

# PEMBROKE

PRIVATE WEALTH MANAGEMENT

## PEMBROKE MONEY MARKET FUND

(formerly The GBC Money Market Fund)

## PEMBROKE CANADIAN BOND FUND

(formerly The GBC Canadian Bond Fund)

## PEMBROKE CORPORATE BOND FUND

(formerly The GBC Corporate Bond Fund)

## PEMBROKE GROWTH AND INCOME FUND

(formerly The GBC Growth and Income Fund)

## PEMBROKE GLOBAL BALANCED FUND

(formerly The GBC Global Balanced Fund)

## PEMBROKE CANADIAN GROWTH FUND

(formerly The GBC Canadian Growth Fund)

## PEMBROKE AMERICAN GROWTH FUND INC.

(formerly The GBC American Growth Fund Inc.)

## PEMBROKE INTERNATIONAL GROWTH FUND

(formerly The GBC International Growth Fund)

## PEMBROKE CONCENTRATED FUND

**ANNUAL FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

# P E M B R O K E

## DECEMBER 31, 2020 FINANCIAL STATEMENTS

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DECEMBER 31, 2020 FINANCIAL STATEMENTS



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## Independent Auditor's Report

To the Securityholders of

Pembroke Money Market Fund (formerly The GBC Money Market Fund)  
Pembroke Canadian Bond Fund (formerly The GBC Canadian Bond Fund)  
Pembroke Corporate Bond Fund (formerly The GBC Corporate Bond Fund)  
Pembroke Growth and Income Fund (formerly The GBC Growth and Income Fund)  
Pembroke Global Balanced Fund (formerly The GBC Global Balanced Fund)  
Pembroke Canadian Growth Fund (formerly The GBC Canadian Growth Fund)  
Pembroke American Growth Fund Inc. (formerly The GBC American Growth Fund Inc.)  
Pembroke International Growth Fund (formerly The GBC International Growth Fund)  
Pembroke Concentrated Fund

(each individually, the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, changes in financial position attributable to holders of redeemable securities and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

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## DECEMBER 31, 2020 FINANCIAL STATEMENTS

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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

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DECEMBER 31, 2020 FINANCIAL STATEMENTS

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

Montréal, Québec  
February 16, 2021

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1 CPA auditor, CA, public accountancy permit No. A121501

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DECEMBER 31, 2020 FINANCIAL STATEMENTS

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**Approval of the Annual Financial Statements:  
December 31, 2020**

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Pembroke Money Market Fund (formerly The GBC Money Market Fund)  
Pembroke Canadian Bond Fund (formerly The GBC Canadian Bond Fund)  
Pembroke Corporate Bond Fund (formerly The GBC Corporate Bond Fund)  
Pembroke Growth and Income Fund (formerly The GBC Growth and Income Fund)  
Pembroke Global Balanced Fund (formerly The GBC Global Balanced Fund)  
Pembroke Canadian Growth Fund (formerly The GBC Canadian Growth Fund)  
Pembroke International Growth Fund (formerly The GBC International Growth Fund)  
Pembroke Concentrated Fund

(collectively referred to as the “Funds” or individually as a “Fund”, including the Pembroke American Growth Fund Inc. (formerly The GBC American Growth Fund Inc.))

Approved by the Trustee, Pembroke Private Wealth Management Ltd.



Jeffrey S. D. Tory  
Director



Michael P. McLaughlin  
Director

Montreal, February 16, 2021

**Approval of the Annual Financial Statements:  
December 31, 2020**

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Pembroke American Growth Fund Inc. (formerly The GBC American Growth Fund Inc.)

Approved by the Board



Marc A. Courtois  
Chairman



Glen Roane  
Director

Montreal, February 16, 2021

P E M B R O K E

**PEMBROKE MONEY MARKET FUND**

(formerly The GBC Money Market Fund)

**STATEMENTS OF FINANCIAL POSITION**

As at December 31

	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	\$	\$
<b>Assets</b>		
Cash	16,090	14,983
Investments at fair value through profit or loss	25,434,988	13,137,206
<b>Total assets</b>	<b>25,451,078</b>	<b>13,152,189</b>
<b>Liabilities</b>	-	-
<b>Total Liabilities (excluding net assets attributable to holders of redeemable units)</b>	-	-
<b>Net assets attributable to holders of redeemable units</b>	<b>25,451,078</b>	<b>13,152,189</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
Net assets CAD	<b>10.00</b>	<b>10.00</b>
<b>Investments, at cost</b>	<b>25,431,440</b>	<b>13,078,873</b>

*The accompanying notes are an integral part of these financial statements*



P E M B R O K E

**PEMBROKE MONEY MARKET FUND**

(formerly The GBC Money Market Fund)

**STATEMENTS OF COMPREHENSIVE INCOME**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	\$	\$
<b>Income</b>		
Interest income for distribution purposes	112,290	190,711
<b>Total operating income (loss)</b>	<b>112,290</b>	<b>190,711</b>
<b>Expenses</b>		
Securityholders' information fees	9,277	8,864
Filing fees	18,623	18,473
Custodial fees	2,926	3,587
Audit fees	15,468	15,923
Legal fees	9,074	7,563
Independent Review Committee fees	4,950	5,357
<b>Total operating expenses</b>	<b>60,318</b>	<b>59,767</b>
<b>Profit (loss) before undernoted</b>	<b>51,972</b>	<b>130,944</b>
Expenses absorbed by Manager	34,346	16,201
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>86,318</b>	<b>147,145</b>
<b>Weighted average number of redeemable units outstanding during the year</b>	<b>1,919,601</b>	<b>1,140,607</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit</b>	<b>0.04</b>	<b>0.13</b>

*The accompanying notes are an integral part of these financial statements*

P E M B R O K E

**PEMBROKE MONEY MARKET FUND**

(formerly The GBC Money Market Fund)

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO  
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to holders of redeemable</b>		
<b>units at beginning of the year</b>	<b>13,152,189</b>	<b>9,480,026</b>
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable units</b>	<b>86,318</b>	<b>147,145</b>
<b>Distributions to holders of redeemable units</b>		
From net investment income	(84,049)	(147,145)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	41,536,092	22,177,106
Redemption of redeemable units	(29,222,727)	(18,488,941)
Redemption of redeemable units, management fees (Note 5)	(16,745)	(16,002)
<b>Net increase (decrease) from unit transactions</b>	<b>12,296,620</b>	<b>3,672,163</b>
<b>Net assets attributable to holders of redeemable</b>		
<b>units at end of the year</b>	<b>25,451,078</b>	<b>13,152,189</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE MONEY MARKET FUND**

(formerly The GBC Money Market Fund)

**STATEMENTS OF CASH FLOWS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
<small>(IN CANADIAN DOLLARS)</small>	<b>\$</b>	<b>\$</b>
<b>Cash flows provided from operating activities</b>		
Increase (decrease) in amount attributable to holders of redeemable units	86,318	147,145
Adjustments for:		
Interest income for distribution purposes	(112,290)	(190,711)
	(25,972)	(43,566)
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(67,020,333)	(30,628,163)
Proceeds from sale and maturity of investments	54,667,088	26,976,344
	(12,379,217)	(3,695,385)
Interest received	167,753	154,531
<b>Net cash flows provided from operating activities</b>	<b>(12,211,464)</b>	<b>(3,540,854)</b>
<b>Cash flows provided from financing activities</b>		
Proceeds from redeemable units issued	41,452,043	22,029,961
Redemption of redeemable units	(29,239,472)	(18,504,943)
<b>Net cash flows provided from financing activities</b>	<b>12,212,571</b>	<b>3,525,018</b>
<b>Net increase (decrease) in cash</b>	<b>1,107</b>	<b>(15,836)</b>
<b>Cash at the beginning of the year</b>	<b>14,983</b>	<b>30,819</b>
<b>Cash at the end of the year</b>	<b>16,090</b>	<b>14,983</b>
<b>Non-Cash Transactions</b>		
Reinvested distributions from net investment income	84,049	147,145

*The accompanying notes are an integral part of these financial statements*

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**PEMBROKE MONEY MARKET FUND**

(formerly The GBC Money Market Fund)

**Schedule of Investment Portfolio**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

<b>Face Value</b>	<b>Canada Treasury Bills</b>	<b>Cost</b>	<b>Fair Value</b>
		<b>\$</b>	<b>\$</b>
2,658,596	0.09% January 14, 2021	2,658,011	2,658,511
1,001,404	0.09% January 14, 2021	1,001,194	1,001,372
660,000	0.18% March 4, 2021	659,419	659,803
180,000	0.14% March 4, 2021	179,894	179,958
100,000	0.12% March 4, 2021	99,951	99,979
4,765,000	0.11% March 4, 2021	4,762,999	4,764,120
2,500,000	0.09% March 4, 2021	2,499,150	2,499,621
120,000	0.10% March 4, 2021	119,960	119,979
290,000	0.11% March 4, 2021	289,913	289,946
110,000	0.11% March 4, 2021	109,968	109,979
890,000	0.12% March 4, 2021	889,751	889,818
100,000	0.11% March 4, 2021	99,976	99,981
10,030,000	0.11% March 11, 2021	10,027,292	10,027,947
2,035,000	0.11% June 17, 2021	2,033,962	2,033,974
<b>Total short-term investments - 99.94%</b>		<b>25,431,440</b>	<b>25,434,988</b>
Other assets - net - 0.06%			16,090
<b>Total net assets - 100.00 %</b>			<b>25,451,078</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CANADIAN BOND FUND**

(formerly The GBC Canadian Bond Fund)

**STATEMENTS OF FINANCIAL POSITION**

As at December 31

	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	\$	\$
<b>Assets</b>		
Cash	201,773	598,033
Investments at fair value through profit or loss	32,306,545	32,861,186
Due from brokers for investment securities sold	23,660	19,992
Accrued income	230,233	258,118
HST/QST receivable	-	11,844
<b>Total assets</b>	<b>32,762,211</b>	<b>33,749,173</b>
<b>Liabilities</b>		
Accrued expenses	5,530	5,833
Distributions payable to unitholders	237,442	281,263
HST/QST payable	693	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>243,665</b>	<b>287,096</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>32,518,546</b>	<b>33,462,077</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
Net assets CAD	<b>13.34</b>	<b>12.85</b>
<b>Investments, at cost</b>	<b>30,044,811</b>	<b>31,489,548</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CANADIAN BOND FUND**

(formerly The GBC Canadian Bond Fund)

**STATEMENTS OF COMPREHENSIVE INCOME**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Interest income for distribution purposes	1,068,127	1,261,512
Net realized gains (losses) on investments		
at fair value through profit or loss	329,520	(206,841)
Net change in unrealized gains (losses) on investments		
at fair value through profit or loss	890,096	1,000,127
<b>Total operating income (loss)</b>	<b>2,287,743</b>	<b>2,054,798</b>
<b>Expenses</b>		
Securityholders' information fees	19,217	24,493
Filing fees	14,269	13,931
Custodial fees	2,409	4,349
Audit fees	20,278	22,266
Legal fees	9,049	9,607
Independent Review Committee fees	4,950	5,357
Fund valuation fees	31,863	44,894
<b>Total operating expenses</b>	<b>102,035</b>	<b>124,897</b>
<b>Profit (loss) before undernoted</b>	<b>2,185,708</b>	<b>1,929,901</b>
Expenses absorbed by the Manager	5,080	9,808
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable units</b>	<b>2,190,788</b>	<b>1,939,709</b>
<b>Weighted average number of redeemable units outstanding</b>		
<b>during the year</b>	<b>2,473,474</b>	<b>2,747,627</b>
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable units per unit</b>	<b>0.89</b>	<b>0.71</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CANADIAN BOND FUND**

(formerly The GBC Canadian Bond Fund)

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO  
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to holders of redeemable units at beginning of the year</b>	<b>33,462,077</b>	<b>37,517,886</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>2,190,788</b>	<b>1,939,709</b>
<b>Distributions to holders of redeemable units</b>		
From net investment income	(980,893)	(1,167,617)
<b>Total distributions to holders of redeemable units</b>	<b>(980,893)</b>	<b>(1,167,617)</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	8,987,399	8,128,095
Redemption of redeemable units	(11,007,962)	(12,807,645)
Redemption of redeemable units, management fees (Note 5)	(132,863)	(148,351)
<b>Net increase (decrease) from unit transactions</b>	<b>(2,153,426)</b>	<b>(4,827,901)</b>
<b>Net assets attributable to holders of redeemable units at end of the year</b>	<b>32,518,546</b>	<b>33,462,077</b>

*The accompanying notes are an integral part of these financial statements*

P E M B R O K E

**PEMBROKE CANADIAN BOND FUND**

(formerly The GBC Canadian Bond Fund)

**STATEMENTS OF CASH FLOWS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
<small>(IN CANADIAN DOLLARS)</small>	<b>\$</b>	<b>\$</b>
<b>Cash flows provided from operating activities</b>		
Increase (decrease) in amount attributable to holders of redeemable units	2,190,788	1,939,709
Adjustments for:		
Interest income for distribution purposes	(1,068,127)	(1,261,512)
	1,122,661	678,197
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(10,910,736)	(6,154,105)
Proceeds from sale and maturity of investments	12,684,993	10,990,279
Net realized losses (gains) on investments at fair value through profit or loss	(329,520)	206,841
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(890,096)	(1,000,127)
Net decrease (increase) in due from/to brokers	(3,668)	(19,992)
Net decrease (increase) in other receivables	11,844	23,425
Net increase (decrease) in accrued expenses and other payables	390	53
	1,685,868	4,724,571
Interest received	1,096,012	1,288,174
<b>Net cash flows provided from operating activities</b>	<b>2,781,880</b>	<b>6,012,745</b>
<b>Cash flows provided from financing activities</b>		
Distributions to holders of redeemable units	(26,358)	(29,716)
Proceeds from redeemable units issued	7,989,043	6,924,884
Redemption of redeemable units	(11,140,825)	(12,955,996)
<b>Net cash flows provided from financing activities</b>	<b>(3,178,140)</b>	<b>(6,060,828)</b>
<b>Net increase (decrease) in cash</b>	<b>(396,260)</b>	<b>(48,083)</b>
<b>Cash at the beginning of the year</b>	<b>598,033</b>	<b>646,116</b>
<b>Cash at the end of the year</b>	<b>201,773</b>	<b>598,033</b>
<b>Non-Cash Transactions</b>		
Reinvested distributions from net investment income	998,356	1,203,211

