Pembroke Management Ltd.

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Form ADV Part 2 — February 27, 2018

Item 1 – Cover Page

This brochure provides information about the qualifications and business practices of Pembroke Management Ltd. If you have any questions about the contents of this brochure, please contact us at 514-848-1991 or by email at mmclaughlin@pml.ca. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration does not imply a certain level of skill or training.

Additional information about Pembroke Management Ltd is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There are no material changes since our last filing on March 16, 2017. We have made other clarifications of certain aspects of Pembroke Management Limited's delivery of advisory services.

You may request the most recent version of this brochure, free of charge, by contacting Michael McLaughlin at 514-848-1991 or mmclaughlin@pml.ca. Our brochure is also available on our website at www.pml.ca. You may also obtain a copy by going to the SEC's website at **www.adviserinfo.sec.gov**.

Item 3 – Table of Contents

Item 4 – Advisory Business

Pembroke Management Ltd (the "Registrant" "Pembroke", "us," or "we") provides investment advisory and other services. Pembroke is an independent company owned entirely by current employees of the firm. The three largest shareholders are Ian Aitken, Jeffrey Tory and Nicolas Chevalier.

We manage investment advisory accounts for institutional investors including, but not limited to, corporate and public pension funds, endowments and foundations, private investment funds, as well as for mutual funds and wealthy individuals ("Clients"). We provide advice to Clients regarding equity securities, debt instruments, and other investments and financial instruments. Since its founding in 1968, Pembroke has focused substantially on Canadian and U.S. growth companies with smaller to medium sized capitalization. The majority of our investment decisions are made through qualitative and fundamental analysis. All accounts with the same mandate are managed on a similar basis, We do have flexibility to permit Clients to impose certain restrictions on their accounts with respect to: (1) the specific types of investments or asset classes that we will or will not purchase for their account; (2) the nature of the issuers of investments that we will or will not purchase for their account; or (3) the risk profile of instruments we will or will not purchase for their account, or the risk profile of the account as a whole. In general, our Client accounts are fully invested and we do not normally engage in market timing.

As of January 1, 2018, the Registrant had $1.9 billion in assets under management to which it provides advice on a discretionary basis.

Throughout this brochure, we disclose a number of conflicts of interest and provide summaries of a number of our policies and procedures designed to detect and address these conflicts and others. We encourage Clients and prospective clients to review our policies and procedures and inquire directly with us about our conflicts. Our compliance policies and procedures are available for review in our offices. In addition, conflicts of interest and specific risks are identified in the prospectus for the GBC Investment Funds, a family of registered mutual funds, (the "Funds") that are managed by Pembroke Private Wealth Management Ltd., an affiliate of Pembroke. We act as the sub-advisor on some of these Funds. The GBC Investment Funds are offered for sale solely to residents or citizens of Canada and to entities registered and domiciled in Canada. Please request a copy of the Fund's most current prospectus for a description of other conflicts and risks that might exist.

Item 5 – Fees and Compensation

With respect to all types of Clients, we are compensated with a management fee (a percentage of assets under management). The client may opt to have the invoice paid either by cheque or debited directly from their account.

Clients generally have fee arrangements that differ depending upon the type of strategy we use in managing the account. Our standard fee schedules for advisory services are set forth below. These fee schedules may be negotiable and the minimum account size may be negotiable.

Individually Managed Accounts:

Annual Rate	1% of the market value of assets under management on first $10 million 0.85% on next $15 million 0.75% on next $25 million

Accounts above $100 million may be subject to certain restrictions and fee negotiations.

Minimum Account Size for a separately managed account is $10,000,000

Fees are normally calculated at the end of each calendar quarter based on total portfolio market value as of the last day of the calendar quarter. Fees are generally billed quarterly in arrears. Fees will be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. A client may terminate an investment advisory contract immediately at any time by written notice to Pembroke. Upon termination, by either Pembroke or the client, the fee will be prorated and payable in arrears as of the termination date, as determined by Pembroke.

Additional Expenses

Our fees are exclusive of brokerage commissions, transaction fees, custodial fees, and other related costs and expenses, all of which are incurred by the Client. Please refer to Item 12 for additional information regarding the factors we consider in selecting broker-dealers for Client transactions and in determining the reasonableness of their compensation.

