

PEMBROKE

PRIVATE WEALTH MANAGEMENT

PEMBROKE CANADIAN ALL CAP FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

INCEPTION DATE
JANUARY 31, 2019

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 All Cap Fund (the “Fund”) seeks to provide long-term growth through capital appreciation by investing primarily in equity securities of mid to large capitalization 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. The Fund may invest in equity securities of small, medium and large capitalization companies. The Fund focuses primarily on mid to large capitalization companies but may also invest up to 30% of its assets in small capitalization companies. The strategy involves identifying stocks with either sustainable growth characteristics or unrecognized intrinsic value from a universe of primarily mid to large-sized Canadian companies listed on a recognized exchange in Canada and/or the United States. The Fund may invest a maximum of 10% of its assets in equity securities of foreign publicly listed issuers.

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 tolerance for risk and are seeking long-term capital growth.

Results of Operations

From January 31, 2019 until April 29, 2022, units of the Fund were distributed pursuant to an exemption from the prospectus requirement (i.e. “Pooled Fund”). On April 29, 2022, the Fund was converted from a pooled fund to a mutual fund.

For the six-month period ended June 30, 2023, the Fund posted a return of 12.50%. In comparison, the Fund’s benchmark index, the S&P/TSX Composite posted a return of 5.70% for the same period. For the year ended December 31, 2022, the Fund posted a return of -7.46% compared to the Fund’s benchmark which posted a -5.84% return.

Pembroke’s portfolios are generally differentiated from the benchmarks they seek to outperform. In this case, the Fund is more concentrated and has very different industry exposures than its benchmark, the S&P/TSX Composite Index. By investing in a select group of high-quality growth companies, Pembroke seeks to deliver superior risk-adjusted returns when measured over the long term while accepting that short-term relative performance can vary negatively or positively to a significant degree. The Fund outperformed the S&P/TSX Index due in part to an underweight allocation to the Energy sector and an overweight allocation to the Information Technology sector. Positive security selection in Industrials, Energy and Financials further bolstered results.

The Pembroke Canadian All Cap Fund started the year on a strong note on both an absolute and relative basis, comfortably beating its benchmark. With early indications that inflation may be cresting, market participants began anticipating an end to the monetary tightening cycle and drove valuation multiples higher as a result. Corporate earnings forecasts remained subject to significant uncertainty, given rapidly changing demand dynamics and fluctuating input costs. The Fund’s sizable exposure to the industrial sector, specifically to engineering & construction services companies as well as those selling heavy equipment, both of which are benefiting from unprecedented infrastructure spending by government, contributed to the strong performance of the Fund. Additionally, continued strong performance from technology stocks further bolstered results. Appropriate security selection in the energy and financial sectors further benefitted the Fund. While consumer discretionary holdings detracted from performance, decade-low valuations combined with solid balance sheets and a focus on profitability, provide downside protection from a potentially weaker economic environment combined with the potential for attractive future returns.

Several stocks made significant positive contributions to performance in the first half of 2023: Constellation Software (“CSU”) and Stantec (“STN”).

Shares in Constellation Software (“CSU”) rose in the first half of the year as the company continued to redeploy its robust free cash flow into consolidating undervalued software companies. The company earns over 30% returns on equity and has demonstrated that it can spinoff divisions, including Lumine Group (“LMN”) and Topicus.com (“TOI”) to date, in order to crystallize value for shareholders. CSU enjoys a persistent, economically resilient revenue stream and high profit margins. Pembroke expects the company to continue executing on its consolidation and spinoff strategy over the coming years.

Shares in Stantec (“STN”), an Edmonton-based engineering & consulting services firm, performed well in the first half of the year benefitting from an elevated level of demand and contract awards underpinned by significant public sector spending. The resulting record backlog offers visibility into sustained organic growth with a significant portion of the demand derived from secular trends such as infrastructure development, energy transition and climate change that are less sensitive to economic conditions. Despite rising interest rates and more limited availability of capital, STN remained active on the acquisition front acquiring Environmental Systems Design and could deploy over \$700M without straining its balance sheet.

Results of Operations (Cont'd)

Two stocks were significant detractors to performance in the first half of 2023: Aritzia ("ATZ") and Cargojet ("CJT").

