

# PEMBROKE

PRIVATE WEALTH MANAGEMENT

## PEMBROKE CONCENTRATED FUND

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

INCEPTION DATE  
January 31, 2018

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](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.

**Investment Objective and Strategies**

Pembroke Concentrated Fund (the “Fund”) seeks to provide long-term growth through capital appreciation by investing primarily in a concentrated number of small to mid-sized US and Canadian companies judged to have above average growth potential or to be undervalued. To achieve the Fund’s investment objective the Fund will be invested primarily in companies believed to have quality management teams with aligned interests, sustainable growth prospects, a strong competitive position and business quality. The portfolio manager aims to add value through disciplined security selection and a concentrated approach to portfolio construction, with approximately 15-20 companies expected in the portfolio.

Class A Units and Class F Units of this Fund are being offered by Pembroke Private Wealth Management Ltd. (“PPW”). No management fees are charged to the Fund with respect to Class A Units. Class F units are available, at the discretion of the Manager, to investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset-based fee rather than commissions on each transaction. PPW will charge to the Fund management fees in respect of Class F units. The existence of the Class F Units has no effect on the fees charged to holders of Class A Units of the Fund. Refer to the Management fee section for further details on this.

**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, are seeking long-term capital growth and who want specific exposure to the United States and Canada, accept investing in a small number of stocks versus the typical mutual fund, and can tolerate the risk of investing in smaller companies. The Fund holds US securities and as a result is exposed to US dollar currency risk. It is not the Fund’s policy to hedge currency exposure as Pembroke Management Ltd. (“Pembroke”) do not believe that hedging will add value in the long-term.

**Results of Operations**

From January 31, 2018 until April 1, 2020, units of the Fund were distributed pursuant to an exemption from the prospectus requirement (i.e. “Pooled Fund”). On April 1, 2020, the Fund was converted from a pooled fund to a mutual fund.

For the six-month period ended June 30, 2023, the Class A and Class F units of the Fund posted a return of 11.01% and 10.38% respectively. In comparison, the Fund’s benchmark index, the Russell 2000 posted a return of 5.66% for the same period. For the year ended December 31, 2022, Class A and Class F units of the Fund posted a return of -19.07% and -20.02% respectively compared to the Fund’s benchmark which posted a -15.00% return.

Pembroke’s Concentrated Fund posted strong absolute and relative performance in the first half of 2023 after a disappointing 2022. Equities marched higher in the first half of 2023 despite a mini-banking scare in the US, rising rates, and ongoing fears of a recession. Markets, of course, look forward, not backward. During 2022, as interest rates jumped and valuations compressed, much potential bad news was priced into stocks. Confounding many market prognosticators the economic sky has not yet fallen. Employment remains robust, American consumers are still financially healthy after two years of COVID-driven saving, and new innovation – namely artificial intelligence (“AI”) – is driving a wave of investment and hiring. North America and its western allies are also benefiting from on-shoring and near-shoring, and industrial and technology companies look to reduce their dependence on China. While the COVID “hangover” has bloated some companies’ inventory and supply chain positions, many other companies are benefiting from a return to normal.

Certainly, Pembroke is aware that storm clouds are still present. Higher interest rates may finally bite harder than some expect, driving a recession. Geopolitical instability is always a risk. Mainly, risks and events that are not known today can surprise investors. However, the risk factors that drive pundit and media obsession, such as rising rates, are known and taken into account, and they do not negate all the positive factors that continue to offer investors hope and fundamental support. The investment team at Pembroke continues to maintain strict discipline on balance sheets, which should provide clients with comfort that the firm’s holdings are well-positioned to weather unexpected headwinds. Overall, Pembroke’s funds have fared well in this environment. The portfolios have benefitted from exposure to North American housing, which has proven more resilient than many expected, technology stocks, and growth industrials.

Shares of Monolithic Power Systems (“MPWR”), a leading designer of analog power management semiconductors, jumped in the first half of 2023 on the back of the company’s strong execution. MPWR shares benefited from a strong fourth quarter 2022 earnings and forward guidance report that reminded investors of the company’s tremendous secular growth potential. After a muted first quarter 2023 financial results, MPWR shares rose on the back of the investment wave in artificial intelligence. Specifically, the company’s components have an important spot on Nvidia’s (“NVDA”) market leading hardware. Despite its strong move year-to-date, MPWR remains reasonably priced given its high growth profile, robust profit margins, and sustainable competitive advantages. It remains a core U.S. holding for Pembroke.