Related Conflicts:

Affiliated and Unaffiliated Mutual Funds: From time to time, clients may have supervised assets that are invested in non-affiliated mutual funds (including money market funds). Compensation (including, without limitation, management and other fees, carried interest, profit participation and reimbursement of operating and other expenses) to mutual funds that are not affiliated with us will be borne by Clients, and we will not offset, or pay such fees from, our management fees. However, we do offset the compensation we receive against compensation received by us on the Funds that are affiliated with us to avoid a "double-dip" on fees for the same portion of assets when the management fee has already been deducted within the Fund.

Item 6 – Performance-Based Fees and Side-By-Side Management

We have certain Clients who pay us a performance-based fee based on the net capital appreciation above an agreed upon benchmark of the Client's assets under management. Net capital appreciation includes: (1) unrealized appreciation of assets; and (2) realized gains and losses.

All performance-based income is calculated and paid in accordance with Section 205 and Rule 205-3 under the Investment Advisers Act of 1940.

Because of the different fee arrangements in place for our Clients, including our receipt of performance-based fees from some Clients and not from others, we may have an incentive to favor Clients that pay performance-based fees over those that do not. This incentive could, for example, affect our decision to effect securities transactions for some Clients and not for others if we believe the transaction will be profitable (or to allocate a greater portion of a limited investment opportunity to such accounts), or to engage in cross trades between Client accounts. Our receipt of performance fees may incentivize us to make investments that are riskier or more speculative than we would make if we did not receive performance fees. Because net capital appreciation includes unrealized appreciation of Client assets, it may result in us receiving more performance fees than if net capital appreciation were based solely on realized gains.

To address these conflicts, our policies and procedures are designed such that investment decisions are made without consideration of our pecuniary interests, and instead are made in accordance with our fiduciary duties to all Client accounts. We manage investment funds and managed accounts, some of which have objectives that are similar to, or overlap with, those of other Clients. As discussed further in Item 12 below, generally all accounts managed using the same investment strategy will participate pro rata in all investment opportunities that we allocate to any other account using that strategy.

The portfolio strategies we use for certain Clients could conflict with the transactions and strategies we employ in managing other Clients and may affect the prices and availability of the securities and other financial instruments in which Clients invest.

Item 7 – Types of Clients

As noted in Item 4 above, we may provide investment advisory services to individually managed accounts for institutional investors including, but not limited to, corporate and public pension funds, endowments and foundations, private investment funds, as well as to mutual funds, and wealthy individuals. The minimum dollar value for opening a separate account is generally $10,000,000. We may lower or raise the minimum account size at our discretion.

Termination provisions for advisory contracts for individually managed accounts are subject to negotiation but generally may be terminated at any time without penalty either by the client or Pembroke, upon written notice to the other party.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Pembroke manages U.S. and Canadian equity mandates with the goal of realizing long-term capital appreciation primarily through investment in a portfolio of common shares and other equity securities of predominantly small to medium size capitalization issuers that generally exhibit the potential to achieve above-average long-term earnings or revenue growth.

Although the following provides a general view of our firm philosophy, our portfolio managers make investment decisions for Clients based on their own judgment, within this philosophy. Accordingly, accounts pursuing the same strategy will not hold the same exact securities positions unless they are following one of our models and the Clients have not imposed restrictions on the investment of their account assets.

In the case of the firm's U.S. portfolios, the securities will usually be listed in the United States or the issuer will be a United States issuer, whether the securities are listed on a recognized exchange in the United States or elsewhere. Pembroke maintains the right to invest in non-United States issuers or in equities not listed in the United States from time to time.

In the case of the firm's Canadian portfolios, the securities will usually be listed in Canada or the issuer will be a Canadian issuer, whether the securities are listed on a recognized exchange in Canada or elsewhere. Pembroke maintains the right to invest in non-Canadian issuers or in equities not listed in Canada from time to time.

Pembroke may also manage portfolios that are North American in scope, in which case the securities will usually be listed in North America or the issuer will be a Canadian or United States issuer, whether the securities are listed on a recognized exchange in Canada, the United States, or elsewhere. Pembroke maintains the right to invest in non-Canadian and non-United States issuers or in equities not listed in Canada or the United States from time to time.