The accompanying notes are an integral part of these financial statements



P E M B R O K E

**PEMBROKE CANADIAN BOND FUND**

(formerly The GBC Canadian Bond Fund)

**Schedule of Investment Portfolio**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

<b>Investments</b>	<b>Face Value</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Cost \$</b>	<b>Fair Value \$</b>	<b>% of Net Assets</b>
<b>Canadian Governmental Issuers or Canadian Government - Related Issuers</b>						
CBC Monetization Trust	160,979	4.688%	15-May-2027	181,734	179,285	
New Brunswick Highway	1,147,897	6.470%	30-Nov-2027	1,434,442	1,371,655	
ORNGE Issuer Trust	1,213,090	5.727%	11-Jun-2034	1,216,196	1,527,868	
Province of British Columbia	2,000,000	2.200%	18-Jun-2030	2,036,300	2,174,527	
Toronto Hospital Secured	715,635	5.640%	8-Dec-2022	815,805	739,545	
				5,684,477	5,992,880	18.43%
<b>Asset/Mortgaged-Backed</b>						
Peoples Trust Company	1,550,000	1.100%	1-Jun-2025	1,503,832	1,515,721	
				1,503,832	1,515,721	4.66%
<b>Canadian Corporations</b>						
Bank of Montreal	2,335,000	0.680%	1-Feb-2023	2,334,563	2,345,247	
CSS FSCC Partnership	405,633	6.915%	31-Jul-2042	528,856	591,723	
Enbridge Gas	791,000	3.510%	29-Nov-2047	788,285	938,788	
Enbridge Gas	637,000	3.650%	1-Apr-2050	635,618	780,190	
Greater Toronto Airports Authority	500,000	4.530%	2-Dec-2041	664,740	664,730	
Greater Toronto Airports Authority	330,037	6.450%	30-Jul-2029	417,662	406,418	
Greater Toronto Airports Authority	580,000	2.750%	17-Oct-2039	601,448	609,701	
Green Timbers LP	80,127	6.838%	30-Jun-2037	103,026	111,178	
Highway 407	1,816,000	7.125%	26-Jul-2040	2,175,446	2,995,946	
Honda Canada Finance	125,000	0.879%	13-Sep-2021	125,000	125,329	
Honda Canada Finance	40,000	0.803%	19-Sep-2022	40,000	40,175	
NAV Canada	1,013,549	7.560%	1-Mar-2027	1,276,873	1,216,654	
NAV Canada	659,000	3.209%	29-Sep-2050	667,297	763,231	
NAV Canada	773,000	3.293%	30-Mar-2048	783,211	901,198	
NAV Canada	175,000	3.534%	23-Feb-2046	190,538	210,462	
NAV Canada	49,000	7.400%	1-Jun-2027	71,075	67,497	
North Battleford Power LP	895,750	4.958%	31-Dec-2032	1,006,980	1,073,235	
Plenary Properties LTAP LP	182,228	6.288%	31-Jan-2044	263,977	263,489	
Royal Bank of Canada	1,536,000	0.620%	27-Jun-2022	1,536,000	1,540,760	
Royal Bank of Canada	591,000	1.968%	2-Mar-2022	577,206	602,021	
Spy Hill Power LP	445,444	4.140%	31-Mar-2036	490,896	513,677	
Toronto-Dominion Bank	490,000	0.790%	28-Jun-2023	490,000	494,300	
Toronto-Dominion Bank	225,000	1.994%	23-Mar-2022	229,706	229,465	
Toyota Credit Canada	1,111,000	2.310%	23-Oct-2024	1,133,963	1,171,876	
				17,132,366	18,657,290	57.38%
<b>Total Bonds - Canadian</b>				<b>24,320,675</b>	<b>26,165,891</b>	<b>80.47%</b>
<b>Foreign Governmental Issuers or Foreign Government - Related Issuers -</b>						
<b>Denominated in Canadian Dollar</b>						
Eurofima	74,000	4.550%	30-Mar-2027	82,869	89,245	
KFW	944,000	5.050%	4-Feb-2025	1,137,248	1,115,074	
Nederlandse Waterschapsbank	522,000	5.200%	31-Mar-2025	492,403	615,926	
				1,712,520	1,820,245	5.60%

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CANADIAN BOND FUND**

(formerly The GBC Canadian Bond Fund)

**Schedule of Investment Portfolio - (continued)**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Investments	Face Value	Coupon Rate	Maturity Date	Cost \$	Fair	
					Value \$	% of Net Assets
<b>Foreign Corporations - Denominated in Canadian Dollar</b>						
<b>France</b>						
Caisse Francaise de Financement Local	358,000	4.680%	9-Mar-2029	315,620	381,071	
				315,620	381,071	1.17%
<b>United States</b>						
Apple	2,017,000	2.513%	19-Aug-2024	2,016,999	2,145,938	
PepsiCo	254,000	2.150%	6-May-2024	253,524	265,717	
TWDC Enterprises 18	1,221,000	2.758%	7-Oct-2024	1,221,473	1,304,392	
Walt Disney	204,000	3.057%	30-Mar-2027	204,000	223,291	
				3,695,996	3,939,338	12.11%
				4,011,616	4,320,409	13.29%
<b>Total Foreign Bonds</b>				<b>5,724,136</b>	<b>6,140,654</b>	<b>18.88%</b>
<b>Total Investments</b>				<b>30,044,811</b>	<b>32,306,545</b>	<b>99.35%</b>
Other assets - net					212,001	0.65%
<b>Total net assets</b>					<b>32,518,546</b>	<b>100.00%</b>

Note: When classifying the bonds in this portfolio, the Manager and the portfolio manager rely on the classifications from PC Bond Analytics, a business unit of the FTSE TMX Group. Although some bonds are classified as being issued by governmental issuers under such classification, it does not mean that they are issued by a government but rather by an issuer related to a government (provincial or federal).

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CORPORATE BOND FUND**

(formerly The GBC Corporate Bond Fund)

**STATEMENTS OF FINANCIAL POSITION**

As at December 31

	<b>2020</b>	<b>2019</b>
<small>(IN CANADIAN DOLLARS)</small>	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Cash	4,009,957	236,129
Investments at fair value through profit or loss	151,136,308	124,754,436
Due from brokers for investment securities sold	30,300	30,319
Foreign exchange forward contract	719,836	349,925
Accrued income	1,700,662	611,418
HST/QST receivable	-	1,645
<b>Total assets</b>	<b>157,597,063</b>	<b>125,983,872</b>
<b>Liabilities</b>		
Accrued expenses	6,582	6,688
Distributions payable to unitholders	6,616,858	874,103
HST/QST payable	217	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>6,623,657</b>	<b>880,791</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>150,973,406</b>	<b>125,103,081</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
Net assets CAD	<b>14.42</b>	<b>12.83</b>
<b>Investments, at cost</b>	<b>137,627,857</b>	<b>121,939,084</b>

*The accompanying notes are an integral part of these financial statements*

P E M B R O K E

**PEMBROKE CORPORATE BOND FUND**

(formerly The GBC Corporate Bond Fund)

**STATEMENTS OF COMPREHENSIVE INCOME**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	\$	\$
<b>Income</b>		
Dividend income	20,917	-
Interest income for distribution purposes	8,287,100	4,421,764
Net realized gains (losses) on investments		
at fair value through profit or loss	3,343,254	(88,613)
Net realized gain (loss) on forward contracts	5,669,756	368,068
Net change in unrealized gains (losses) on investments		
at fair value through profit or loss	10,693,060	1,692,619
Net change in unrealized gains (losses) on investments		
on forward contracts	369,911	870,037
Net realized foreign exchange gains (losses)	455,518	(10,328)
<b>Total operating income (loss)</b>	<b>28,839,516</b>	<b>7,253,547</b>
<b>Expenses</b>		
Securityholders' information fees	23,503	20,140
Filing fees	15,798	13,877
Custodial fees	11,178	8,662
Audit fees	16,248	15,486
Legal fees	10,103	17,291
Independent Review Committee fees	4,950	4,357
Fund valuation fees	43,819	50,334
Transaction costs on purchase and sale of investments	212	-
<b>Total operating expenses</b>	<b>125,811</b>	<b>130,147</b>
<b>Profit (loss) before undernoted</b>	<b>28,713,705</b>	<b>7,123,400</b>
Expenses absorbed by the Manager	-	27,453
<b>Profit (loss) before taxes</b>	<b>28,713,705</b>	<b>7,150,853</b>
Taxes recovered	7,017	-
<b>Profit (loss) after taxes</b>	<b>28,720,722</b>	<b>7,150,853</b>
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable units</b>	<b>28,720,722</b>	<b>7,150,853</b>
<b>Weighted average number of redeemable units outstanding</b>		
<b>during the year</b>	<b>10,262,455</b>	<b>9,399,892</b>
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable units per unit</b>	<b>2.80</b>	<b>0.76</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CORPORATE BOND FUND**

(formerly The GBC Corporate Bond Fund)

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO  
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
<small>(IN CANADIAN DOLLARS)</small>	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to holders of redeemable</b>		
<b>units at beginning of the year</b>	<b>125,103,081</b>	<b>114,815,629</b>
<b>Increase (decrease) in net assets attributable</b>		
<b>to holders of redeemable units</b>	<b>28,720,722</b>	<b>7,150,853</b>
<b>Distributions to holders of redeemable units</b>		
From net realized capital gains	(6,068,160)	-
From net investment income	(6,342,129)	(4,158,262)
<b>Total distributions to holders of redeemable units</b>	<b>(12,410,289)</b>	<b>(4,158,262)</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	56,841,315	42,656,267
Redemption of redeemable units	(46,479,926)	(34,650,231)
Redemption of redeemable units, management fees (Note 5)	(801,497)	(711,175)
<b>Net increase (decrease) from unit transactions</b>	<b>9,559,892</b>	<b>7,294,861</b>
<b>Net assets attributable to holders of redeemable</b>		
<b>units at end of the year</b>	<b>150,973,406</b>	<b>125,103,081</b>

*The accompanying notes are an integral part of these financial statements*

P E M B R O K E

**PEMBROKE CORPORATE BOND FUND**

(formerly The GBC Corporate Bond Fund)

**STATEMENTS OF CASH FLOWS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	\$	\$
<b>Cash flows provided from operating activities</b>		
Increase (decrease) in amount attributable to holders of redeemable units	28,720,722	7,150,853
Adjustments for:		
Interest income for distribution purposes	(8,287,100)	(4,421,764)
Dividend income	(20,917)	-
	20,412,705	2,729,089
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(162,760,599)	(62,713,104)
Proceeds from sale and maturity of investments	150,414,829	53,899,190
Net realized losses (gains) on investments at fair value through profit or loss	(3,343,254)	88,613
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(10,693,060)	(1,692,619)
Net change in unrealized losses (gains) on investments on forward contracts	(369,911)	(870,037)
Transaction costs on purchase and sale of investments	212	-
Net decrease (increase) in due from/to brokers	19	(30,319)
Net decrease (increase) in other receivables	1,645	1,287
Net increase (decrease) in accrued expenses and other payables	111	108
	(6,337,303)	(8,587,792)
Interest received	7,197,856	4,460,341
Dividends received	20,917	-
<b>Net cash flows provided from operating activities</b>	<b>881,470</b>	<b>(4,127,451)</b>
<b>Cash flows provided from financing activities</b>		
Distributions to holders of redeemable units	(363,873)	(255,702)
Proceeds from redeemable units issued	50,537,654	38,669,270
Redemption of redeemable units	(47,281,423)	(35,361,406)
<b>Net cash flows provided from financing activities</b>	<b>2,892,358</b>	<b>3,052,162</b>
<b>Net increase (decrease) in cash</b>	<b>3,773,828</b>	<b>(1,075,289)</b>
<b>Cash at the beginning of the year</b>	<b>236,129</b>	<b>1,311,418</b>
<b>Cash at the end of the year</b>	<b>4,009,957</b>	<b>236,129</b>
<b>Non-Cash Transactions</b>		
Reinvested distributions from net investment income	6,303,661	3,986,997

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CORPORATE BOND FUND**

(formerly The GBC Corporate Bond Fund)