## Results of Operations (Cont'd)

Shares in Installed Building Products ("IBP"), an installer of residential and commercial insulation and complementary building products, benefitted from a strong first-quarter earnings report (over 40% year-over-year earnings per share growth). This report exceeded expectations, but was also aided by improving residential construction conditions in the U.S. The company also continues to consolidate smaller competitors, leading to growing market share and economies of scale. At a macro level, despite higher mortgage borrowing costs, demand for new homes remained brisk as a lack of existing homes for sale has pushed buyers to new homes. Furthermore, home builders have quickly reacted to changing market conditions by increasing incentives, selecting lower priced materials, and cutting prices. Pembroke remains excited about IBP over the long-term, as new home demand is well in excess of supply and should take several years to clear.

Shares in Globus Medical ("GMED") fell on news that the company would be acquiring Nuvasive ("NUVA") in a transaction that would create the second-largest provider of spine surgery products. The market is skeptical due to struggles faced by other companies that have undertaken major mergers and acquisitions in surgical device markets. In Pembroke's view, GMED is the best-run player in the spine surgery market. It grows faster than its end market and operates at market-leading profit margins. The company has a long record of innovation, including the successful launch of a robot used in spine surgery. This robot has helped GMED steal market share from larger incumbents. The company is also launching new cutting-edge products and is pushing into new markets, such as trauma. NUVA has a proven sales force and unique go-to-market strategies that should complement GMED's impressive record of innovation and engineering.

While the short-term stock price action in a large holding such as GMED is disappointing, the combined company will be generating significant free cash flow and will have no net debt. With the drop in the share price, GMED is trading near the bottom end of the valuation range typically seen for profitable medical device companies. The upside versus downside equation is skewed in favour of long-term, patient investors. Pembroke has added to its position.

Shares in Shutterstock ("SSTK"), the largest platform for stock photography sales, declined in the first half despite strong fundamentals, due to market fears surrounding AI. The market's concern is that images will now be AI-generated and tailored exactly to the demands of end users, thereby disrupting the traditional sale of stock (i.e., unaltered) photography. However, that possibility faces numerous obstacles.

First, artificial intelligence needs to be trained by a library of images. In fact, OpenAI, the leading AI-generative company, partnered with SSTK to train its models. Meta and other large companies are also coming to the company to leverage its library of images, music and videos in order to train their models. Second, copyright lawyers are salivating at the opportunity to hold advertisers accountable for using artwork while not paying for it. SSTK now offers them the possibility to purchase and edit art, or even to create their own art using OpenAI's technology, while having the express legal right to use the output for commercial purposes.

Interestingly, SSTK owns all the images created by users on its AI platform that are not paid for, leading to exponential growth in its library. SSTK, in other words, owns critical content that will enable the AI revolution to take hold. In the meantime, the company is managing through a slowdown in advertising spend, while still delivering modest revenue growth, earnings before interest, taxes, depreciation and amortization (EBITDA) margins over 27%, and robust free cash flow. The company just affirmed confidence in its competitive position and long-term growth outlook by announcing a \$100M share buyback. At less than seven times the projected EBITDA in 2024, Pembroke believes the opportunity in Shutterstock shares skews significantly to the upside.

At June 30, 2023 the total net asset value of the Class A units was \$94.9 million as compared to \$90.7 million at December 31, 2022. The total net asset value of the Class F units was \$24.3 million at June 30, 2023, as compared to \$18.6 million at December 31, 2022. The cash position was 0.99% of net asset value.

The number of Class A units outstanding in the Fund at June 30, 2023 was 5.3 million compared to 5.6 million at December 31, 2022 and, the number of Class F units outstanding in the Fund at June 30, 2023 was 1.8 million compared to 1.5 million at December 31, 2022.

Unrealized appreciation on investments as at June 30, 2023 was \$13.9 million as compared to \$4.7 million as at December 31, 2022 resulting in an increase in unrealized appreciation on investments of \$9.1 million. The Fund had net realized gains on investments sold during the period of \$2.3 million.

## Fees and Expenses

During the six-month period, the Fund paid a total of \$0.2 million in operating expenses. The management expense ratio ("MER") for Class A unitholders was 0.15%. The MER for Class F unitholders was 1.54%.

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.