Cash reserves of Pembroke's portfolios may sometimes be invested in high-grade short-term interest-bearing securities. Pembroke does not currently hedge its portfolios against fluctuations in currencies.

Pembroke's primary investment strategy is centered on the belief that well-managed growth companies will create wealth for their shareholders over the long-term. Pembroke's equity mandates are suitable for clients who are seeking long-term growth of their capital. The investment analysis for Pembroke's equity mandates is based on a bottom-up assessment of company-specific factors. The investment team considers each company's prospects, business model, and financial stability as well as its valuation in order to make investment decisions. Pembroke usually meets or speaks with the management of prospective holdings before making investment decisions. Generally, Pembroke does not engage in market-timing and; therefore, generally has a significant majority of each Client's funds invested in publicly traded securities at all times.

The long-term success of Pembroke's approach depends primarily on the judgment and knowledge of the firm's investment team. However, Clients of the firm should be aware that shares in smaller to medium sized companies are prone to high levels of volatility based on overall changes in the stock market as well as on company-specific news. The risks associated with Pembroke's investment strategy include the possibility that companies in the portfolio will fail to meet the firm's fundamental expectations, that the valuation multiples on certain or all securities in Pembroke's portfolios contract, and that the firm's investment strategy underperforms alternative investment strategies available to the Client.

While Pembroke seeks to make investments principally in companies that have the prospect to create wealth over a three to five-year period, the firm will trade securities based on factors such as the market environment, valuation, industry fundamentals, and company-specific developments. Although

Pembroke's approach typically results in moderate trading activity, Clients of the firm may be subjected to increased transaction costs, higher brokerage commissions, and tax consequences should the level of trading activity increase.

Investing in equities involves the risk of loss. Pembroke takes steps to reduce the risk of loss, but this is a risk that Clients must be willing to accept.

Client portfolios will reflect a higher concentration in some sectors where we have the greatest degree of conviction in the underlying securities, and a relative underweight in others. As a result Client returns may vary significantly from the benchmark returns, resulting in an above average tracking error.

Other Related Procedures and Conflict

Valuation of Holdings: In the absence of a particular agreed-upon method for valuing securities, we will generally value exchange traded securities at the last exchange traded price as reported on a composite of quotes obtained from many stock exchanges where the issuer's securities are traded. This is done automatically by our portfolio management system on an overnight basis. If no sales for those securities are reported on a particular day, the securities will be valued based upon the mean of the latest available ask price and the latest available composite bid price for securities held long as reported by the exchange.

Item 9 – Disciplinary Information

Form ADV Part 2 requires investment advisers such as Pembroke to disclose legal or disciplinary events involving the firm or our partners, officers, or principals that are material to your evaluation of our advisory business or the integrity of our management. At this time, we have no information to report that is applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

In 1988, Pembroke created Pembroke Private Wealth Management Ltd. ("PPW"), (formerly named GBC Asset Management Inc.), a Canadian investment fund manager and mutual fund dealer that currently operates exclusively in Canada. Pembroke owns 100% of PPW and serves as the sub-advisor for several of the funds offered by them.

On occasion, we may recommend the Funds to Clients. We do so only when the investment is consistent with our Clients' investment guidelines, and we do not include the value of this investment when calculating our management fees, if a management fee has already been charged within the Fund.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics and Personal Trading:

We strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust, and we have adopted a Code of Ethics (the "Code") to help us meet these standards. The Code incorporates the following principles:

- Pembroke's employees have a fiduciary duty to place the interests of Clients first;
- Pembroke's employees should not take inappropriate advantage of their positions. Employees should avoid any situation that may compromise, or call into question, the exercise of their fully independent judgment in the interests of Clients;
- All personal securities transactions should avoid any actual, potential or apparent conflicts of interest; and
- Independence in the investment making decision is paramount.

The Code includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All persons at Pembroke must acknowledge the terms of and compliance with the Code on an annual basis.