**Schedule of Investment Portfolio**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

<b>Investments</b>	<b>Face Value</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Cost \$</b>	<b>Fair Value \$</b>	<b>% of Net Assets</b>
<b>Canadian Corporate Bonds</b>						
Air Canada	5,678,000	9.000%	22-Jun-2024	5,579,442	6,051,896	
Bank of Montreal	2,284,000	4.300%	26-Nov-2025	2,284,000	2,355,558	
Black Press Group	717,523	12.000%	31-Mar-2024	717,523	677,392	
ClearStream Energy Services	1,469,520	8.000%	23-Mar-2026	1,469,520	1,469,520	
Ford Credit Canada	1,996,000	3.483%	10-Jan-2022	1,996,000	2,007,514	
Ford Credit Canada	4,512,000	3.623%	21-Mar-2024	4,482,658	4,512,045	
Ford Credit Canada	752,000	4.460%	13-Nov-2024	746,630	770,900	
GE Capital Canada Funding	2,335,000	4.600%	26-Jan-2022	2,329,662	2,424,735	
GE Capital Canada Funding	3,824,000	1.690%	6-Feb-2023	3,824,000	3,858,034	
General Motors Financial of Canada	1,185,000	5.950%	14-May-2024	1,182,827	1,357,358	
Husky Energy	94,000	3.550%	12-Mar-2025	81,780	99,571	
Husky Energy	14,000	3.600%	10-Mar-2027	11,815	14,815	
Kruger Packaging Holdings LP	67,000	6.000%	1-Jun-2026	67,148	72,193	
Neptune Acquisition	1,773,000	10.000%	8-Apr-2027	1,737,290	1,733,108	
Postmedia Network	699,658	8.250%	15-Jul-2023	699,704	561,692	
Royal Bank of Canada	3,888,000	4.500%	24-Nov-2025	3,888,000	4,062,105	
SNC-Lavalin Group	348,000	1.029%	2-Mar-2021	348,022	347,770	
SNC-Lavalin Group	57,000	3.235%	2-Mar-2023	57,669	57,206	
SNC-Lavalin Group	2,000,000	3.800%	19-Aug-2024	2,000,000	2,044,583	
Sobeys	623,000	6.060%	29-Oct-2035	627,814	799,228	
Sobeys	611,000	5.790%	6-Oct-2036	606,550	772,746	
Sobeys	440,000	6.640%	7-Jun-2040	450,464	622,226	
Suncor Energy	1,386,000	5.000%	9-Apr-2030	1,387,888	1,697,214	
Sysco Canada	466,000	3.650%	25-Apr-2025	439,037	509,095	
Videotron	900,000	5.625%	15-Jun-2025	931,217	1,009,128	
Videotron	567,000	5.750%	15-Jan-2026	589,930	585,704	
Videotron	1,184,000	4.500%	15-Jan-2030	1,184,000	1,287,255	
VW Credit Canada	1,329,000	1.160%	27-Sep-2021	1,329,250	1,333,522	
WTH Car Rental ULC	563,000	2.781%	20-Jul-2024	564,394	587,441	
Yellow Pages Digital & Media Solutions	560,669	8.000%	30-Nov-2022	453,242	570,761	
				42,067,476	44,252,315	29.31%
<b>Canadian Corporate Bonds - Denominated in US Dollars</b>						
Air Canada	851,000	4.000%	1-Jul-2025	1,182,836	1,604,576	
Bank of Nova Scotia	1,230,000	0.432%	31-Aug-2085	1,054,769	1,297,296	
Bombardier	699,000	8.750%	1-Dec-2021	831,517	927,629	
Bombardier	510,000	5.750%	15-Mar-2022	572,163	663,559	
Bombardier	306,000	6.000%	15-Oct-2022	337,411	383,665	
Bombardier	772,000	6.125%	15-Jan-2023	827,215	962,381	
Bombardier	843,000	7.500%	1-Dec-2024	904,342	1,032,928	
Bombardier	1,608,000	7.500%	15-Mar-2025	1,629,178	1,902,628	
Bombardier	2,824,000	7.875%	15-Apr-2027	2,829,453	3,313,441	
Canadian Imperial Bank of Commerce	460,000	1.750%	31-Aug-2085	367,551	492,344	
Cenovus Energy	57,000	3.800%	15-Sep-2023	71,864	75,465	
Cenovus Energy	923,000	5.375%	15-Jul-2025	1,234,420	1,326,794	
Cenovus Energy	1,592,000	4.250%	15-Apr-2027	1,318,303	2,216,624	
Cenovus Energy	809,000	5.250%	15-Jun-2037	673,542	1,168,099	
Cenovus Energy	1,064,000	6.750%	15-Nov-2039	1,073,252	1,794,255	
Cenovus Energy	602,000	5.400%	15-Jun-2047	674,194	901,662	
Husky Energy	167,000	4.400%	15-Apr-2029	170,429	237,046	
National Bank of Canada	650,000	0.432%	29-Aug-2087	413,950	594,161	
Royal Bank of Canada	750,000	1.688%	29-Jun-2085	537,817	756,450	
Teck Resources	75,000	5.200%	1-Mar-2042	73,214	109,319	
TransCanada PipeLines	3,737,000	2.431%	15-May-2067	4,101,297	3,737,753	
				20,878,717	25,498,075	16.89%

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CORPORATE BOND FUND**  
(formerly The GBC Corporate Bond Fund)

**Schedule of Investment Portfolio - (continued)**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

<b>Investments - (continued)</b>	<b>Face Value</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Cost \$</b>	<b>Fair Value \$</b>	<b>% of Net Assets</b>
<b>Asset/Mortgage-Backed</b>						
Scotia Capital	2,540,000	0.600%	1-Dec-2025	2,530,805	2,530,805	
Merrill Lynch Financial Assets	535,000	6.673%	7-May-2021	22,591	20,621	
				2,553,396	2,551,426	1.69%
<b>Total Bonds - Canadian</b>				<b>65,499,589</b>	<b>72,301,816</b>	<b>47.89%</b>
<b>Foreign Corporate Bonds - Denominated in Canadian Dollars</b>						
<b>United States</b>						
Metropolitan Life Global Funding I	1,000,000	0.980%	27-Sep-2022	1,000,000	1,000,000	
				1,000,000	1,000,000	0.66%
<b>Foreign Corporate Bonds - Denominated in US Dollars</b>						
<b>Brazil</b>						
Embraer Overseas Ltd.	138,000	5.696%	16-Sep-2023	177,661	187,681	
Embraer Netherlands Finance BV	14,000	5.050%	15-Jun-2025	16,409	18,933	
Embraer Netherlands Finance BV	104,000	5.400%	1-Feb-2027	120,454	140,944	
<b>United States</b>						
AMC Entertainment Holdings	1,607,000	10.500%	15-Apr-2025	2,163,015	1,457,433	
American Airlines	4,460,000	11.750%	15-Jul-2025	5,992,585	6,561,330	
Avis Budget Car Rental	2,353,000	10.500%	15-May-2025	3,236,871	3,542,930	
Avis Budget Car Rental	1,315,000	5.750%	15-Jul-2027	1,625,699	1,714,050	
Boeing	606,000	3.100%	1-May-2026	801,777	827,294	
Boeing	143,000	2.250%	15-Jun-2026	184,459	186,602	
Boeing	25,000	3.250%	1-Mar-2028	33,813	33,748	
Boeing	131,000	3.450%	1-Nov-2028	177,183	179,229	
Boeing	109,000	2.950%	1-Feb-2030	136,703	143,735	
Boeing	236,000	6.125%	15-Feb-2033	321,692	394,267	
Boeing	603,000	3.600%	1-May-2034	794,016	811,010	
Boeing	77,000	3.550%	1-Mar-2038	94,157	100,330	
Boeing	240,000	3.500%	1-Mar-2039	308,263	309,739	
Boeing	239,000	6.875%	15-Mar-2039	364,378	415,487	
Boeing	195,000	3.375%	15-Jun-2046	226,365	243,650	
Boeing	369,000	3.900%	1-May-2049	457,797	499,743	
Bombardier Recreational Products	4,072,793	6.000%	24-May-2027	5,596,332	5,305,480	
Continental Resources	9,000	4.500%	15-Apr-2023	9,382	11,844	
Continental Resources	493,000	3.800%	1-Jun-2024	555,341	649,741	
Continental Resources	1,915,000	4.375%	15-Jan-2028	1,985,852	2,505,556	
Continental Resources	2,074,000	5.750%	15-Jan-2031	2,718,363	2,937,825	
Continental Resources	759,000	4.900%	1-Jun-2044	682,532	958,151	
Delta Air Lines	942,000	7.000%	1-May-2025	1,318,612	1,386,637	
Ford Motor Company	469,000	4.750%	15-Jan-2043	413,947	610,203	
Ford Motor Credit Company	1,188,000	3.377%	7-Jan-2022	1,582,164	1,524,077	
GE Capital International Funding Co Unlimited	101,000	4.418%	15-Nov-2035	154,601	153,751	
General Electric	943,000	0.605%	5-May-2026	1,130,052	1,148,331	
Hertz	833,000	0.000%	1-Jun-2022	842,156	1,046,649	
Hertz	390,000	6.250%	15-Oct-2022	253,358	269,546	
Hertz	850,000	5.500%	15-Oct-2024	496,358	586,796	
Hertz	798,000	7.125%	1-Aug-2026	462,976	550,898	
Hertz	2,589,000	6.000%	15-Jan-2028	1,254,556	1,787,311	
Hertz Vehicle Financing II LP	176,000	4.990%	25-Mar-2023	184,418	223,284	
Hertz Vehicle Financing II LP	1,058,000	4.200%	25-Oct-2023	1,217,013	1,355,624	
Hertz Vehicle Financing II LP	441,000	3.600%	25-Feb-2024	502,916	563,366	
Hertz Vehicle Financing II LP	10,000	4.390%	25-Feb-2024	10,727	12,718	
Hertz Vehicle Financing II LP	141,000	4.260%	25-May-2025	134,491	179,233	

The accompanying notes are an integral part of these financial statements



P E M B R O K E

**PEMBROKE CORPORATE BOND FUND**

(formerly The GBC Corporate Bond Fund)

**Schedule of Investment Portfolio - (continued)**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Investments - (continued)	Face Value	Coupon Rate	Maturity Date	Cost \$	Fair Value \$	% of Net Assets
<b>Foreign Corporate Bonds - Denominated in US Dollars - (continued)</b>						
<b>United States - (continue)</b>						
Howmet Aerospace	1,300,000	6.875%	1-May-2025	1,836,132	1,939,823	
Maxar Technologies	945,000	7.540%	31-Dec-2027	1,261,475	1,188,880	
Maxar Technologies	731,073	2.750%	5-Oct-2024	834,301	920,400	
MPLX LP	844,000	6.875%	15-Feb-2023	979,387	1,040,309	
Navigent	788,000	5.625%	25-Jan-2025	813,672	984,942	
Newfield Exploration	693,000	5.625%	1-Jul-2024	795,983	946,435	
Newfield Exploration	79,000	5.375%	1-Jan-2026	68,102	108,098	
Occidental Petroleum	242,000	3.200%	15-Aug-2026	192,229	288,846	
Occidental Petroleum	168,000	3.000%	15-Feb-2027	169,317	190,890	
Occidental Petroleum	140,000	7.150%	15-May-2028	173,561	181,481	
Occidental Petroleum	76,000	7.200%	15-Mar-2029	95,413	98,276	
Occidental Petroleum	258,000	3.500%	15-Aug-2029	190,321	301,335	
Occidental Petroleum	255,000	8.875%	15-Jul-2030	349,325	381,925	
Occidental Petroleum	1,809,000	6.625%	1-Sep-2030	2,381,055	2,505,746	
Occidental Petroleum	146,000	6.450%	15-Sep-2036	174,404	195,025	
Occidental Petroleum	336,000	7.950%	15-Jun-2039	329,343	468,462	
Occidental Petroleum	309,000	4.300%	15-Mar-2040	186,410	334,574	
Occidental Petroleum	365,000	6.200%	15-Mar-2040	301,543	461,522	
Occidental Petroleum	684,000	4.500%	15-Jul-2044	534,089	742,337	
Occidental Petroleum	63,000	4.625%	15-Jun-2045	38,760	70,159	
Occidental Petroleum	221,000	6.600%	15-Mar-2046	205,993	286,213	
Occidental Petroleum	580,000	4.400%	15-Apr-2046	441,184	645,202	
Occidental Petroleum	453,000	4.100%	15-Feb-2047	286,477	472,850	
Occidental Petroleum	1,298,000	4.200%	15-Mar-2048	878,529	1,349,792	
Ovintiv	58,000	7.200%	1-Nov-2031	73,837	87,554	
Ovintiv	119,000	7.375%	1-Nov-2031	153,346	180,217	
Ovintiv	66,000	6.500%	15-Aug-2034	68,902	97,464	
Ovintiv	246,000	6.625%	15-Aug-2037	250,390	350,425	
Ovintiv	495,000	6.500%	1-Feb-2038	602,541	704,946	
Ovintiv	259,000	5.150%	4-Nov-2041	310,380	313,446	
Spirit AeroSystems	600,000	3.950%	15-Jun-2023	716,641	750,545	
Spirit AeroSystems	892,000	5.500%	15-Jan-2025	1,185,548	1,200,216	
Spirit AeroSystems	2,403,000	7.500%	15-Apr-2025	3,331,016	3,289,128	
Spirit AeroSystems	310,000	3.850%	15-Jun-2026	407,441	416,383	
Spirit AeroSystems	1,929,000	4.600%	15-Jun-2028	2,238,586	2,434,505	
SSL Robotics	2,820,000	9.750%	31-Dec-2023	3,697,594	4,066,461	
<b>Italy</b>						
UniCredit	1,244,000	3.750%	12-Apr-2022	1,601,957	1,642,715	
UniCredit	1,455,000	4.129%	14-Jan-2022	1,934,501	1,906,226	
				68,829,129	75,078,909	49.73%
<b>Total Foreign Corporate Bonds</b>				<b>69,829,129</b>	<b>76,078,909</b>	<b>50.39%</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CORPORATE BOND FUND**  
(formerly The GBC Corporate Bond Fund)

**Schedule of Investment Portfolio - (continued)**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

	Number of shares	Cost \$	Fair Value \$	% of Net Assets
<b>Canadian Equities</b>				
Bird Construction	27,619	180,189	220,955	
ClearStream Energy Services	70,333	87,073	1,934	
Clearstream Energy Services, Preferred Shares	113	113,000	113,000	
Clearstream Energy Services, Preferred Shares	1,565	1,565,000	1,565,000	
Xplore Mobile (Mobility Spinco)	31,093	-	44,463	
Xplornet Wireless (License Spinco)	31,093	-	152,356	
Yellow Pages	52,504	353,877	657,875	
		<b>2,299,139</b>	<b>2,755,583</b>	<b>1.83%</b>
<b>Total investments</b>		<b>137,627,857</b>	<b>151,136,308</b>	<b>100.11%</b>
Other assets - net			(162,902)	(0.11)%
<b>Total net assets</b>		<b>137,627,857</b>	<b>150,973,406</b>	<b>100.00%</b>

Note: When classifying the bonds in this portfolio, the Manager and the portfolio manager rely on the classifications from PC Bond Analytics, a business unit of the FTSE TMX Group. Although some bonds are classified as being issued by governmental issuers under such classification, it does not mean that they are issued by a government but rather by an issuer related to a government (provincial or federal).