Shares in Aritzia ("ATZ"), a vertically integrated design house for everyday luxury apparel, declined in the in the first half of the year. While the retailer had been successfully expanding its store network with a balanced approach, it experienced unprecedent growth in an unpredictable macro environment coupled with inflationary cost pressures, delaying investments in its logistics and distribution network. This was followed by the announcement of a sizeable investment in its distribution centers which would temporarily impact the firm's profitability in a period of recessionary fears. We believe the long-term opportunity for the business remains attractive and unchanged, reinforced by strong unit economics and continued brand momentum in the United States. With no debt on the balance sheet, the company is well positioned to continue investing in organic growth initiatives and weather a potential challenging macro environment.

Cargojet ("CJT") is a Canadian operator of air freight services operating domestically and at points that begin or terminate in Canada. As a result of the company's operational success from a service and reliability standpoint, CJT has been rewarded with a near monopolistic position in the domestic overnight air freight market, which represents a meaningful part of its revenue. During the first half, the stock lost ground as softening air cargo pricing and declining domestic network volumes driven by lower consumer spending are temporarily impacting results. We are encouraged by the potential earnings the business will generate as it grows its business and expand its relationships internationally. We are not deterred by the near-term negative sentiments from the market and remain shareholders given the attractive risk-return opportunity and historically low valuation.

As at June 30, 2023, the total net asset value of the Fund was \$20.4 million as compared to \$14.4 million as at December 31, 2022. The cash position was 1.09% of net asset value. The number of units outstanding in the Fund as at June 30, 2023 was 1.4 million compared with 1.1 million as at December 31, 2022.

Unrealized appreciation on investments as at June 30, 2023 was \$1.6 million as compared to -\$43,231 as at December 31, 2022 resulting in an increase in unrealized appreciation on investments of \$1.6 million. The Fund had net realized gains on investments sold during the period of \$0.2 million.

Fees and Expenses

During the six-month period, the Fund paid a total of \$39,013 in operating expenses. Pembroke Private Wealth Management Ltd. ("PPW") absorbed \$7,703 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 0.36%, after absorbed expenses (0.45% before absorbed expenses). There are no management fees charged to the Fund as the management fees are charged directly to the unitholders outside the Fund. Refer to the Management Fees section for further details on this.

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

Unitholder Activity

Throughout the six-month period, \$4.4 million flowed into the Fund by way of subscriptions and \$0.2 million flowed out of the Fund as a result of redemptions.

Related Party Transactions

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

Recent Developments

Outlook

While equity markets have rebounded from bear market lows, uncertainty remains as to near-term macroeconomic trends in inflation, interest rates, and economic growth. This is a challenging environment for both management teams and investors alike, but 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 Pembroke, the selloff allows them to build positions in companies with attractive long-term growth runways at valuations not seen in many years. Pembroke expects shorter-term volatility to persist as the market digests developments pertaining to economic fundamentals but are excited about the longer-term prospects and attractive prices of their businesses.

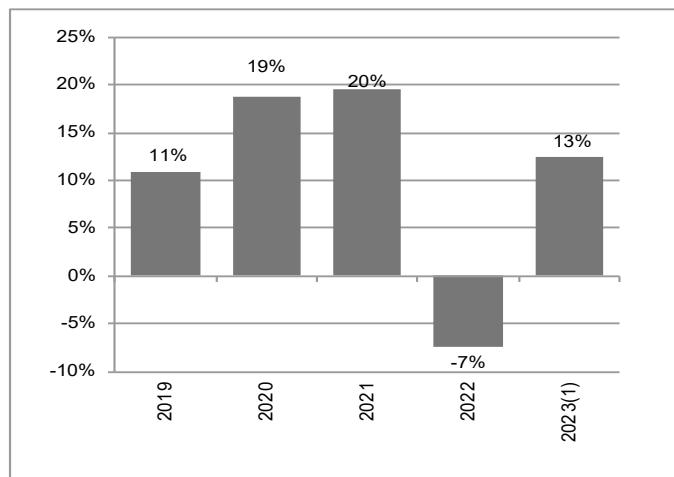
Past Performance

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, 2023

(2) This chart shows how the units of the Fund have performed since January 31, 2019. The performance of the Fund for the period between January 31, 2019 and December 31, 2019 is not representative as the Fund fundamentally changed its investment objective on January 1, 2020.

