

# PEMBROKE

PRIVATE WEALTH MANAGEMENT

PEMBROKE GLOBAL BALANCED FUND

**ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE**  
**DECEMBER 31, 2025**

INCEPTION DATE  
January 1, 2018

THE PORTFOLIO MANAGEMENT TEAM  
PEMBROKE MANAGEMENT LTD.

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

PEMBROKE GLOBAL BALANCED FUND

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**Investment Objective and Strategies**

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

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

**Risk**

The overall risk of the Fund is as described in the Simplified Prospectus. The Fund is suitable for investors who have a low-to-medium tolerance for risk and are seeking a medium to long-term investment in a broad range of equity and fixed income products and can handle the ups and downs of the stock market. Because this is a recently created fund, the risk rating is only an estimate by Pembroke Private Wealth Management Ltd. (“PPW”).

**Results of Operations**

For the year ended December 31, 2025, the Fund posted a return of 11.44%. In comparison, the Fund’s benchmark index posted a return of 15.82%. The Fund’s benchmark is made up of three components including a 45% weight in global equities represented by the MSCI All Country World Index, a 25% weight in Canadian stocks represented by the S&P/TSX Composite Total Return Index, and a 30% weight in Canadian bonds represented by the FTSE Canada Universe Bond Index. For the year ended December 31, 2024, the Fund posted a return of 18.06% compared to the Fund’s benchmark which posted a 18.88% return.

For the calendar year ended December 31, 2025, the Fund underperformed its benchmark but delivered solid positive absolute returns. Relative performance was primarily impacted by equity exposure, with both asset allocation and security selection detracting from results. A marginal underweight to equities versus the benchmark contributed negatively, as equity markets delivered strong returns over the period. Within equities, stock selection was the largest detractor, particularly in Information Technology, Financials, and Health Care. These impacts were partially offset by positive security selection in Consumer Discretionary.

Fixed income contributed positively to relative performance, supported by favourable asset class allocation and modestly positive returns from Canadian bonds. Bond markets were influenced by easing monetary policy expectations and a steepening yield curve, which benefited portfolios positioned with moderate duration exposure. The Fund’s allocation to commodities also added to relative performance during the year. Overall, diversification across asset classes helped mitigate volatility; however, elevated dispersion across global equity markets and sectors influenced relative outcomes.

The strategy’s bond holdings outperformed the benchmark during the year. At the end of December 2025, the strategy’s bond allocation represented approximately 23.3% of the portfolio. The cash and gold bullion ETF allocations were approximately 2.9% and 4.8% of the holdings, respectively.

The strategy remains diversified by asset classes, regions, sectors, and styles. Its equity and bond managers continue to actively search for new opportunities.

At December 31, 2025, the total net asset value of the Fund was \$231.1 million compared with \$183.6 million as at December 31, 2024. The cash position was 2.12% of net asset value. The number of units outstanding in the Fund as at December 31, 2025, was 14.8 million compared with 12.4 million as at December 31, 2024.

Unrealized appreciation on investments at December 31, 2025, was \$40 million as compared to \$31.6 million at December 31, 2024, resulting in an increase in unrealized appreciation on investments of \$8.4 million. The Fund had net realized gains on investments sold during the year of \$8.1 million.

**Fees and Expenses**

During the year, the Fund incurred a total of \$0.4 million in operating expenses. PPW absorbed \$0.3 million of the Fund’s expenses. PPW may waive operating expenses at any time without notice, at its sole discretion. The management expense ratio (“MER”) for unitholders was 0.18%, after absorbed expenses (0.32% before absorbed expenses). The MER for this Fund is calculated using the total expenses incurred by the Fund and the average proportion of the MER of the underlying investment funds. The MER of the Fund as a standalone is 0.05%. There are no management fees charged to the Fund as the management fees are charged directly to the unitholders outside the Fund. Refer to the Management Fees section for further details on this.

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

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

**Unitholder Activity**

Throughout the year, \$55.7 million flowed into the Fund by way of subscriptions and \$20.1 million flowed out of the Fund as a result of redemptions.

**Related Party Transactions**

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

**Recent Developments**

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**Outlook**

Canadian financial markets are expected to continue navigating a fluid economic and geopolitical environment in 2026. While inflationary pressures have moderated and policy interest rates appear to be closer to a neutral range, uncertainty remains around the pace of economic growth, fiscal policy, and global trade dynamics. Equity markets may continue to experience periods of volatility as investor sentiment responds to evolving macroeconomic data and policy signals. In fixed income markets, yield curve dynamics and credit spreads will remain sensitive to changes in monetary policy expectations and perceptions around economic resilience, with longer-term yields likely to reflect ongoing uncertainty around inflation and fiscal conditions.