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CORPORATE BOND FUND**  
 (formerly The GBC Corporate Bond Fund)

**Schedule of Derivatives**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

**Foreign Exchange Contracts**

Contracts	Counterparty	Credit Rating of the Counterparty	Settlement Date	Contract		Buy	Par Value	Sell	Par Value	Unrealized Gain (Loss) (\$)
				Rate (\$)	Rate (\$)					
1	Bank of Nova Scotia	A-1	2021-03-10	1.2820	1.2730	CAD	101,771,784	USD	(79,383,000)	719,836

*The accompanying notes are an integral part of these financial statements*

P E M B R O K E

**PEMBROKE GROWTH AND INCOME FUND**

(formerly The GBC Growth and Income Fund)

**STATEMENTS OF FINANCIAL POSITION**

As at December 31

	<b>2020</b>	<b>2019</b>
<small>(IN CANADIAN DOLLARS)</small>	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Cash	235,931	593,488
Investments at fair value through profit or loss	29,540,642	32,337,187
Due from brokers for investment securities sold	275,752	-
Accrued income	34,915	63,024
QST/HST receivable	-	53,451
<b>Total assets</b>	<b>30,087,240</b>	<b>33,047,150</b>
<b>Liabilities</b>		
Accrued expenses	4,657	4,677
Distributions payable to unitholders	1,153,731	253,899
Due to brokers for investment securities purchased	19,836	-
QST/HST payable	170	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>1,178,394</b>	<b>258,576</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>28,908,846</b>	<b>32,788,574</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
Net assets CAD	<b>14.98</b>	<b>13.40</b>
<b>Investments, at cost</b>	<b>23,503,450</b>	<b>27,776,086</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE GROWTH AND INCOME FUND**

(formerly The GBC Growth and Income Fund)

**STATEMENTS OF COMPREHENSIVE INCOME**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Dividend income	463,073	852,937
Interest income for distribution purposes	23,498	70,951
Distributions from underlying funds	245,042	377,183
Net realized gains (losses) on investments		
at fair value through profit or loss	2,649,487	504,579
Net change in unrealized gains (losses) on investments		
at fair value through profit or loss	1,476,091	4,376,916
Net realized foreign exchange gains (losses)	(36,023)	(2,062)
<b>Total operating income (loss)</b>	<b>4,821,168</b>	<b>6,180,504</b>
<b>Expenses</b>		
Securityholders' information fees	22,076	45,655
Filing fees	14,003	13,931
Custodial fees	6,173	7,633
Audit fees	11,841	11,764
Legal fees	9,074	8,028
Independent Review Committee fees	4,950	5,358
Fund Valuation	32,349	39,056
Transaction costs on purchase and sale of investments	34,093	48,517
<b>Total operating expenses</b>	<b>134,559</b>	<b>179,942</b>
<b>Profit (loss) before undernoted</b>	<b>4,686,609</b>	<b>6,000,562</b>
Expenses absorbed by the Manager	9,074	14,327
<b>Profit (loss) before taxes</b>	<b>4,695,683</b>	<b>6,014,889</b>
Withholding taxes	(4,929)	(11,695)
Taxes recovered	10,674	-
<b>Profit (loss) after tax</b>	<b>4,701,428</b>	<b>6,003,194</b>
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable units</b>	<b>4,701,428</b>	<b>6,003,194</b>
<b>Weighted average number of redeemable units outstanding</b>		
<b>during the year</b>	<b>2,109,839</b>	<b>3,058,015</b>
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable units per unit</b>	<b>2.23</b>	<b>1.96</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE GROWTH AND INCOME FUND**

(formerly The GBC Growth and Income Fund)

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO  
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to holders of redeemable units at beginning of the year</b>	<b>32,788,574</b>	<b>43,257,289</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>4,701,428</b>	<b>6,003,194</b>
<b>Distributions to holders of redeemable units</b>		
From net realized capital gains	(896,324)	-
From net investment income	(717,670)	(1,214,900)
<b>Total distributions to holders of redeemable units</b>	<b>(1,613,994)</b>	<b>(1,214,900)</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	2,313,890	4,072,505
Redemption of redeemable units	(8,914,874)	(18,805,789)
Redemption of redeemable units, management fees (Note 5)	(366,178)	(523,725)
<b>Net increase (decrease) from unit transactions</b>	<b>(6,967,162)</b>	<b>(15,257,009)</b>
<b>Net assets attributable to holders of redeemable units at end of the year</b>	<b>28,908,846</b>	<b>32,788,574</b>

*The accompanying notes are an integral part of these financial statements*

P E M B R O K E

**PEMBROKE GROWTH AND INCOME FUND**

(formerly The GBC Growth and Income Fund)

**STATEMENTS OF CASH FLOWS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	\$	\$
<b>Cash flows provided from operating activities</b>		
Increase (decrease) in amount attributable to holders of redeemable units	4,701,428	6,003,194
Adjustments for:		
Interest income for distribution purposes	(23,498)	(70,951)
Dividend income	(463,073)	(852,937)
Taxes recognized in profit or loss	(5,745)	11,695
	4,209,112	5,091,001
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(8,705,442)	(8,238,373)
Proceeds from sale of investments	15,593,472	23,228,567
Net realized losses (gains) on investments at fair value through profit or loss	(2,649,487)	(504,579)
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(1,476,091)	(4,376,916)
Transaction costs on purchase and sale of investments	34,093	48,517
Net decrease (increase) in due from/to brokers	(255,916)	7,879
Net decrease (increase) in other receivables	53,451	18,368
Net increase (decrease) in accrued expenses and other payables	150	(26)
	6,803,342	15,274,438
Interest received	23,498	70,951
Dividends received	491,182	1,011,140
Taxes paid	5,745	(11,695)
<b>Net cash flows provided from operating activities</b>	<b>7,323,767</b>	<b>16,344,834</b>
<b>Cash flows provided from financing activities</b>		
Distributions to holders of redeemable units	(19,554)	(52,862)
Proceeds from redeemable units issued	1,619,282	2,569,515
Redemption of redeemable units	(9,281,052)	(19,329,514)
<b>Net cash flows provided from financing activities</b>	<b>(7,681,324)</b>	<b>(16,812,861)</b>
<b>Net increase (decrease) in cash</b>	<b>(357,557)</b>	<b>(468,027)</b>
<b>Cash at the beginning of the year</b>	<b>593,488</b>	<b>1,061,515</b>
<b>Cash at the end of the year</b>	<b>235,931</b>	<b>593,488</b>
<b>Non-Cash Transactions</b>		
Reinvested distributions from net investment income and capital gains	694,608	1,502,990

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE GROWTH AND INCOME FUND**

(formerly The GBC Growth and Income Fund)

**Schedule of Investment Portfolio**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments	Cost \$	Fair Value \$
<b>Underlying Funds</b>			
<b>Bond Funds - 28.60 %</b>			
619,887	Pembroke Canadian Bond Fund	8,000,811	8,267,253
<b>Total Underlying Funds - 28.60 %</b>		<b>8,000,811</b>	<b>8,267,253</b>
<b>Canadian Equities</b>			
<b>Communication Services - 2.38 %</b>			
8,400	Cogeco	567,451	688,632
<b>Consumer Discretionary - 4.47 %</b>			
14,850	Pollard Banknote	91,838	530,739
28,800	Sleep Country Canada	710,838	762,336
		802,676	1,293,075
<b>Consumer Staples - 5.26 %</b>			
10,563	Jamieson Wellness	196,288	381,641
11,105	Maple Leaf Foods	323,114	313,383
8,200	Metro	450,063	465,760
66,400	Waterloo Brewing Company	275,805	358,560
		1,245,270	1,519,344
<b>Financials - 15.53 %</b>			
46,289	Canaccord Genuity	355,189	516,585
26,800	Canadian Western Bank	767,021	767,015
4,091	Equitable Group	317,698	413,191
15,180	First National Financial Corporation	515,005	629,666
27,016	Guardian Capital Group	597,758	728,080
6,358	iA Financial Corporation	313,083	350,834
3,743	Intact Financial Corporation	530,985	564,145
4,093	TMX Group	359,514	520,384
		3,756,253	4,489,900
<b>Industrials - 13.90 %</b>			
13,459	Badger Daylighting	335,068	511,846
10,276	Calian	322,655	679,860
19,754	Morneau Shepell	390,197	612,967
32,812	Pfb	546,786	738,270
32,377	Savaria	363,649	468,171
11,317	Stantec	443,727	467,166
6,065	Toromont Industries	392,917	540,998
		2,794,999	4,019,278

The accompanying notes are an integral part of these financial statements



P E M B R O K E

**PEMBROKE GROWTH AND INCOME FUND**

(formerly The GBC Growth and Income Fund)

**Schedule of Investment Portfolio - (continued)**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - (continued)	Cost \$	Fair Value \$
<b>Canadian Equities - (continued)</b>			
<b>Information Technology - 14.48 %</b>			
43,164	Absolute Software	490,838	653,935
7,983	Enghouse Systems	360,566	492,152
50,750	Evertz Technologies	862,727	670,915
11,035	OpenText	608,483	638,264
12,950	Sylogist	111,879	152,810
12,375	Tecsys	77,760	616,523
64,961	Vecima Networks	670,151	961,423
		3,182,404	4,186,022
<b>Materials - 3.33 %</b>			
8,141	Intertape Polymer Group	215,295	196,524
9,968	Richards Packaging	181,748	766,041
		397,043	962,565
<b>Real Estate - 8.74 %</b>			
10,357	Altus Group	220,456	508,943
86,514	Fronsac REIT	540,267	579,644
44,750	Information Services Corporation	754,958	890,973
47,800	Tricon Residential	392,721	546,354
		1,908,402	2,525,914
	<b>Total Canadian Equities - 68.09 %</b>	<b>14,654,498</b>	<b>19,684,730</b>
<b>US Equities</b>			
<b>Consumer Discretionary - 2.83 %</b>			
8,504	Collectors Universe	233,257	816,890
<b>Financials - 1.49 %</b>			
6,900	James River Group Holdings	361,411	432,058
<b>Industrials - 1.18 %</b>			
1,177	Watsco	253,473	339,711
	<b>Total US Equities - 5.50 %</b>	<b>848,141</b>	<b>1,588,659</b>
	<b>Total Investments - 102.19 %</b>	<b>23,503,450</b>	<b>29,540,642</b>
	Other assets - net - (2.19) %		(631,796)
	<b>Total net assets - 100.00 %</b>		<b>28,908,846</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE GLOBAL BALANCED FUND**

(formerly The GBC Global Balanced Fund)

**STATEMENTS OF FINANCIAL POSITION**

As at December 31

	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	\$	\$
<b>Assets</b>		
Cash	767,386	946,763
Investments at fair value through profit or loss	93,267,530	40,735,379
Due from brokers for investment securities sold	396,624	-
Accrued income	18,711	12,997
QST receivable	-	9
<b>Total assets</b>	<b>94,450,251</b>	<b>41,695,148</b>
<b>Liabilities</b>		
Distributions payable to unitholders	2,036,424	525,307
Due to brokers for investment securities purchased	8,614	344,000
<b>Total liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>2,045,038</b>	<b>869,307</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>92,405,213</b>	<b>40,825,841</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
Net assets CAD	<b>12.35</b>	<b>10.60</b>
<b>Investments, at cost</b>	<b>81,378,966</b>	<b>39,464,533</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE GLOBAL BALANCED FUND**  
(formerly The GBC Global Balanced Fund)

**STATEMENTS OF COMPREHENSIVE INCOME**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	\$	\$
<b>Income</b>		
Dividend income	402,928	152,731
Interest income for distribution purposes	144,610	47,860
Distributions from underlying funds	1,536,418	428,347
Net realized gains (losses) on investments		
at fair value through profit or loss	1,446,401	(82,224)
Net change in unrealized gains (losses) on investments		
at fair value through profit or loss	10,633,064	1,349,462
Net realized foreign exchange gains (losses)	(14,188)	1,498
<b>Total operating income (loss)</b>	<b>14,149,233</b>	<b>1,897,674</b>
<b>Expenses</b>		
Securityholders' information fees	23,392	5,187
Filing fees	14,317	12,125
Custodial fees	11,317	10,843
Audit fees	13,554	11,396
Legal fees	9,074	15,309
Independent Review Committee fees	4,950	4,356
Fund valuation fees	33,171	35,225
Management fee - Exchange Traded Funds	75,090	16,035
Transaction costs on purchase and sale of investments	20,386	17,620
<b>Total operating expenses</b>	<b>205,251</b>	<b>128,096</b>
<b>Profit (loss) before undernoted</b>	<b>13,943,982</b>	<b>1,769,578</b>
Expenses absorbed by Manager	185,640	110,476
<b>Profit (loss) before taxes</b>	<b>14,129,622</b>	<b>1,880,054</b>
Withholding taxes	(29,147)	(13,140)
<b>Profit (loss) after tax</b>	<b>14,100,475</b>	<b>1,866,914</b>
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable units</b>	<b>14,100,475</b>	<b>1,866,914</b>
<b>Weighted average number of redeemable units outstanding</b>		
<b>during the year</b>	<b>6,030,462</b>	<b>1,654,470</b>
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable units per unit</b>	<b>2.34</b>	<b>1.13</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE GLOBAL BALANCED FUND**