Pembroke anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which Pembroke has management authority to effect, and will recommend to investment advisory Clients or prospective clients, the purchase or sale of securities in which Pembroke, its affiliate and/or other Clients, directly or indirectly, have a position or interest. Pembroke's employees and persons associated with Pembroke are required to follow Pembroke's Code. Subject to satisfying this policy and applicable laws, officers, directors and employees of Pembroke and its affiliate, may trade for their own accounts in securities that are recommended to and/or purchased for Pembroke's clients. The Code is designed to ensure that the personal securities transactions, activities and interests of the employees of Pembroke will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. The Code requires, among other things, pre-clearance of transactions, restricts trading in close proximity to client trading activity including a black out period for portfolio managers and a mandatory 30 day hold period for any security that is also held in a Client account. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored under the Code, to reasonably prevent conflicts of interest between Pembroke and its clients.

Employees are required to ensure the Chief Compliance Officer receives directly from broker dealers their monthly brokerage statements indicating their security holdings and transactions.

Any breaches of the Code will be viewed as very serious and may result in disciplinary action up to and including dismissal. Clients and prospective clients may review a copy of the Code by contacting us at the address or telephone number listed on the first page of this document.

Participation or Interest in Client Transactions:

We act as an Advisor to the Funds. On occasion, we may recommend these Funds to Clients. We do so only when the investment is consistent with our Clients' investment guidelines, and we do not include the value of this investment when calculating our management fees if a management fee has already been charged within the Fund.

Personal Trading:

Subject to the Code, as described above, we and our partners, principals, and employees may engage in investment activities for our own account or for family members and friends. These activities may involve the purchase and sale of securities that are the same as, but in different concentrations or effected

at different times and prices than, those purchased or sold for Client accounts. These activities may also involve the purchase and sale of securities that are different from those purchased for Client accounts.

Other Related Conflicts and Practices:

Gifts and Entertainment: Brokers, counterparties, service providers and other third parties with whom we do business occasionally provide gifts and entertainment to our principals and employees. We may enter into business transactions and relationships on behalf of a Client with the donors of such gifts and entertainment. Such gifts and entertainment create a conflict of interest in our selection and retention of these donors as service providers for Clients. To address this conflict, we have adopted policies and procedures to: 1) monitor gifts and entertainment given and received by our principals and employees; and 2) limit the value of gifts and entertainment given and received. We also have policies and procedures in place to help us monitor, and limit, the political contributions that our principals and employees make to public officials and candidates for elected office in accordance with the requirements of Rule 206(4)-5 under the Investment Advisers Act of 1940.

Disclosure of Portfolio and Other Information: We sometimes provide portfolio holdings information to entities that have been retained by Clients to evaluate portfolio risk. We provide this information in our sole discretion, and reserve the right to cease providing this information at any time. We make reasonable efforts to preserve the confidentiality of the information we provide, but we cannot ensure that the entities we provide information to will fulfill their confidentiality obligations.

In the course of conducting due diligence, Clients periodically request information pertaining to their investments, and pertaining to us. We may respond to these requests and may provide information that is not generally made available to other Clients. Additionally, we provide portfolio information to service providers such as Bloomberg in order to assist us with our portfolio management.

When we provide this information, we do so without an obligation to update any such information provided. However, we endeavor to provide the information requested in the most current form available.

Item 12 – Brokerage Practices

General Brokerage Practices:

In instances where we have the discretion to select brokers, we allocate portfolio transactions for Client accounts to broker-dealers on the basis of best execution available—i.e., execution in a manner that the Client's total cost or proceeds in each transaction is most favorable under the circumstances. We consider a variety of factors regarding broker-dealers in seeking best execution, including:

- Average commission charged
- Executed prices of trades
- Type and size of transaction
- Services provided by the broker (other than execution, such as research and other services)
- Difficulty of transactions
- Operational facilities of the broker

Clients should expect that their securities transactions can generate a substantial amount of brokerage commissions and other costs, all of which are borne by the Client. Except in cases where a Client has directed us to use a specific broker-dealer, we have complete discretion to decide what broker-dealers or other counterparties will be used in executing transactions for Clients, and we negotiate the rates of compensation that Clients will pay.