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	22.80%
Financials	18.86%
Consumer Discretionary	14.50%
Information Technology	13.74%
Materials	9.40%
Energy	7.17%
Consumer Staples	6.99%
Real Estate	5.36%
Cash	1.09%
Other Net Current Assets	0.09%
Total	100.00%

Top 25 Holdings

Company	% of Net Asset Value	Industry Sector
1 CGI	5.30%	Information Technology
2 Royal Bank of Canada	4.99%	Financials
3 Alimentation Couche-Tard	4.84%	Consumer Staples
4 Boyd Group Services	4.75%	Industrials
5 Gildan Activewear	4.53%	Consumer Discretionary
6 Franco-Nevada	4.38%	Materials
7 Kinaxis	4.33%	Information Technology
8 Bombardier Recreational Products	4.10%	Consumer Discretionary
9 FirstService	3.85%	Real Estate
10 Tourmaline Oil	3.79%	Energy
11 TMX Group	3.74%	Financials
12 Finning	3.74%	Industrials
13 Wheaton Precious Metals	3.56%	Materials
14 ARC Resources	3.38%	Energy
15 Canadian National Railway	3.28%	Industrials
16 Intact Financial	3.08%	Financials
17 Constellation Software	3.06%	Information Technology
18 SNC-Lavalin Group	3.00%	Industrials
19 Dollarama	2.95%	Consumer Discretionary
20 Aritzia	2.92%	Consumer Discretionary
21 Element Fleet Management	2.91%	Financials
22 Stantec	2.81%	Industrials
23 Cargojet	2.66%	Industrials
24 Fairfax Financial	2.56%	Financials
25 Toromont Industries	2.53%	Industrials
Top 25 Holdings	91.04%	

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, 2023 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, 2023 interim financial statements are unaudited.

THE FUND'S NET ASSETS PER UNIT					
	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Net assets attributable to holders of redeemable units, beginning of period⁽¹⁾	13.26	14.48	12.17	10.31	10.00
Increase (decrease) in net assets attributable to holders of redeemable units:					
Total revenue	0.12	0.25	0.18	0.15	0.30
Total expenses	(0.03)	(0.04)	(0.05)	(0.08)	(0.08)
Realized gains (losses) for the period	0.18	(0.51)	0.22	-	0.55
Unrealized gains (losses) for the period	1.32	(0.45)	1.52	1.84	0.30
Total Increase (decrease) in net assets attributable to holders of redeemable units⁽²⁾	1.59	(0.75)	1.87	1.91	1.07
Distributions to holders of redeemable units:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	(0.14)	(0.02)	(0.07)	(0.22)
From capital gains	-	-	(0.05)	-	(0.54)
Return on capital	-	-	-	-	-
Total distributions to holders of redeemable units⁽³⁾	-	(0.14)	(0.07)	(0.07)	(0.76)
Net assets attributable to holders of redeemable units, end of period⁽⁴⁾	14.92	13.26	14.48	12.17	10.31
(1) 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.					
(2) Distributions were paid in cash and/or reinvested in additional units of the Fund.					
(3) 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, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Total net asset value (\$) (000's)⁽¹⁾	20,395	14,361	9,792	499	428
Number of redeemable units outstanding (000's)⁽¹⁾	1,367	1,083	676	41	41
Management expense ratio (%)⁽²⁾	0.36	0.30	0.19	0.74	0.65
Management expense ratio before waivers or absorptions (%)⁽²⁾	0.45	0.52	0.74	3.23	0.75
Trading expense ratio (%)⁽³⁾	0.03	0.03	0.15	0.02	0.10
Portfolio turnover rate (%)⁽⁴⁾	22.37	24.99	14.69	26.01	6.67
Net asset value per unit (\$)	14.92	13.26	14.48	12.17	10.31
(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 year (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 year. PPW may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. The Fund has had expenses waived or absorbed for all the 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.					
(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.					
(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.					

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

Management fees are charged directly to unitholders. Subject to the maximum fees set forth below, unitholders 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.

Name of the Fund	Assets under management under \$5 million	
	Assets under management	
	Under \$1 million	Between \$1 million and \$5 million
Pembroke Money Market Fund ¹	-	-
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%

¹ Management fee rate was reduced from 0.10% to nil as of November 1, 2020

Name of the Fund	Assets under management above \$5 million		
	Assets under management		
	First \$10 million	Next \$15 million	Above \$25 million
Pembroke Money Market Fund ¹	-	-	-
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%	0.75%
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%

¹ Management fee rate was reduced from 0.10% to nil as of November 1, 2020

Management fees paid directly by unitholders of the Fund to PPW through a redemption of units was \$49,585 for the six-month period ended June 30, 2023.

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, 2023, 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.

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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.