(formerly The GBC Global Balanced Fund)

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO  
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to holders of redeemable units at beginning of the year</b>	<b>40,825,841</b>	<b>919,383</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>14,100,475</b>	<b>1,866,914</b>
<b>Distributions to holders of redeemable units</b>		
From net realized capital gains	(587,037)	(30,911)
From net investment income	(1,449,388)	(494,396)
<b>Total distributions to holders of redeemable units</b>	<b>(2,036,425)</b>	<b>(525,307)</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	54,156,439	42,952,245
Redemption of redeemable units	(13,896,019)	(4,200,063)
Redemption of redeemable units, management fees (Note 5)	(745,098)	(187,331)
<b>Net increase (decrease) from unit transactions</b>	<b>39,515,322</b>	<b>38,564,851</b>
<b>Net assets attributable to holders of redeemable units at end of the year</b>	<b>92,405,213</b>	<b>40,825,841</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE GLOBAL BALANCED FUND**

(formerly The GBC Global Balanced Fund)

**STATEMENTS OF CASH FLOWS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	\$	\$
<b>Cash flows provided from operating activities</b>		
Increase (decrease) in amount attributable to holders of redeemable units	14,100,475	1,866,914
Adjustments for:		
Dividend income	(402,928)	(152,731)
Interest income for distribution purposes	(144,610)	(47,860)
Distributions from underlying funds	(1,536,418)	(428,347)
Taxes recognized in profit or loss	29,147	13,140
	<u>12,045,666</u>	<u>1,251,116</u>
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(80,756,091)	(39,874,754)
Proceeds from sale of investments	40,283,018	1,312,096
Net realized losses (gains) on investments at fair value through profit or loss	(1,446,401)	82,224
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(10,633,064)	(1,349,462)
Transaction costs on purchase and sale of investments	20,386	17,620
Net decrease (increase) in due from/to brokers	(732,010)	344,000
Net decrease (increase) in other receivables	9	(9)
Net increase (decrease) in accrued expenses and other payables	-	(1,991)
	<u>(41,218,487)</u>	<u>(38,219,160)</u>
Dividends received	397,214	164,481
Interest received	144,610	47,860
Distributions from underlying funds	1,536,418	428,347
Taxes paid	(29,147)	(13,140)
<b>Net cash flows provided from operating activities</b>	<u>(39,169,392)</u>	<u>(37,591,612)</u>
<b>Cash flows provided from financing activities</b>		
Distributions to holders of redeemable units	-	(27,491)
Proceeds from redeemable units issued	53,631,132	42,952,245
Redemption of redeemable units	(14,641,117)	(4,387,394)
<b>Net cash flows provided from financing activities</b>	<u>38,990,015</u>	<u>38,537,360</u>
<b>Net increase (decrease) in cash</b>	<u>(179,377)</u>	<u>945,748</u>
<b>Cash at the beginning of the year</b>	946,763	1,015
<b>Cash at the end of the year</b>	767,386	946,763
<b>Non-Cash Transactions</b>		
Reinvested distributions from net capital gains	30,911	6,648
Reinvested distributions from net investment income	494,396	10,938

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE GLOBAL BALANCED FUND**

(formerly The GBC Global Balanced Fund)

**Schedule of Investment Portfolio**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments	Cost \$	Fair Value \$
<b>Underlying Funds</b>			
<b>Bond Funds - 29.92 %</b>			
947,592	Lysander-Canso Bond Fund - Series O	9,483,500	9,511,265
357,691	Pembroke Canadian Bond Fund	4,689,538	4,770,412
927,328	Pembroke Corporate Bond Fund	12,323,168	13,374,023
		26,496,206	27,655,700
<b>Canadian Equity Funds - 8.08 %</b>			
88,450	Pembroke Canadian Growth Fund	5,526,760	7,462,212
<b>US Equity Funds - 6.94 %</b>			
128,167	Pembroke American Growth Fund Inc.	4,861,506	6,409,519
<b>Global &amp; International Equity Funds - 21.73 %</b>			
504,009	Guardian Fundamental Global Equity Fund	11,872,905	13,697,963
172,876	Pembroke International Growth Fund	4,815,754	6,381,786
		16,688,659	20,079,749
<b>Exchange Traded Funds - 21.91 %</b>			
60,651	iShares Core MSCI EAFE ETF	4,920,233	5,342,400
13,164	iShares Core S&P 500 ETF	5,463,651	6,295,637
114,610	iShares Gold Bullion ETF	2,514,879	2,386,180
238,693	iShares S&P/TSX 60 Index ETF	5,786,514	6,222,727
		18,685,277	20,246,944
	<b>Total Underlying Funds - 88.58 %</b>	72,258,408	81,854,124
<b>Canadian Equities</b>			
<b>Communication Services - 0.41 %</b>			
4,602	Cogeco	398,779	377,272
<b>Consumer Discretionary - 0.73 %</b>			
7,861	Pollard Banknote	162,531	280,952
15,036	Sleep Country Canada	293,658	398,003
		456,189	678,955
<b>Consumer Staples - 0.86 %</b>			
5,548	Jamieson Wellness	136,405	200,449
5,739	Maple Leaf Foods	164,401	161,955
4,244	Metro	237,810	241,059
34,603	Waterloo Brewing Company	144,765	186,856
		683,381	790,319

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE GLOBAL BALANCED FUND**

(formerly The GBC Global Balanced Fund)

**Schedule of Investment Portfolio - (continued)**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - (continued)	Cost \$	Fair Value \$
<b>Canadian Equities - (continued)</b>			
<b>Financials - 2.54 %</b>			
25,223	Canaccord Genuity	197,572	281,489
14,576	Canadian Western Bank	414,621	417,165
2,049	Equitable Group	176,728	206,949
7,975	First National Financial Corporation	273,049	330,803
14,283	Guardian Capital Group	338,061	384,927
3,284	iA Financial Corporation	162,283	181,211
1,946	Intact Financial Corporation	274,686	293,301
1,967	TMX Group	209,449	250,084
		2,046,449	2,345,929
<b>Industrials - 2.39 %</b>			
7,319	Badger Daylighting	192,872	278,342
5,848	Calian	234,633	386,904
10,398	Morneau Shepell	312,188	322,650
17,983	Pfb	310,731	404,618
15,295	Savaria	177,719	221,166
6,204	Stantec	243,252	256,101
3,763	Toromont Industries	251,286	335,660
		1,722,681	2,205,441
<b>Information Technology - 2.46 %</b>			
23,320	Absolute Software	269,619	353,298
3,975	Enghouse Systems	192,533	245,059
27,739	Evertz Technologies	436,936	366,710
5,908	OpenText	322,922	341,719
5,594	Sylogist	56,606	66,009
7,617	Tecsys	135,519	379,479
35,586	Vecima Networks	358,724	526,673
		1,772,859	2,278,947
<b>Materials - 0.57 %</b>			
4,499	Intertape Polymer Group	118,989	108,606
5,407	Richards Packaging	246,708	415,528
		365,697	524,134
<b>Real Estate - 1.52 %</b>			
5,359	Altus Group	206,204	263,341
44,984	Fronsac REIT	277,738	301,393
24,175	Information Services Corporation	392,662	481,324
31,366	Tricon Residential	318,701	358,513
		1,195,305	1,404,571
<b>Total Canadian Equities - 11.48 %</b>		8,641,340	10,605,568

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE GLOBAL BALANCED FUND**  
(formerly The GBC Global Balanced Fund)

**Schedule of Investment Portfolio - (continued)**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - (continued)	Cost \$	Fair Value \$
<b>US Equities</b>			
<b>Consumer Discretionary - 0.46 %</b>			
4,450	Collectors Universe	149,854	427,465
<b>Financials - 0.24 %</b>			
3,521	James River Group Holdings	202,175	220,475
<b>Industrials - 0.17 %</b>			
554	Watsco	127,189	159,898
<b>Total US Equities - 0.87 %</b>		479,218	807,838
<b>Total Investments - 100.93 %</b>		<b>81,378,966</b>	<b>93,267,530</b>
Other assets - net - (0.93)%			(862,317)
<b>Total net assets - 100.00 %</b>			<b>92,405,213</b>

The accompanying notes are an integral part of these financial statements



P E M B R O K E

**PEMBROKE CANADIAN GROWTH FUND**

(formerly The GBC Canadian Growth Fund)

**STATEMENTS OF FINANCIAL POSITION**

As at December 31

	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Cash	5,919,124	7,566,010
Investments at fair value through profit or loss	316,390,548	285,046,970
Due from brokers for investment securities sold	862,845	-
Accrued income	295,796	337,674
QST receivable	3,270	3,507
<b>Total assets</b>	<b>323,471,583</b>	<b>292,954,161</b>
<b>Liabilities</b>		
Distributions payable to unitholders	141,712	637,120
Due to brokers for investment securities purchased	91,663	9,518
HST payable	2,568	2,774
<b>Total liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>235,943</b>	<b>649,412</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>323,235,640</b>	<b>292,304,749</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
Net assets CAD	<b>84.37</b>	<b>66.15</b>
<b>Investments, at cost</b>	<b>201,522,540</b>	<b>221,430,669</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CANADIAN GROWTH FUND**  
(formerly The GBC Canadian Growth Fund)

**STATEMENTS OF COMPREHENSIVE INCOME**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	\$	\$
<b>Income</b>		
Dividend income	3,015,104	4,256,747
Interest income for distribution purposes	12,616	72,627
Net realized gains (losses) on investments		
at fair value through profit or loss	17,672,092	24,724,981
Net change in unrealized gains (losses) on investments		
at fair value through profit or loss	51,251,707	37,655,845
Net realized foreign exchange gains (losses)	(40,704)	(12,908)
<b>Total operating income (loss)</b>	<b>71,910,815</b>	<b>66,697,292</b>
<b>Expenses</b>		
Securityholders' information fees	94,596	102,530
Filing fees	17,902	15,434
Custodial fees	16,369	20,927
Audit fees	31,746	31,802
Legal fees	8,929	7,441
Independent Review Committee fees	4,950	5,357
Transaction costs on purchase and sale of investments	350,711	435,381
<b>Total operating expenses</b>	<b>525,203</b>	<b>618,872</b>
<b>Profit (loss) before taxes</b>	<b>71,385,612</b>	<b>66,078,420</b>
Taxes recovered	2,345	491,832
<b>Profit (loss) after taxes</b>	<b>71,387,957</b>	<b>66,570,252</b>
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable units</b>	<b>71,387,957</b>	<b>66,570,252</b>
<b>Weighted average number of redeemable units outstanding</b>		
<b>during the year</b>	<b>4,051,900</b>	<b>4,489,515</b>
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable units per unit</b>	<b>17.62</b>	<b>14.83</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CANADIAN GROWTH FUND**

(formerly The GBC Canadian Growth Fund)

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO  
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to holders of redeemable units at beginning of the year</b>	<b>292,304,749</b>	<b>262,188,734</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>71,387,957</b>	<b>66,570,252</b>
<b>Distributions to holders of redeemable units</b>		
From net investment income	(2,895,131)	(4,193,369)
From net realized capital gains	-	(9,400,000)
<b>Total distributions to holders of redeemable units</b>	<b>(2,895,131)</b>	<b>(13,593,369)</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	13,529,703	25,409,792
Redemption of redeemable units	(47,012,256)	(43,694,779)
Redemption of redeemable units, management fees (Note 5)	(4,079,382)	(4,575,881)
<b>Net increase (decrease) from unit transactions</b>	<b>(37,561,935)</b>	<b>(22,860,868)</b>
<b>Net assets attributable to holders of redeemable units at end of the year</b>	<b>323,235,640</b>	<b>292,304,749</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CANADIAN GROWTH FUND**

(formerly The GBC Canadian Growth Fund)

**STATEMENTS OF CASH FLOWS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	\$	\$
<b>Cash flows provided from operating activities</b>		
Increase (decrease) in amount attributable to holders of redeemable units	71,387,957	66,570,252
Adjustments for:		
Interest income for distribution purposes	(12,616)	(72,627)
Dividend income	(3,015,104)	(4,256,747)
	68,360,237	62,240,878
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(80,834,891)	(93,483,987)
Proceeds from sale of investments	118,064,401	126,585,169
Net realized losses (gains) on investments at fair value through profit or loss	(17,672,092)	(24,724,981)
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(51,251,707)	(37,655,845)
Transaction costs on purchase and sale of investments	350,711	435,381
Net decrease (increase) in due from/to brokers	(780,700)	(91,582)
Net decrease (increase) in other receivables	237	3,198
Net increase (decrease) in accrued expenses and other payables	(206)	2,774
	36,235,990	33,311,005
Interest received	12,616	72,627
Dividends received	3,056,982	4,312,551
<b>Net cash flows provided from operating activities</b>	<b>39,305,588</b>	<b>37,696,183</b>
<b>Cash flows provided from financing activities</b>		
Distributions to holders of redeemable units	(637,120)	(217,734)
Proceeds from redeemable units issued	10,776,284	12,453,543
Redemption of redeemable units	(51,091,638)	(48,270,660)
<b>Net cash flows provided from financing activities</b>	<b>(40,952,474)</b>	<b>(36,034,851)</b>
<b>Net increase (decrease) in cash</b>	<b>(1,646,886)</b>	<b>1,661,332</b>
<b>Cash at the beginning of the year</b>	<b>7,566,010</b>	<b>5,904,678</b>
<b>Cash at the end of the year</b>	<b>5,919,124</b>	<b>7,566,010</b>
<b>Non-Cash Transactions</b>		
Reinvested distributions from net investment income distribution	2,753,419	3,990,080
Reinvested distributions from capital gains distribution	-	8,966,169

