Health Care
11 EQB	3.22%	Financials
12 Calian Group	3.17%	Industrials
13 goeasy	3.10%	Financials
14 Boyd Group Services	2.94%	Industrials
15 Advantage Energy	2.88%	Energy
16 Mattr	2.85%	Energy
17 IMAX	2.74%	Communication Services
18 TerraVest Industries	2.69%	Energy
19 Pet Valu Holdings	2.68%	Consumer Discretionary
20 Trisura Group	2.65%	Financials
21 Evertz Technologies	2.48%	Information Technology
22 Pollard Banknote	2.33%	Consumer Discretionary
23 Aritzia	2.19%	Consumer Discretionary
24 Sylogist	2.14%	Information Technology
25 Descartes Systems Group	2.14%	Information Technology
Top 25 Holdings	83.27%	

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the financial periods indicated. This information is derived from the Fund's audited annual financial statements (excluding June 30, 2025 information). The information presented is based on prescribed regulations and, as a result, is not expected to add up due to the increase (decrease) in net assets attributable to holders of redeemable units being based on the average units outstanding during the period and all other numbers being based on the actual units outstanding at the relevant point in time. The June 30, 2025 interim financial statements are unaudited.

THE FUND'S NET ASSETS PER UNIT						
	June 30, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Net assets attributable to holders of redeemable units, beginning of period ⁽¹⁾	86.46	75.95	70.94	89.99	84.37	66.15
Increase (decrease) in net assets attributable to holders of redeemable units:						
Total revenue	0.43	1.37	1.42	1.01	1.42	0.75
Total expenses	(0.11)	(0.20)	(0.13)	(0.13)	(0.13)	(0.13)
Realized gains (losses) for the period	6.57	6.24	3.76	0.16	10.35	4.35
Unrealized gains (losses) for the period	(4.51)	8.13	2.78	(19.37)	3.35	12.65
Total Increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	2.38	15.54	7.83	(18.33)	14.99	17.62
Distributions to holders of redeemable units:						
From income (excluding dividends)	-	(1.43)	(1.26)	(1.02)	(1.06)	(0.76)
From dividends	-	-	-	-	-	-
From capital gains	-	(3.72)	(1.75)	-	(7.94)	-
Return on capital	-	-	-	-	-	-
Total distributions to holders of redeemable units ⁽³⁾	-	(5.15)	(3.01)	(1.02)	(9.00)	(0.76)
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	89.29	86.46	75.95	70.94	89.99	84.37
(1) This information is derived from the Fund's audited annual financial statements.						
(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) in net assets attributable to holder's of redeembale units is based on the weighted average number of units outstanding over the financial period.						
(3) Distributions were paid in cash and/or reinvested in additional units of the Fund.						
(4) This table is not intended to be a reconciliation of beginning to ending net assets per unit.						
RATIOS AND SUPPLEMENTAL DATA (based on Trading NAV)						
	June 30, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Total net asset value (\$) (000's) ⁽¹⁾	272,061	288,444	278,344	276,774	365,720	323,236
Number of redeemable units outstanding (000's) ⁽¹⁾	3,047	3,336	3,665	3,902	4,064	3,831
Management expense ratio (%) ⁽²⁾	0.09	0.08	0.08	0.06	0.05	0.06
Management expense ratio before waivers or absorptions (%) ⁽²⁾	0.09	0.08	0.08	0.06	0.05	0.06
Trading expense ratio (%) ⁽³⁾	0.18	0.16	0.10	0.11	0.09	0.13
Portfolio turnover rate (%) ⁽⁴⁾	21.98	39.43	31.55	30.13	29.67	29.69
Net asset value per unit (\$)	89.29	86.46	75.95	70.94	89.99	84.37
(1) This information is provided as at June 30 or December 31 of the period shown, as applicable.						
(2) The management expense ratio ("MER") is calculated in accordance with National Instrument 81-106, based on expenses for the stated period (including Harmonized Sales Tax, Goods and Service Tax, income tax and interest) but excluding foreign withholding taxes, commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. PPW may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. The Fund did not have any expenses waived or absorbed in any of the periods presented.						
(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.						
(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.						

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Financial Highlights (Cont'd)

Management Fees

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

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

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

Management fees paid directly by unitholders of the Fund to PPW through a redemption of units was \$1.7 million for the six-month period ended June 30, 2025.

Under the Pembroke Family Advantage Program, the value of family holdings of all family members designated by the investor will be considered to determine the management fee applicable to all family members. In order to benefit from the Pembroke Family Advantage Program, family members must be designated by the investor using the form prepared by PPW and must be approved by PPW prior to any management fee reduction being applicable. Management fees are determined based on the amount of assets under management with PPW and Pembroke.

All management fees were used by the Manager to pay costs for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, and providing other services. For the period ended June 30, 2025, none of the management fees received by the Manager were used to fund commission payments and other dealer compensation (collectively "distribution-related costs") paid to registered dealers and brokers for units of the Fund bought and held by investors.

Caution Regarding Forward-looking Statements

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

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

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