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

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***Unitholder Activity***

Throughout the six-month period, \$5.1 million flowed into the Fund by way of subscriptions and \$6.8 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 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***

Pembroke continues to identify and invest in growth companies with sustainable competitive advantages. The Fund's holdings are largely leaders in their categories, free cash flow positive, and well positioned to withstand an economic slowdown. Pembroke does not attempt to predict recession timing or depth. Instead, Pembroke focuses on identifying companies that the investment team believes will be larger and more profitable over the long-term than they are today. The valuation set-up after a difficult 2022 is attractive, offering the potential for both earnings growth and multiple expansion once the rate hiking cycle and major economic fears are past. Certainly, the market is forward looking, which in part explains the Fund's robust performance in the first six months of 2023 as investors look past the possibility of a slowdown to the next phase of economic growth.

## PEMBROKE CONCENTRATED FUND

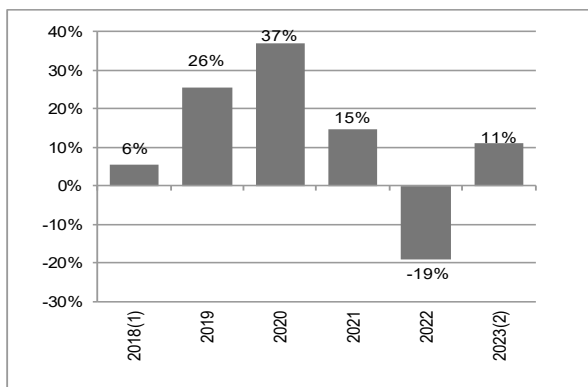
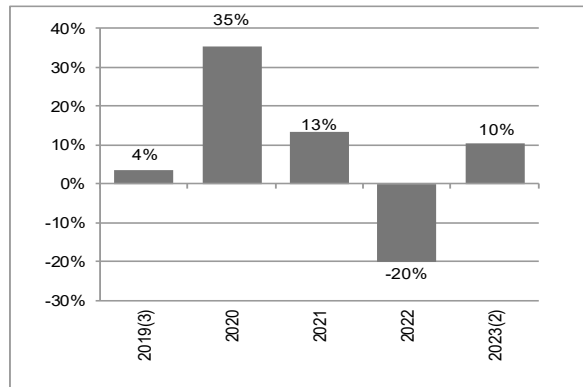
**Past Performance**

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.

**Class A****Class F**

(1) The performance reported refers to performance of the Fund – Class A beginning as at January 31, 2018, inception of the Fund

(2) Six-month return to June 30, 2023

(3) The performance reported refers to performance of the Fund – Class F beginning as at October 15, 2019.

## PEMBROKE CONCENTRATED FUND

**Summary of Investment Portfolio**

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

<b>Industry Sector</b>	<b>% of Net Asset Value</b>
Industrials	46.76%
Information Technology	20.32%
Consumer Discretionary	15.81%
Health Care	11.46%
Communication Services	4.32%
Cash	0.99%
Other Net Current Assets	0.34%
<b>Total</b>	<b>100.00%</b>

**Top 25 Holdings** (Note, the Fund has a total of 18 investments)

<b>Company</b>	<b>% of Net Asset Value</b>	<b>Industry Sector</b>
1 Monolithic Power Systems	7.77%	Information Technology
2 Installed Building Products	7.17%	Consumer Discretionary
3 Paycom software	7.10%	Industrials
4 WNS Holdings	6.74%	Industrials
5 SiteOne Landscape Supply	6.50%	Industrials
6 Core & Main	6.38%	Industrials
7 Globus Medical	5.81%	Health Care
8 A. O. Smith	5.78%	Industrials
9 Trex	5.71%	Industrials
10 Bio-Techne	5.65%	Health Care
11 Pure Storage	4.99%	Information Technology
12 Albany International	4.82%	Industrials
13 Gentherm	4.44%	Consumer Discretionary
14 Shutterstock	4.32%	Communication Services
15 Stoneridge	4.21%	Consumer Discretionary
16 SPS Commerce Inc.	4.12%	Information Technology
17 Bowman Consulting Group	3.73%	Industrials
18 Sprout Social	3.43%	Information Technology
<b>Top 25 Holdings</b>	<b>98.67%</b>	