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CANADIAN GROWTH FUND**

(formerly The GBC Canadian Growth Fund)

**Schedule of Investment Portfolio**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - Canadian Equities	Cost \$	Fair Value \$
<b>Consumer Discretionary - 16.40 %</b>			
319,357	Aritzia	4,789,174	8,236,217
166,566	Bombardier Recreational Products	6,796,855	14,006,535
551,049	Goodfood Market	1,811,485	6,678,714
237,871	Points International	3,585,185	4,338,767
251,304	Pollard Banknote	5,176,583	8,981,605
406,770	Sleep Country Canada	9,579,465	10,767,202
		31,738,747	53,009,040
<b>Consumer Staples - 2.86 %</b>			
143,776	Jamieson Wellness	3,133,504	5,194,627
143,981	Maple Leaf Foods	4,186,314	4,063,144
		7,319,818	9,257,771
<b>Energy - 2.08 %</b>			
384,249	Parex Resources	7,306,772	6,732,042
<b>Financials - 13.67 %</b>			
301,588	Canadian Western Bank	8,499,762	8,631,449
75,383	Currency Exchange International	1,928,289	832,982
89,676	Equitable Group	6,045,799	9,057,276
48,672	goeasy	2,204,866	4,704,149
346,490	Guardian Capital Group	8,482,583	9,337,906
63,161	Trisura Group	2,228,078	5,625,750
2,412,901	Westaim Corporation	7,311,307	6,008,123
		36,700,684	44,197,635
<b>Health Care - 0.00 %</b>			
105,940	Helius Medical Technologies - Warrants	-	-
<b>Industrials - 16.01 %</b>			
194,056	Badger Daylighting	5,185,280	7,379,950
24,827	Boyd Group Services	5,015,054	5,451,016
100,500	Calian	4,959,934	6,649,080
15,094	Cargojet	3,190,221	3,242,644
151,907	GDI Integrated Facility Services	4,955,045	6,755,304
211,672	Richelieu Hardware	2,955,264	6,993,643
347,877	Savaria	3,923,963	5,030,301
1,513,097	Westport Fuel Systems	4,376,975	10,243,667
		34,561,736	51,745,605

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CANADIAN GROWTH FUND**

(formerly The GBC Canadian Growth Fund)

**Schedule of Investment Portfolio - (continued)**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - Canadian Equities (continued)	Cost \$	Fair Value \$
<b>Information Technology - 28.31 %</b>			
398,497	Absolute Software	5,304,442	6,037,230
48,151	Ceridian HCM Holding	2,659,262	6,539,869
685,750	Converge Technology Solutions	2,108,142	3,408,178
113,575	Descartes Systems Group	1,475,413	8,455,659
164,885	Enghouse Systems	5,829,125	10,165,160
497,661	Evertz Technologies	8,565,999	6,579,078
62,096	Kinaxis	3,751,893	11,198,393
75,364	Lightspeed	1,833,198	6,770,702
287,774	Pivotree	2,876,763	3,795,739
1,543,929	Sangoma Technologies	3,992,768	5,480,948
84,440	Sylogist	744,682	996,392
328,812	Tecsys	5,692,411	16,381,412
60,355	Tucows	2,731,027	5,701,737
		47,565,125	91,510,497
<b>Materials - 7.47 %</b>			
241,067	Airboss of America	4,412,129	3,799,216
159,564	Richards Packaging	6,150,715	12,262,493
174,363	Stella-Jones	4,912,777	8,069,520
		15,475,621	24,131,229
<b>Real Estate - 11.08 %</b>			
157,606	Altus Group	3,205,450	7,744,759
104,006	Colliers International	6,395,028	11,781,800
19,578	FirstService	179,781	3,410,879
37,688	Mainstreet Equity	2,711,208	2,979,990
198,310	Real Matters	3,046,828	3,809,535
531,913	Tricon Residential	5,315,742	6,079,766
		20,854,037	35,806,729
<b>Total Investments - Canadian Equities - 97.88 %</b>		<b>201,522,540</b>	<b>316,390,548</b>
Other assets - net - 2.12 %			6,845,092
<b>Total net assets - 100.00 %</b>			<b>323,235,640</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE AMERICAN GROWTH FUND INC.**

(formerly The GBC American Growth Fund Inc.)

**STATEMENTS OF FINANCIAL POSITION**

As at December 31

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>(IN CANADIAN DOLLARS)</b>		
<b>Assets</b>		
Cash	1,721,846	1,746,395
Investments at fair value through profit or loss	209,406,734	176,862,654
Accrued income	27,421	33,740
Income taxes recoverable (Note 6)	6,517,911	8,672,932
QST receivable	4,748	4,846
HST receivable	1,691	1,831
<b>Total assets</b>	<b>217,680,351</b>	<b>187,322,398</b>
<b>Liabilities</b>		
Accrued expenses	30,400	30,866
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>30,400</b>	<b>30,866</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>217,649,951</b>	<b>187,291,532</b>
<b>Net assets attributable to holders of redeemable shares per share</b>		
Net assets CAD	<b>50.01</b>	<b>39.14</b>
Net assets USD	<b>39.28</b>	<b>30.14</b>
<b>Investments, at cost</b>	<b>136,096,017</b>	<b>136,327,585</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE AMERICAN GROWTH FUND INC.**

(formerly The GBC American Growth Fund Inc.)

**STATEMENTS OF COMPREHENSIVE INCOME**

For the years ended December 31	<b>2020</b>	<b>2019</b>
<small>(IN CANADIAN DOLLARS)</small>	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Dividend income	860,473	470,557
Interest income for distribution purposes	53,470	70,552
Net realized gains (losses) on investments		
at fair value through profit or loss	15,081,210	11,086,424
Net change in unrealized gains (losses) on investments		
at fair value through profit or loss	32,775,648	14,678,831
Net realized foreign exchange gains (losses)	6,036	(245,226)
<b>Total operating income (loss)</b>	<b>48,776,837</b>	<b>26,061,138</b>
<b>Expenses</b>		
Directors' fees and expenses (Note 8)	96,096	96,441
Securityholders' information fees	139,945	141,390
Filing fees	17,995	14,830
Custodial fees	14,267	16,188
Audit fees	41,591	44,270
Legal fees	8,965	7,465
Independent Review Committee fees	4,950	5,357
Insurance fees	13,625	13,625
Transaction costs on purchase and sale of investments	182,491	162,391
<b>Total operating expenses</b>	<b>519,925</b>	<b>501,957</b>
<b>Profit (loss) before taxes</b>	<b>48,256,912</b>	<b>25,559,181</b>
Withholding taxes	(122,180)	(65,325)
<b>Profit (loss) after tax</b>	<b>48,134,732</b>	<b>25,493,856</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable shares</b>	<b>48,134,732</b>	<b>25,493,856</b>
<b>Weighted average number of redeemable shares outstanding during the year</b>	<b>4,554,632</b>	<b>4,967,285</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable shares per share</b>	<b>10.57</b>	<b>5.13</b>

The accompanying notes are an integral part of these financial statements



P E M B R O K E

**PEMBROKE AMERICAN GROWTH FUND INC.**

(formerly The GBC American Growth Fund Inc.)

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO  
HOLDERS OF REDEEMABLE SHARES**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	<b>\$</b>	<b>\$</b>
<hr/>		
<b>Net assets attributable to holders of redeemable</b>		
<b>shares at beginning of the year</b>	<b>187,291,532</b>	<b>176,027,868</b>
<hr/>		
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable shares</b>	48,134,732	25,493,856
<hr/>		
<b>Redeemable share transactions</b>		
Proceeds from redeemable shares issued	10,030,830	11,735,997
Redemption of redeemable shares	(25,462,839)	(23,376,808)
Redemption of redeemable shares, management fees (Note 5)	(2,344,304)	(2,589,381)
<b>Net increase (decrease) from share transactions</b>	<b>(17,776,313)</b>	<b>(14,230,192)</b>
<hr/>		
<b>Net assets attributable to holders of redeemable</b>		
<b>shares at end of the year</b>	<b>217,649,951</b>	<b>187,291,532</b>
<hr/>		

*The accompanying notes are an integral part of these financial statements*

P E M B R O K E

**PEMBROKE AMERICAN GROWTH FUND INC.**

(formerly The GBC American Growth Fund Inc.)

**STATEMENTS OF CASH FLOWS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
<small>(IN CANADIAN DOLLARS)</small>	<b>\$</b>	<b>\$</b>
<b>Cash flows provided from operating activities</b>		
Increase (decrease) in amount attributable to holders of redeemable shares	48,134,732	25,493,856
Adjustments for:		
Interest income for distribution purposes	(53,470)	(70,552)
Dividend income	(860,473)	(470,557)
Taxes recognized in profit or loss	122,180	65,325
	<b>47,342,969</b>	<b>25,018,072</b>
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(90,596,133)	(65,603,804)
Proceeds from sale of investments	105,726,420	82,593,089
Net realized losses (gains) on investments at fair value through profit or loss	(15,081,210)	(11,086,424)
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(32,775,648)	(14,678,831)
Transaction costs on purchase and sale of investments	182,491	162,391
Net decrease (increase) in due from/to brokers	-	(147,848)
Net decrease (increase) in other receivables	2,155,259	(2,072,546)
Net increase (decrease) in accrued expenses and other payables	(466)	(1,161)
	<b>16,953,682</b>	<b>14,182,938</b>
Interest received	53,470	70,552
Dividends received	866,792	475,439
Taxes paid	(122,180)	(65,325)
<b>Net cash flows provided from operating activities</b>	<b>17,751,764</b>	<b>14,663,604</b>
<b>Cash flows provided from financing activities</b>		
Proceeds from redeemable shares issued	10,030,830	11,735,997
Redemption of redeemable shares	(27,807,143)	(25,966,189)
<b>Net cash flows provided from financing activities</b>	<b>(17,776,313)</b>	<b>(14,230,192)</b>
<b>Net increase (decrease) in cash</b>	<b>(24,549)</b>	<b>433,412</b>
<b>Cash at the beginning of the year</b>	<b>1,746,395</b>	<b>1,312,983</b>
<b>Cash at the end of the year</b>	<b>1,721,846</b>	<b>1,746,395</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE AMERICAN GROWTH FUND INC.**

(formerly The GBC American Growth Fund Inc.)

**Schedule of Investment Portfolio**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - US Equities	Cost \$	Fair Value \$
<b>Communication Services - 0.62 %</b>			
28,436	EverQuote	1,451,342	1,352,246
<b>Consumer Discretionary - 21.64 %</b>			
51,663	Collectors Universe	3,284,347	4,959,611
44,857	Dorman Products	4,501,113	4,958,458
17,700	Fox Factory Holding	1,899,558	2,382,243
68,094	Gentherm	2,824,581	5,654,397
51,677	Installed Building Products	3,179,485	6,706,500
37,460	LCI Industries	3,819,232	6,184,967
43,406	Ollie's Bargain Outlet	3,412,400	4,518,980
51,673	Shutterstock	4,124,474	4,717,148
182,043	Stoneridge	6,245,636	7,006,623
		33,290,826	47,088,927
<b>Financials - 3.47 %</b>			
87,890	Axos Financial	2,539,719	4,199,665
89,648	Seacoast Banking Corporation of Florida	3,234,516	3,361,418
		5,774,235	7,561,083
<b>Health Care - 17.64 %</b>			
8,638	Amedisys	1,545,764	3,226,014
11,215	Bio-Techne	3,933,124	4,534,277
46,820	Bruker	2,954,829	3,226,756
16,949	CareDx	1,518,837	1,563,432
49,255	Castle Biosciences	3,199,586	4,211,075
22,431	Charles River Laboratories	3,584,925	7,135,789
103,036	Globus Medical	6,455,411	8,555,914
26,125	Omniceil	2,662,992	3,992,147
36,259	Progyny	1,342,161	1,956,933
		27,197,629	38,402,337
<b>Industrials - 23.68 %</b>			
75,437	Albany International Canada	5,313,493	7,051,726
57,475	A. O. Smith	3,645,642	4,011,572
51,806	CRA International	3,062,972	3,359,312
18,546	Enphase Energy	1,918,267	4,143,332
111,073	FranklinCovey	2,996,886	3,149,382
59,433	Kornit Digital	1,358,369	6,744,476
21,612	Protolabs	3,050,902	4,221,016
42,306	SiteOne Landscape Supply	3,395,583	8,544,446
10,785	Tetra Tech	1,327,070	1,589,829
61,957	Trex Company	2,237,728	6,604,139
7,327	Watsco	1,577,975	2,113,425
		29,884,887	51,532,655

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE AMERICAN GROWTH FUND INC.**

(formerly The GBC American Growth Fund Inc.)