In addition to using brokers as "agents" and paying resulting commissions, we sometimes cause Client accounts to buy or sell securities directly from or to dealers acting as principals at prices that include mark-ups or mark-downs, and may also cause Client accounts to buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

Research and Other Soft Dollar Benefits

General Information: Clients may pay for research and execution services with soft or commission dollars. While Clients benefit from many of the services obtained with soft dollars generated by Client trades, each Client will not benefit exclusively.

In addition, we and our affiliates may also derive direct or indirect benefits from soft dollar services. This is particularly true to the extent that we use soft or commission dollars to pay for expenses that we would otherwise be required to pay for out of pocket. Therefore, we may have an incentive to select broker-dealers based on our interest in receiving the research or other products or services at reduced cost to us, rather than based on the Clients' interest in receiving most favorable execution.

We do not seek to allocate soft dollar benefits to Client accounts proportionally to the soft dollar credits those accounts generate. Rather, we use soft dollar benefits to service all Clients' accounts. However, each Client may not benefit from each of the services that we pay for with soft dollars, and therefore, in the case of any particular transaction or transactions, a Client may pay higher commission rates without receiving any benefit.

As noted above, in allocating Client brokerage, we generally consider, among other things, research and execution services provided by brokers. We do not preclude allocations to brokers that do not provide research and other soft dollar services, but the proposed relationships with brokerage firms that do provide soft dollar services to us influences our judgment in allocating brokerage business and creates a conflict of interest.

We believe that our allocation of brokerage business will help Clients to obtain research and execution capabilities and will provide other benefits to Clients, but Client trades executed through these brokers or dealers or any other brokerage firm may or may not be at the best or lowest price otherwise available.

Section 28(e) Safe Harbor: Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act") provides a safe harbor to investment advisers who use commission dollars of their advised accounts to obtain certain research and brokerage services. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. We intend that all soft dollar payments will fall within the safe harbor of Section 28(e). Section 28(e) permits an investment adviser, under certain circumstances, to cause an account to pay a broker a commission for effecting a transaction in excess of the amount of commission another broker would have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker. Below we have described examples of research and brokerage services that fall within the safe harbor of Section 28(e). We may use commissions that Clients generate for any of these eligible research and brokerage services as well as any others that fall within the safe harbor of Section 28(e).

Examples of Research and Brokerage allowed within Section 28(e)

- Traditional Research Reports
- Pre-trade and Post trade analytics
- Advice from broker/dealers on order execution

- Discussions with Research Analysts, Analyst visits, conferences
- Proxy services that transmit reports and analyses on issuers, securities and the advisability of investing in securities
- Consultants' services that provide advice regarding portfolio strategy

During the calendar year ended December 31 2017, we used our soft dollars to pay for research services including information on economies, industries, groups of securities and individual companies, statistical information, market data, and political developments.

Directed Brokerage

We permit individually managed account Clients to select their own counterparties and direct us to execute transactions through a specified broker-dealer or broker-dealers. However, when acting under these instructions we may be unable to achieve most favorable execution, which can result in additional costs and expenses for the Client. For example, Clients may pay higher brokerage commissions and may receive a less favorable price when buying or selling if they cannot participate in an aggregated trade along with other Client orders executed through broker-dealers that we selected. However, Clients may wish to take into account certain off-setting considerations such as the receipt of additional or special services from their broker of choice, including custodial services. Certain such services might not be available, or might involve additional costs to the Clients, if trades were executed with non-directed brokers.

Trade Aggregation

When buying and selling investments for Clients, we may aggregate multiple transactions into one order so that as many eligible Clients may participate equally over time on a fair and equitable basis, in terms of best available cost, efficiency and terms. Although certain Clients may be excluded from a given aggregated order, no Client is favored over any other on an overall, long-term basis. Each Client that participates in an aggregated order participates at the average price for all the Adviser's transactions in that security on a given business day and transaction costs will be shared pro rata based on each Client's participation in the transaction.

In assembling an aggregated order in specific securities (including privately offered investments and securities for which market quotations are not readily available), we consider the appropriateness of the investment for each Client based on their risk tolerances and objectives.