Against this backdrop, the portfolio remains positioned with a focus on high-quality Canadian small- and mid-capitalization equities operating in less economically sensitive end markets, supported by durable business models, prudent balance sheets, and disciplined capital allocation. Within fixed income, the portfolio maintains a conservative posture, emphasising high-quality government and select corporate securities, with duration positioned to manage interest rate risk while preserving flexibility to take advantage of future opportunities. Across both asset classes, Pembroke continues to emphasise capital preservation, free cash flow generation, and valuation discipline while maintaining the flexibility to respond to changing market conditions.

PEMBROKE GLOBAL BALANCED FUND

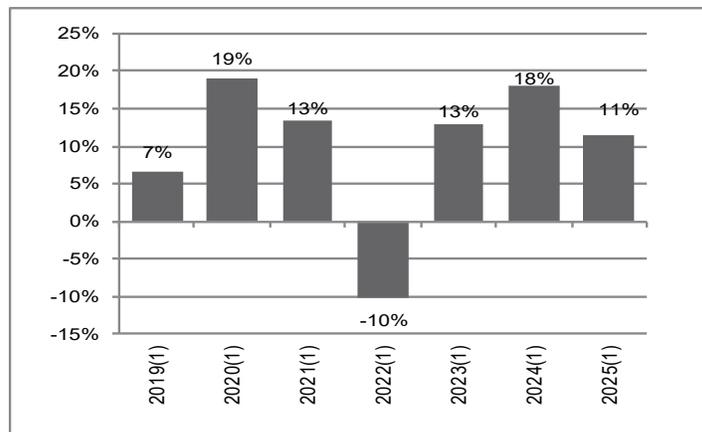
**Past Performance**

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

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

**Year-by-year returns**

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



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

**Annual compound returns**

The following table shows the Fund's annual compound total return for the periods shown ending on December 31, 2025. The annual compound total return is also compared to the "Balanced Benchmark" on the same compound basis.

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

December 31, 2025	1 yr <sup>(2)</sup>	3 yr	5 yr	10 yr	Since inception <sup>(2)</sup>
Pembroke Global Balanced Fund	11.44%	14.15%	8.67%	N/A	10.23%
Balanced Benchmark <sup>(1)</sup>	15.82%	16.08%	9.63%	N/A	9.71%

(1) The Balanced Benchmark is composed of:  
 - 25% S&P/TSX Composite Total Return Index is a capitalization-weighted index that represents some of the largest float-adjusted stocks trading on the Toronto Stock Exchange. Company size and liquidity are the chief attributes determining index membership.  
 - 30% FTSE TMX Canada Universe Bond Index is a market capitalization-weighted index designed to be a broad measure of the Canadian investment-grade fixed income market. This Index was previously called DEX Universe Bond Index.  
 - 45% MSCI All Country World Index is a global equity index and designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 26 emerging markets

(2) The performance reported refers to performance of the Fund beginning April 9, 2019, which was the first valuation of the Fund following its conversion to a mutual fund.

## PEMBROKE GLOBAL BALANCED FUND

**Summary of Investment Portfolio**

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

Industry Sector	% of Net Asset Value
Bond Funds	23.43%
Exchange Traded Funds	21.60%
Global & International Equity Funds	12.24%
US Equity Funds	11.48%
Canadian Equity Funds	11.13%
Industrials	4.52%
Financials	3.84%
Information Technology	2.31%
Consumer Discretionary	1.90%
Communication Services	1.19%
Health Care	1.16%
Materials	1.00%
Consumer Staples	0.80%
Energy	0.70%
Real Estate	0.55%
Cash	2.12%
Other Net Current Assets	0.03%
<b>Total</b>	<b>100.00%</b>

Summary of Underlying Asset	
Allocation	% of Net Asset Value
Mutual Funds	58.28%
Exchange Traded Funds	21.60%
Canadian Equities	10.33%
US Equities	5.38%
International Equities	2.26%
Cash	2.12%
Other Net Current Assets	0.03%
<b>Total</b>	<b>100.00%</b>