## PEMBROKE CONCENTRATED 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 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						CLASS A
	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Net assets attributable to holders of redeemable units, beginning of year <sup>(1)</sup>	16.15	19.97	17.58	12.88	10.26	10.00
Increase (decrease) in net assets attributable to holders of redeemable units:						
Total revenue	0.04	0.06	0.05	0.03	0.02	0.04
Total expenses	(0.01)	(0.03)	(0.02)	(0.02)	(0.03)	(0.08)
Realized gains (losses) for the year	0.34	(0.04)	0.49	0.67	(0.47)	0.03
Unrealized gains (losses) for the year	1.36	(3.82)	2.03	4.90	1.59	(0.03)
Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup>	1.73	(3.83)	2.55	5.58	1.11	(0.04)
Distributions to holders of redeemable units:						
From income and excluding dividends	-	-	-	-	(0.01)	-
From dividends	-	(0.01)	(0.01)	(0.02)	-	-
From capital gains	-	-	(0.17)	(0.05)	-	(0.31)
Return on capital	-	-	-	-	-	-
Total distributions to holders of redeemable units <sup>(3)</sup>	-	(0.01)	(0.18)	(0.07)	(0.01)	(0.31)
Net assets attributable to holders of redeemable units, end of year <sup>(4)</sup>	17.93	16.15	19.97	17.58	12.88	10.26

(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 redeemable 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)						CLASS A
	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Total net asset value (\$) (000's) <sup>(1)</sup>	94,887	90,736	115,355	73,591	28,581	1,499
Number of redeemable units outstanding (000's) <sup>(1)</sup>	5,293	5,618	5,776	4,186	2,219	146
Management expense ratio (%) <sup>(2)</sup>	0.15	0.15	0.00	0.01	0.04	0.44
Management expense ratio before waivers or absorptions (%) <sup>(2)</sup>	0.15	0.15	0.10	0.26	0.32	0.44
Trading expense ratio (%) <sup>(3)</sup>	0.05	0.03	0.10	0.10	0.22	0.33
Portfolio turnover rate (%) <sup>(4)</sup>	39.07	26.33	57.95	76.26	52.82	57.69
Net asset value per unit (\$)	17.93	16.15	19.97	17.58	12.88	10.26

(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 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.

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.

(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.

(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.

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## Financial Highlights (Cont'd)

THE FUND'S NET ASSETS PER UNIT					CLASS F
	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 year <sup>(1)</sup>	12.40	15.50	13.68	10.40	10.00
Increase (decrease) in net assets attributable to holders of redeemable units:					
Total revenue	0.03	0.05	0.04	0.03	0.00
Total expenses	(0.08)	(0.17)	(0.19)	(0.16)	(0.02)
Realized gains (losses) for the year	0.23	(0.07)	(0.07)	1.26	0.00
Unrealized gains (losses) for the year	0.94	(3.68)	2.14	5.80	0.23
Total Increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup>	1.12	(3.87)	1.92	6.93	0.21
Distributions to holders of redeemable units:					
From income and excluding dividends	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	(0.40)	-
Return on capital	-	-	-	-	-
Total distributions to holders of redeemable units <sup>(3)</sup>	-	-	-	(0.40)	-
Net assets attributable to holders of redeemable units, end of year <sup>(4)</sup>	13.68	12.40	15.50	13.68	10.40
(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 redeemable 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)					CLASS F
	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Total net asset value (\$) (000's) <sup>(1)</sup>	24,256	18,602	35,094	8,083	48
Number of redeemable units outstanding (000's) <sup>(1)</sup>	1,773	1,500	2,264	591	5
Management expense ratio (%) <sup>(2)</sup>	1.54	1.30	1.16	1.12	0.27
Management expense ratio before waivers or absorptions (%) <sup>(2)</sup>	1.54	1.29	1.26	1.37	0.27
Trading expense ratio (%) <sup>(3)</sup>	0.05	0.03	0.10	0.10	0.22
Portfolio turnover rate (%) <sup>(4)</sup>	39.07	26.33	57.95	76.26	52.82
Net asset value per unit (\$)	13.68	12.40	15.50	13.68	10.40
(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 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.					
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.					
(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.					
(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 CONCENTRATED 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.

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

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

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

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

Management fees paid directly by Class A unitholders of the Fund to PPW through a redemption of units was \$0.5 million for the six-month period ended June 30, 2023. PPW charges the Fund management fees in respect of Class F Units computed at the annual rate of 1.00% plus applicable taxes. Such management fee are accrued daily and paid monthly. The applicable rate is applied to the Net Asset Value of the Class and charged as a Class specific expense. Class F management fees expense for the period was \$0.1 million (\$22,362 payable as at 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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PEMBROKE CONCENTRATED FUND

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**Caution Regarding Forward-looking Statements**

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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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