Allocation of Aggregated Orders and Other Investment Opportunities

We consider a number of factors when allocating aggregated orders and other investment opportunities to individual Client accounts. Because of the differences in Client investment objectives and strategies, risk tolerances, tax status and other criteria, there may; however, be differences among Clients in invested positions and securities held. The following factors may be taken into account by us in allocating securities among investment advisory Clients:

- Client's investment objective and strategies;
- Client's risk profile;
- Client's tax status;

- any restrictions placed on a Client's portfolio by the client or by virtue of federal or state law (such as the Employee Retirement Income Security Act of 1974, as amended ["ERISA"]);
- size of Client account;
- total portfolio invested position;
- nature of the security to be allocated;
- size of available position;
- timing of cash flows and account liquidity;

We strive to provide all Clients with meaningful investment allocations over time, although each and every Client will not receive an allocation of each and every profitable investment.

We will provide additional detail about our order aggregation and allocation policy upon request. Although the above discussion provides a summary of our policy, our actual practices are governed by the policy we currently have in place, and not by this summary. We may revise or amend our policy at any time, without notice to Clients.

Other Brokerage Practices, Issues, and Conflicts:

Allocation of Our Time and Resources: Generally, we are not subject to specific obligations or requirements concerning the allocation of our time, efforts, resources, or investment opportunities to any particular Client. We are not obligated to devote any specific amount of time to the affairs of any Client and are generally not required to accord exclusivity or priority to any Client in the event of limited investment opportunities arising from the application of speculative position limits or other factors. Our personnel devote time to the affairs of our Clients as they, in their discretion, determine to be necessary for the conduct of our business.

Cross Trades: We may sometimes effect cross transactions between Client accounts, if permitted by applicable law. In a cross transaction, one Client account will purchase securities held by another Client account. We will only effect these transactions if we have written authority to do so from the Client.

We do not receive any compensation in connection with cross transactions. Inadvertent cross transactions may also occur when trades cross in the market. For example, when we periodically rebalance Client accounts, certain accounts may sell securities into the market at the same time that other accounts are purchasing the same securities in the market, resulting in an inadvertent or "deemed" market cross.

Re-Allocations: Occasionally, with respect to a particular aggregated order, an allocation to a Client account would result in violation of a Client investment restriction or guideline, or may otherwise be impermissible (e.g., it would result in an overdraw on the account). In these situations, we have policies and procedures in place designed to help us detect these impermissible transactions before settlement (typically three days after the trade date for publicly traded equity securities). If detected before settlement, in accordance with our policies and procedures, we may determine to re-allocate the aggregated order among the other participating Client accounts, to the extent that we believe it to be suitable and appropriate for the other participating Client accounts. If an impermissible allocation is not detected before settlement, it may result in a trade error subject to our policies and procedures regarding the handling of trading errors in Client accounts, discussed below.

Trade Errors: We have established policies and procedures regarding the handling of trading errors in Client accounts (e.g., the purchase or sale of a security in the wrong amount, or contrary to Client investment guidelines). In accordance with these policies and procedures, we try to correct errors as soon as practicable after discovery to ensure that Clients do not incur a loss. Where trading errors result in gains for the Client account, the account is credited with such gains. If a trading error results in a loss, we make the Client whole.

Item 13 – Review of Accounts

All individually managed Client accounts are reconciled monthly to the custodian records. This review is carried out by our Accounting Team. Each client account is designated two officers of Pembroke who are responsible for review of these Client accounts and portfolios on an ongoing basis.

We provide our individually managed account Clients with a monthly written report regarding their account(s) covering a detailed statement of the assets in their account showing holdings, book cost and market values. In addition, the report details performance achieved in the period.

Customized client reports may be furnished upon request.

Item 14 – Client Referrals and Other Compensation

Pembroke believes in dealing directly with its clients and has no oral or written arrangement with any third party to directly or indirectly compensate them for client referrals.