**Top 25 Holdings**

Company	% of Net Asset Value	Industry Sector
1 Pembroke Canadian Bond Fund	13.67%	Mutual Funds - Bonds
2 Pembroke Corporate Bond Fund	9.76%	Mutual Funds - Bonds
3 Pembroke American Growth Fund Inc.	8.30%	Mutual Funds - US Equity
4 iShares Core S&P 500 ETF	7.13%	Exchange Traded Funds
5 Pembroke International Growth Fund	6.70%	Mutual Funds - Global and International Equity
6 Guardian Fundamental Global Equity Fund	5.55%	Mutual Funds - Global and International Equity
7 Pembroke Canadian Growth Fund	4.97%	Mutual Funds - Canadian Equity
8 Pembroke Canadian All Cap Fund	4.94%	Mutual Funds - Canadian Equity
9 iShares Gold Bullion ETF	4.82%	Exchange Traded Funds
10 iShares S&P/TSX 60 Index ETF	4.50%	Exchange Traded Funds
11 Pembroke Concentrated Fund	3.18%	Mutual Funds - US Equity
12 iShares Core MSCI EAFE ETF	2.26%	Exchange Traded Funds
13 iShares Core MSCI Emerging Markets ETF	1.78%	Exchange Traded Funds
14 Pembroke Dividend Growth Fund	1.22%	Mutual Funds - Canadian Equity
15 iShares MSCI USA Equal Weighted ETF	1.11%	Exchange Traded Funds
16 AGF Management	0.58%	Financials
17 Stingray Group	0.55%	Communication Services
18 Dexterra	0.45%	Industrials
19 NVIDIA	0.45%	Information Technology
20 Alaris Equity Partners	0.44%	Financials
21 iA Financial	0.43%	Financials
22 Champion Iron	0.40%	Materials
23 Jamieson Wellness	0.40%	Consumer Staples
24 Russel Metals	0.39%	Industrials
25 Badger Infrastructure Solutions	0.38%	Industrials
<b>Top 25 Holdings</b>	<b>84.36%</b>	

## PEMBROKE GLOBAL BALANCED FUND

**Financial Highlights**

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

<b>THE FUND'S NET ASSETS PER UNIT</b>					
	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
<b>Net assets attributable to holders of redeemable units, beginning of year<sup>(1)</sup></b>	14.80	12.86	11.65	13.22	12.35
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>					
Total revenue	0.53	0.37	0.32	0.23	0.63
Total expenses	(0.01)	(0.01)	(0.02)	(0.01)	-
Realized gains (losses) for the year	0.60	0.33	0.17	(0.11)	0.40
Unrealized gains (losses) for the year	0.63	1.60	1.02	(1.44)	0.56
<b>Total Increase (decrease) in net assets attributable to holders of redeemable units<sup>(2)</sup></b>	<b>1.75</b>	<b>2.29</b>	<b>1.49</b>	<b>(1.33)</b>	<b>1.59</b>
<b>Distributions to holders of redeemable units:</b>					
From income (excluding dividends)	(0.21)	(0.23)	(0.21)	(0.17)	(0.15)
From dividends	(0.08)	(0.09)	(0.07)	(0.06)	(0.05)
From capital gains	(0.54)	(0.04)	-	-	(0.56)
Return on capital	-	-	-	-	-
<b>Total distributions to holders of redeemable units<sup>(3)</sup></b>	<b>(0.83)</b>	<b>(0.36)</b>	<b>(0.28)</b>	<b>(0.23)</b>	<b>(0.76)</b>
<b>Net assets attributable to holders of redeemable units, end of year<sup>(4)</sup></b>	<b>15.65</b>	<b>14.80</b>	<b>12.86</b>	<b>11.65</b>	<b>13.22</b>

(1) This information is derived from the Fund's audited annual financial statements.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) in net assets attributable to holder's of redeembale units is based on the weighted average number of units outstanding over the financial year.

(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)**

	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Total net asset value (\$) (000's) <sup>(1)</sup>	231,143	183,596	157,203	146,151	155,192
Number of redeemable units outstanding (000's) <sup>(1)</sup>	14,773	12,402	12,220	12,548	11,738
Management expense ratio (%) <sup>(2)</sup>	0.18	0.24	0.22	0.19	0.05
Management expense ratio before waivers or absorptions (%) <sup>(2)</sup>	0.32	0.39	0.37	0.37	0.32
Trading expense ratio (%) <sup>(3)</sup>	0.07	0.05	0.03	0.04	0.05
Portfolio turnover rate (%) <sup>(4)</sup>	16.54	24.25	13.00	25.23	19.59
Net asset value per unit (\$)	15.65	14.80	12.86	11.65	13.22

(1) This information is provided as at December 31 of the year shown.

(2) The management expense ratio ("MER") is calculated in accordance with National Instrument 81-106, based on expenses for the stated period (including Harmonized Sales Tax, Goods and Service Tax, income tax and interest) but excluding foreign withholding taxes, commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. PPW may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. The Fund has had expenses waived or absorbed for some of the years presented. The waiver or absorption of operating expenses is expected to continue for an indefinite period of time and can be terminated by PPW at its discretion and without prior notice. The Fund was previously a pooled fund and the MER did not account for various fund expenses that will now be incurred as a mutual fund. The MER for this Fund is calculated using the total expenses incurred by the Fund and the average proportion of the MER of the underlying investment funds. The MER of the Fund as a standalone is 0.05 %.

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

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

## PEMBROKE GLOBAL BALANCED FUND

**Financial Highlights (Cont'd)****Management Fees**

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

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 \$2.1 million for the year ended December 31, 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 year ended December 31, 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.

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### **Caution Regarding Forward-looking Statements**

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

P E M B R O K E

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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.