**Schedule of Investment Portfolio - (continued)**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - US Equities - (continued)	Cost \$	Fair Value \$
<b>Information Technology - 29.16 %</b>			
19,836	Alteryx	2,863,932	3,075,830
18,856	Avalara	1,835,555	3,958,590
37,723	Dolby Laboratories	3,050,343	4,665,049
15,139	Euronet Worldwide	1,627,981	2,793,329
78,196	Genpact	3,633,852	4,117,766
15,726	Guidewire Software	2,196,559	2,577,476
147,912	International Money Express	2,945,392	2,922,751
10,444	MongoDB	1,079,221	4,774,263
12,899	Monolithic Power Systems	1,974,119	6,014,598
11,008	Paycom	1,990,411	6,338,458
47,941	Perficient	2,583,992	2,908,484
35,625	Sprout Social	2,298,566	2,059,695
26,216	SPS Commerce	2,729,420	3,624,540
73,936	TTEC	4,339,909	6,865,289
73,837	WNS (Holdings) Limited	3,347,846	6,773,368
		38,497,098	63,469,486
	<b>Total Investments - US Equities - 96.21 %</b>	<b>136,096,017</b>	<b>209,406,734</b>
	Other assets - net - 3.79 %		8,243,217
	<b>Total net assets - 100.00 %</b>		<b>217,649,951</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE INTERNATIONAL GROWTH FUND**

(formerly The GBC International Growth Fund)

**STATEMENTS OF FINANCIAL POSITION**

As at December 31

	<b>2020</b>	<b>2019</b>
<small>(IN CANADIAN DOLLARS)</small>	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Cash	4,406,568	4,273,955
Investments at fair value through profit or loss	219,118,513	183,533,372
Due from brokers for investment securities sold	2,543,449	1,105,509
Accrued income	265,033	308,138
Other receivables	-	93,480
<b>Total assets</b>	<b>226,333,563</b>	<b>189,314,454</b>
<b>Liabilities</b>		
Accrued expenses	25,509	33,052
Distributions payable to unitholders	5,367,255	3,062,110
Due to brokers for investment securities purchased	1,637,272	234,100
HST payable	2,381	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>7,032,417</b>	<b>3,329,262</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>219,301,146</b>	<b>185,985,192</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
Net assets CAD	<b>36.92</b>	<b>29.42</b>
<b>Investments, at cost</b>	<b>158,615,164</b>	<b>150,272,819</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE INTERNATIONAL GROWTH FUND**

(formerly The GBC International Growth Fund)

**STATEMENTS OF COMPREHENSIVE INCOME**

For the years ended December 31	<b>2020</b>	<b>2019</b>
<small>(IN CANADIAN DOLLARS)</small>	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Dividend income	2,286,018	3,591,457
Interest income for distribution purposes	198,139	348,178
Net realized gains (losses) on investments		
at fair value through profit or loss	21,122,963	4,642,857
Net change in unrealized gains (losses) on investments		
at fair value through profit or loss	27,242,796	36,717,749
Net realized foreign exchange gains (losses)	(495,530)	(336,816)
<b>Total operating income (loss)</b>	<b>50,354,386</b>	<b>44,963,425</b>
<b>Expenses</b>		
Securityholders' information fees	102,522	190,564
Filing fees	16,545	19,267
Custodial fees	102,241	147,018
Audit fees	19,241	19,236
Legal fees	9,146	7,913
Independent Review Committee fees	4,950	5,357
Fund valuation fees	42,137	38,974
Transaction costs on purchase and sale of investments	283,517	159,109
<b>Total operating expenses</b>	<b>580,299</b>	<b>587,438</b>
<b>Profit (loss) before taxes</b>	<b>49,774,087</b>	<b>44,375,987</b>
Withholding taxes	(335,861)	(507,560)
Taxes recovered	100,718	8,279
<b>Profit (loss) after taxes</b>	<b>49,538,944</b>	<b>43,876,706</b>
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable units</b>	<b>49,538,944</b>	<b>43,876,706</b>
<b>Weighted average number of redeemable units outstanding</b>		
<b>during the year</b>	<b>6,122,299</b>	<b>6,737,644</b>
<b>Increase (decrease) in net assets attributable to holders of</b>		
<b>redeemable units per unit</b>	<b>8.09</b>	<b>6.51</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE INTERNATIONAL GROWTH FUND**

(formerly The GBC International Growth Fund)

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO  
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to holders of redeemable units at beginning of the year</b>	<b>185,985,192</b>	<b>160,278,525</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>49,538,944</b>	<b>43,876,706</b>
<b>Distributions to holders of redeemable units</b>		
From net investment income	(2,035,703)	(3,062,110)
From net realized capital gains	(3,331,552)	-
<b>Total distributions to holders of redeemable units</b>	<b>(5,367,255)</b>	<b>(3,062,110)</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	60,256,970	26,630,207
Redemption of redeemable units	(68,588,627)	(39,155,998)
Redemption of redeemable units, management fees (Note 5)	(2,524,078)	(2,582,138)
<b>Net increase (decrease) from unit transactions</b>	<b>(10,855,735)</b>	<b>(15,107,929)</b>
<b>Net assets attributable to holders of redeemable units at end of the year</b>	<b>219,301,146</b>	<b>185,985,192</b>

*The accompanying notes are an integral part of these financial statements*

P E M B R O K E

**PEMBROKE INTERNATIONAL GROWTH FUND**

(formerly The GBC International Growth Fund)

**STATEMENTS OF CASH FLOWS**

For the years ended December 31	<b>2020</b>	<b>2019</b>
(IN CANADIAN DOLLARS)	\$	\$
<b>Cash flows provided from operating activities</b>		
Increase (decrease) in amount attributable to holders of redeemable units	49,538,944	43,876,706
Adjustments for:		
Interest income for distribution purposes	(198,139)	(348,178)
Dividend income	(2,286,018)	(3,591,457)
Taxes recognized in profit or loss	235,143	499,281
	47,289,930	40,436,352
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(117,499,816)	(64,456,614)
Proceeds from sale of investments	129,996,917	80,970,603
Net realized losses (gains) on investments at fair value through profit or loss	(21,122,963)	(4,642,857)
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(27,242,796)	(36,717,749)
Transaction costs on purchase and sale of investments	283,517	159,109
Net decrease (increase) in due from/to brokers	(34,768)	(805,010)
Net decrease (increase) in other receivables	93,480	93,144
Net increase (decrease) in accrued expenses and other payables	(5,162)	(510)
	11,758,339	15,036,468
Interest received	198,139	348,178
Dividends received	2,329,123	3,541,800
Taxes paid	(235,143)	(499,281)
<b>Net cash flows provided from operating activities</b>	<b>14,050,458</b>	<b>18,427,165</b>
<b>Cash flows provided from financing activities</b>		
Distributions to holders of redeemable units	(134,197)	(445,573)
Proceeds from redeemable units issued	57,329,057	16,070,194
Redemption of redeemable units	(71,112,705)	(41,738,136)
<b>Net cash flows provided from financing activities</b>	<b>(13,917,845)</b>	<b>(26,113,515)</b>
<b>Net increase (decrease) in cash</b>	<b>132,613</b>	<b>(7,686,350)</b>
<b>Cash at the beginning of the year</b>	<b>4,273,955</b>	<b>11,960,305</b>
<b>Cash at the end of the year</b>	<b>4,406,568</b>	<b>4,273,955</b>
<b>Non-Cash Transactions</b>		
Reinvested distributions from net investment income and capital gains	2,927,913	10,560,013

The accompanying notes are an integral part of these financial statements



P E M B R O K E

**PEMBROKE INTERNATIONAL GROWTH FUND**

(formerly The GBC International Growth Fund)

**Schedule of Investment Portfolio**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - Developed Europe	Cost \$	Fair Value \$
<b>Belgium - 1.76 %</b>			
17,116	Melexis	2,013,061	2,131,763
39,415	Warehouses De Pauw	1,022,249	1,736,295
		3,035,310	3,868,058
<b>Denmark - 4.11 %</b>			
34,663	Netcompany	1,611,705	4,518,780
18,192	Royal Unibrew	1,100,473	2,691,967
9,511	SimCorp	1,191,978	1,803,559
		3,904,156	9,014,306
<b>Germany - 5.89 %</b>			
18,916	Carl Zeiss Meditec	2,450,771	3,211,049
13,107	CompuGroup Med	1,532,525	1,605,889
913	Hypoport	683,380	732,939
2,746	Rational	2,589,364	3,259,569
20,632	Siltronic	2,722,935	4,119,839
		9,978,975	12,929,285
<b>Israel - 2.20 %</b>			
16,470	CyberArk Software	2,654,976	3,390,605
37,299	Strauss Group	1,461,862	1,426,397
		4,116,838	4,817,002
<b>Italy - 3.27 %</b>			
64,723	Amplifon	1,933,874	3,434,298
19,427	Brunello Cucinelli	1,077,303	1,081,095
88,602	Carel Industries	1,597,313	2,649,000
		4,608,490	7,164,393
<b>Netherlands - 1.78 %</b>			
42,990	BE Semiconductor Industries	2,436,864	3,322,491
3,592	IMCD	429,954	583,717
		2,866,818	3,906,208
<b>Norway - 1.31 %</b>			
45,520	Tomra Systems	1,910,999	2,862,386
<b>Spain - 3.03 %</b>			
109,266	EDP Renovaveis	1,774,919	3,883,378
75,092	Solaria Energia y Medio Ambiente	2,152,930	2,767,139
		3,927,849	6,650,517
<b>Sweden - 14.11 %</b>			
122,864	AddTech	1,162,059	2,077,505
227,190	Arjo	1,712,874	2,215,059
69,302	Beijer Ref	2,371,173	4,046,561
12,397	BioGaia	1,023,204	1,032,718
58,804	Biotage	1,268,271	1,267,980
165,048	Indutrade	1,783,110	4,511,355
103,828	Investment AB Latour	2,542,867	3,216,499
29,771	Lifco	1,914,793	3,643,856
42,045	MIPS	1,130,807	3,359,019
19,268	Nolato	1,914,309	2,486,857
73,767	Sweco	1,072,792	1,727,945
40,439	Vitrolife	1,130,520	1,353,763
		19,026,779	30,939,117

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE INTERNATIONAL GROWTH FUND**

(formerly The GBC International Growth Fund)

**Schedule of Investment Portfolio - (continued)**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - Developed Europe (continued)	Cost \$	Fair Value \$
<b>Switzerland - 9.03 %</b>			
180	Belimo Holding	1,727,282	1,992,390
11,507	Galenica	778,545	978,486
7,838	Kardex Holding	1,261,749	2,187,013
2,292	Siegfried Holding	1,607,124	2,152,136
17,721	SIG Combibloc Group	410,707	524,601
74,685	Softwareone Holding	2,228,799	2,820,170
3,414	Tecan Group	1,001,978	2,134,488
14,601	VAT Group	2,930,426	4,646,461
5,820	Zur Rose Group	2,135,848	2,373,833
		<b>14,082,458</b>	<b>19,809,578</b>
<b>United Kingdom - 15.41 %</b>			
41,708	Abcam	692,383	1,125,830
194,716	Avast	1,041,770	1,822,644
68,124	Aveva Group	3,062,717	3,798,771
271,249	Beazley	1,964,683	1,722,291
106,592	Big Yellow Group	1,777,085	2,036,352
439,991	Boohoo Group	2,727,978	2,628,207
39,072	Burford Capital	754,894	483,790
95,888	Diploma	2,064,828	3,660,382
44,328	Hill & Smith Holdings	1,034,723	1,088,476
136,924	Intermediate Capital Group	2,823,409	4,115,684
30,318	Renishaw	2,032,776	3,041,198
348,757	Rotork	1,965,865	1,931,398
175,336	Safestore Holdings	2,117,333	2,381,702
75,696	Softcat	1,000,838	1,811,262
265,074	Trainline	1,887,858	2,141,938
		<b>26,949,140</b>	<b>33,789,925</b>
<b>Total investments</b>			
<b>Developed Europe - 61.90 %</b>		<b>94,407,812</b>	<b>135,750,775</b>
<b>Investments - Developed Asia</b>			
<b>Australia - 1.44 %</b>			
204,974	Nanosonics	1,207,127	1,618,094
46,057	Pro Medicus	1,155,055	1,546,689
		<b>2,362,182</b>	<b>3,164,783</b>
<b>Japan - 13.80 %</b>			
19,100	BASE	1,419,598	2,300,293
91,700	Benefit One	1,968,970	3,451,193
7,500	Bengo4.com	972,233	947,679
16,300	GMO Payment Gateway	1,900,789	2,783,708
29,700	Harmonic Drive Systems	1,680,899	3,378,994
23,600	JINS Holdings	2,235,821	1,974,430
2,200	MonotaRO	70,235	142,522
63,200	Nihon Unisys	2,051,206	3,150,638
59,000	Rakus	1,557,130	1,741,459
9,800	SHIFT	1,415,769	1,730,477
35,900	SMS	1,243,196	1,749,813
54,600	Sushiro Global Holdings	1,212,848	2,661,275
28,600	TechnoPro Holdings	2,387,626	3,017,395
47,700	TIS	525,516	1,244,295
		<b>20,641,836</b>	<b>30,274,171</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE INTERNATIONAL GROWTH FUND**

(formerly The GBC International Growth Fund)