Item 15 – Custody

All Pembroke Clients use a third party custodian to hold the Clients' investment assets. These custodians prepare quarterly or monthly statements for each client itemizing the securities held by that Client. Pembroke compares the statements prepared by the third party custodians to its internal records and takes steps to reconcile any material differences. Pembroke urges you to carefully review the statements that you receive from the custodian and to compare such official custodial records to the account statements that you receive from Pembroke. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Pembroke manages investment accounts for its Clients on a discretionary basis and requires discretionary authority from the Client at the outset of an advisory relationship empowering it to select the identity and amount of securities to be bought or sold. As noted in Item 4 above, Clients may impose limitations on this discretion with respect to (1) the specific types of investments or asset classes that we will or will not purchase for their account; (2) the nature of the issuers of investments that we will or will not purchase for their account; or (3) the risk profile of instruments we will or will not purchase for their account, or the risk profile of the account as a whole. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular account and in compliance with any restrictions, limitations or policies regarding the account. To ensure a clear and common understanding of the stated investment objectives, the restrictions, limitations and policies regarding the account must be provided to Pembroke in writing.

In the absence of specific directions from the Client, Pembroke will invest all Client accounts with identical mandates in a similar manner (to the extent possible given account size, starting date, client specific guidelines and or restrictions, and date of any subsequent contributions or distributions), and a policy is in place to be certain that, in the execution of trades, all accounts are treated pari passu.

Clients may also direct us to use a particular broker-dealer or broker-dealers.

We typically assume this authority through a power of attorney or contract provision granted or entered into by a Client.

Item 17 – Voting Client Securities

We have adopted proxy voting policies and procedures (the "Proxy Policies"). The overriding objective of Pembroke Management's proxy voting activities is to enhance shareholder value on a long-term basis. As a result, our proxy voting guidelines have been developed in a manner which we believe is consistent with this goal. The guidelines cover issues related to the Board of Directors, Executive and Director Compensation, take-over protection and shareholder rights. The guidelines are not rigid, inflexible voting directives. Our portfolio managers will evaluate each voting matter on a case-by-case basis and may vote in a manner contrary to the guidelines if they feel that this would ultimately enhance long-term shareholder value.

We have engaged a third-party vendor, Institutional Shareholder Services Inc. ("ISS"), as our proxy voting delegate. In addition to actually voting our proxies, ISS researches and makes voting determinations in accordance with our proxy voting guidelines, provides recommendations with respect to proxy voting matters in general, and maintains records of votes cast.

In the absence of specific voting guidelines from our Clients we will vote proxies in the best interests of each particular Client, and generally in accordance with the recommendations of the third-party vendor. We believe that voting proxies in accordance with the following guidelines is in the best interests of our Clients.

- Generally, we will vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock.
- Generally, we will vote against proposals that make it more difficult to replace members of the issuer's board of directors, including proposals to stagger the board, cause management to be overrepresented on the board, introduce cumulative voting, introduce unequal voting rights, and create supermajority voting. For other proposals, we shall determine whether a proposal is in the best interests of our Clients.

If a Client makes a specific request, we will vote Client proxies in accordance with that Client's request even if it is in a manner inconsistent with our policies and procedures. Such specific requests must be made in writing by the individual Client or by an authorized officer, representative or named fiduciary of the Client.

Pembroke will attempt to identify any conflicts that exist between our interests and the interests of our Clients. This examination will include a review of the relationship we have with the issuer of each security and any of the issuer's affiliates to determine if the issuer is a Client of ours or has some other relationship with us or a Client of ours.

If a material conflict exists, we will determine whether voting in accordance with the voting guidelines and factors described above is in the best interests of the Client. We will also determine whether it is appropriate to disclose the conflict to the affected Clients and, except in the case of Clients that are subject to Employee Retirement Income Security Act ("ERISA"), give the Clients the opportunity to vote their proxies themselves. In the case of ERISA Clients, if the Investment Management Agreement reserves to the ERISA Client the authority to vote proxies when we determine we have a material conflict that affects our best judgment as an ERISA fiduciary, we will give the ERISA Client the opportunity to vote the proxies themselves.

You may request a copy of our Proxy Policies and the proxy voting record relating to your account by contacting us at the address or telephone number listed on the first page of this document.

Item 18 – Financial Information

Form ADV Part 2 requires investment advisers such as Pembroke to disclose any financial condition reasonably likely to impair our ability to meet contractual commitments to clients. At this time, we have no information to report that is applicable to this item.