**Schedule of Investment Portfolio - (continued)**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments - Developed Asia - (continued)	Cost \$	Fair Value \$
<b>New Zealand - 0.85 %</b>			
133,205	Ryman Healthcare	1,503,463	1,856,009
<b>Total investments - Developed Asia - 16.09 %</b>		<b>24,507,481</b>	<b>35,294,963</b>
<b>Investments - Emerging Asia</b>			
<b>Cambodia - 1.09 %</b>			
1,426,000	NagaCorp.	2,203,419	2,380,482
<b>China - 3.69%</b>			
598,000	AK Medical Holdings	2,247,195	1,322,507
239,500	A-Living Smart City Services	1,367,601	1,353,679
258,000	China Meidong Auto Holdings	1,392,187	1,335,309
21,000	Silergy	561,035	2,294,722
137,500	Venus MedTech Hangzhou	1,698,189	1,785,896
		7,266,207	8,092,113
<b>India - 4.68 %</b>			
112,081	AU Small Finance Bank	1,798,790	1,666,181
22,321	Info Edge India	1,536,270	1,851,714
72,649	Ipca Laboratories	2,231,160	2,772,558
1,377,433	Motherson Sumi Systems	3,318,859	3,967,577
		8,885,079	10,258,030
<b>Indonesia - 1.13 %</b>			
15,956,800	Ace Hardware Indonesia Tbk PT	2,371,366	2,481,434
<b>South Korea - 0.61 %</b>			
10,918	Koh Young Technology	1,229,623	1,344,472
<b>Taiwan - 5.21 %</b>			
40,000	Airtac International Group	1,299,187	1,632,286
18,000	ASPEED Technology	748,709	1,399,685
246,640	Feng TAY Enterprise	1,631,394	2,231,003
135,000	Globalwafers	1,966,712	4,333,719
35,701	Voltronic Power Technology	1,031,659	1,812,955
		6,677,661	11,409,648
<b>Total investments - Emerging Asia - 16.41 %</b>		<b>28,633,355</b>	<b>35,966,179</b>
<b>Investments - Emerging Europe, the Middle East and Africa (EMEA)</b>			
<b>Poland - 1.55 %</b>			
34,316	Dino Polska	2,087,271	3,395,637
<b>South Africa - 0.77 %</b>			
77,000	Clicks Group	1,446,844	1,687,441
<b>United Arab Emirates - 0.87 %</b>			
336,065	Network International Holdings	2,616,714	1,911,442
<b>Total investments - EMEA - 3.19 %</b>		<b>6,150,829</b>	<b>6,994,520</b>
<b>Investments - Emerging Latin America</b>			
<b>Brazil - 1.04 %</b>			
104,200	Arezzo Industria e Comercio	1,658,467	1,742,511
114,900	Pet Center Comercio e Participacoes	536,661	538,275
		2,195,128	2,280,786

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE INTERNATIONAL GROWTH FUND**

(formerly The GBC International Growth Fund)

**Schedule of Investment Portfolio - (continued)**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

<b>Number of</b>		<b>Cost</b>	<b>Fair Value</b>
<b>shares</b>	<b>Investments - Emerging Latin America - (continued)</b>	<b>\$</b>	<b>\$</b>
	<b>Mexico - 1.29 %</b>		
344,900	Grupo Aeroportuario Centro Norte	2,720,559	2,831,290
	<b>Total investments - Emerging</b>		
	<b>Latin America - 2.33 %</b>	<b>4,915,687</b>	<b>5,112,076</b>
	<b>Total Investments - 99.92 %</b>	<b>158,615,164</b>	<b>219,118,513</b>
	Other net assets - 0.08 %		182,633
	<b>Total net assets - 100.00 %</b>		<b>219,301,146</b>

*The accompanying notes are an integral part of these financial statements*

P E M B R O K E

**PEMBROKE CONCENTRATED FUND**

**STATEMENTS OF FINANCIAL POSITION**

As at December 31

	<b>2020</b>	<b>2019</b>
<small>(IN CANADIAN DOLLARS)</small>	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Cash	317,719	2,414,709
Investments at fair value through profit or loss	81,890,931	26,230,277
Accrued income	15,999	7,466
<b>Total assets</b>	<b>82,224,649</b>	<b>28,652,452</b>
<b>Liabilities</b>		
Management fees payable	7,596	29
Distributions payable to unitholders	543,302	23,733
<b>Total liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>550,898</b>	<b>23,762</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>81,673,751</b>	<b>28,628,690</b>
<b>Net assets attributable to holders of redeemable units</b>		
Net assets CAD - Class A	<b>73,591,207</b>	<b>28,580,706</b>
Net assets CAD - Class F	<b>8,082,544</b>	<b>47,984</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
Net assets CAD - Class A	<b>17.58</b>	<b>12.88</b>
Net assets CAD - Class F	<b>13.68</b>	<b>10.40</b>
<b>Investments, at cost</b>	<b>62,392,920</b>	<b>23,665,719</b>

*The accompanying notes are an integral part of these financial statements*

P E M B R O K E

**PEMBROKE CONCENTRATED FUND**

**STATEMENTS OF COMPREHENSIVE INCOME**

For the years ended December 31

(IN CANADIAN DOLLARS)	2020 \$	2019 \$
<b>Income</b>		
Dividend income	121,129	30,844
Interest income for distribution purposes	5,130	11,473
Net realized gains (losses) on investments		
at fair value through profit or loss	2,476,639	(676,947)
Net change in unrealized gains (losses) on investments		
at fair value through profit or loss	17,020,090	2,625,287
Net realized foreign exchange gains (losses)	(74,558)	(95,241)
<b>Total operating income (loss)</b>	<b>19,548,430</b>	<b>1,895,416</b>
<b>Expenses</b>		
Management fees (Note 5)	28,870	59
Securityholders' information fees	18,343	7,522
Filing fees	16,726	1,129
Custodial fees	4,834	7,788
Audit fees	12,097	11,623
Legal fees	32,455	618
Fund valuation fees	38,345	35,220
Independent Review Committee fees	4,035	-
Transaction costs on purchase and sale of investments	49,395	43,816
<b>Total operating expenses</b>	<b>205,100</b>	<b>107,775</b>
<b>Profit (loss) before undernoted</b>	<b>19,343,330</b>	<b>1,787,641</b>
Expenses absorbed by the Manager	122,001	56,106
<b>Profit (loss) before taxes</b>	<b>19,465,331</b>	<b>1,843,747</b>
Withholding taxes	(18,169)	(3,782)
<b>Profit (loss) after taxes</b>	<b>19,447,162</b>	<b>1,839,965</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>19,447,162</b>	<b>1,839,965</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Net assets - Class A	<b>17,997,598</b>	<b>1,839,481</b>
Net assets - Class F	<b>1,449,564</b>	<b>484</b>
<b>Weighted average number of redeemable units outstanding during the year</b>		
Net assets - Class A	3,225,926	1,654,658
Net assets - Class F	209,268	2,346
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit</b>		
Net assets - Class A	<b>5.58</b>	<b>1.11</b>
Net assets - Class F	<b>6.93</b>	<b>0.21</b>

The accompanying notes are an integral part of these financial statements

P E M B R O K E

**PEMBROKE CONCENTRATED FUND**

**STATEMENTS OF CHANGES IN FINANCIAL POSITION ATTRIBUTABLE TO  
HOLDERS OF REDEEMABLE UNITS**

For the years ended December 31

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<small>(IN CANADIAN DOLLARS)</small>		
<b>Net assets attributable to holders of redeemable units at beginning of the year</b>	<b>28,628,690</b>	<b>1,498,585</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>19,447,162</b>	<b>1,839,965</b>
<b>Distributions to holders of redeemable units</b>		
From net realized capital gains - Class A	(227,972)	-
From net investment income - Class A	(76,758)	(23,734)
From net realized capital gains - Class F	(238,569)	-
From net investment income - Class F	(3)	-
<b>Total distributions to holders of redeemable units</b>	<b>(543,302)</b>	<b>(23,734)</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued - Class A	32,382,803	27,170,663
Proceeds from redeemable units issued - Class F	6,934,449	47,500
Redemption of redeemable units - Class A	(4,494,405)	(1,691,663)
Redemption of redeemable units - Class F	(110,885)	-
Redemption of redeemable units, management fees - Class A (Note 5)	(570,761)	(212,626)
<b>Net increase (decrease) from unit transactions</b>	<b>34,141,201</b>	<b>25,313,874</b>
<b>Net assets attributable to holders of redeemable units at end of the year</b>	<b>81,673,751</b>	<b>28,628,690</b>

*The accompanying notes are an integral part of these financial statements*

P E M B R O K E

**PEMBROKE CONCENTRATED FUND**

**STATEMENTS OF CASH FLOWS**

For the years ended December 31

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows provided from operating activities</b>		
Increase (decrease) in amount attributable to holders of redeemable units	19,447,162	1,839,965
Adjustments for:		
Interest income for distribution purposes	(5,130)	(11,473)
Dividend income	(121,129)	(30,844)
Taxes recognized in comprehensive income	18,169	3,782
	<b>19,339,072</b>	<b>1,801,430</b>
Net increase (decrease) in investments at fair value through profit or loss		
Purchase of investments	(72,806,684)	(33,503,623)
Proceeds from sale and maturity of investments	36,593,365	10,720,904
Net realized losses (gains) on investments at fair value through profit or loss	(2,476,639)	676,947
Net change in unrealized losses (gains) on investments at fair value through profit or loss	(17,020,090)	(2,625,287)
Transaction costs on purchase and sale of investments	49,395	43,816
Net decrease (increase) in due from/to brokers	-	(115,457)
Net decrease (increase) in accrued expenses and other payables	7,567	29
	<b>(36,314,014)</b>	<b>(23,001,241)</b>
Interest received	5,130	11,473
Dividends received	112,596	23,851
Taxes paid	(18,169)	(3,782)
<b>Net cash flows provided from operating activities</b>	<b>(36,214,457)</b>	<b>(22,969,699)</b>
<b>Cash flows provided from financing activities</b>		
Proceeds from redeemable units issued	39,293,518	27,172,744
Redemption of redeemable units	(5,176,051)	(1,904,289)
<b>Net cash flows provided from financing activities</b>	<b>34,117,467</b>	<b>25,268,455</b>
<b>Net increase (decrease) in cash</b>	<b>(2,096,990)</b>	<b>2,298,756</b>
<b>Cash at the beginning of the year</b>	<b>2,414,709</b>	<b>115,953</b>
<b>Cash at the end of the year</b>	<b>317,719</b>	<b>2,414,709</b>
<b>Non-Cash Transactions</b>		
Reinvested distributions from net realized capital gains	23,734	45,419

The accompanying notes are an integral part of these financial statements



PEMBROKE

**PEMBROKE CONCENTRATED FUND**

**Schedule of Investment Portfolio**

As at December 31, 2020

(IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

Number of shares	Investments	Cost \$	Fair Value \$
<b>Canadian Equities</b>			
<b>Information Technology - 7.80 %</b>			
35,523	Descartes Systems Group	1,974,435	2,644,687
20,639	Kinaxis	3,219,735	3,722,037
		5,194,170	6,366,724
	<b>Total Canadian Equities - 7.80 %</b>	<b>5,194,170</b>	<b>6,366,724</b>
<b>US Equities</b>			
<b>Consumer Discretionary - 17.96 %</b>			
67,509	Gentherm	3,956,545	5,615,286
22,412	Installed Building Products	2,051,050	2,913,480
159,284	Stoneridge	5,009,887	6,141,008
		11,017,482	14,669,774
<b>Health Care - 15.14 %</b>			
9,682	Bio-Techne	3,322,368	3,921,088
9,879	Charles River Laboratories	2,130,588	3,148,032
63,699	Globus Medical	4,264,817	5,298,376
		9,717,773	12,367,496
<b>Industrials - 18.10 %</b>			
57,490	Albany International Canada	4,878,257	5,383,145
37,829	A. O. Smith	2,563,631	2,644,803
18,487	SiteOne Landscape Supply	2,207,643	3,740,082
28,248	Trex Company	1,992,954	3,016,104
		11,642,485	14,784,134
<b>Information Technology - 41.27 %</b>			
26,294	Alteryx	4,126,595	4,084,112
14,292	Avalara	2,161,777	3,005,500
32,046	Dolby Laboratories	2,540,270	3,969,690
31,296	Euronet Worldwide	5,121,974	5,784,243
8,828	MongoDB	2,101,308	4,042,356
6,522	Monolithic Power Systems	1,623,131	3,046,240
7,137	Paycom	2,485,144	4,116,458
61,533	WNS (Holdings) Limited	4,660,811	5,654,204
		24,821,010	33,702,803
	<b>Total US Equities - 92.47 %</b>	<b>57,198,750</b>	<b>75,524,207</b>
	<b>Total Investments - 100.27 %</b>	<b>62,392,920</b>	<b>81,890,931</b>
	Other assets - net - (0.27) %		(217,180)
	<b>Total net assets - 100.00 %</b>		<b>81,673,751</b>

The accompanying notes are an integral part of these financial statements

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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For the years ended December 31, 2020 and 2019

**1. The Funds****(i) Establishment of the Funds**

Pembroke Money Market Fund (formerly The GBC Money Market Fund) is an open-end mutual fund established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated September 8, 1988, as amended by Supplemental Deeds dated November 16, 1988, December 7, 1990, March 27, 1991, January 26, 1996, March 25, 2008, January 8, 2018 and April 1, 2020.

Pembroke Canadian Bond Fund (formerly The GBC Canadian Bond Fund) is an open-end mutual fund established in accordance with the laws of the Province of Ontario by a Declaration of Trust dated December 11, 1984, as amended by Supplemental Deeds dated January 20, 1986, December 15, 1988, October 20, 1989, December 7, 1990, October 15, 1992, January 26, 1996, December 11, 2003, November 30, 2006, January 8, 2018 and April 1, 2020.

Pembroke Corporate Bond Fund (formerly The GBC Corporate Bond Fund) is an open-end mutual fund established under the laws of the Province of Ontario pursuant to a Master Declaration of Trust dated January 1, 2009 as amended by a Supplemental Deeds dated February 27, 2019 and April 1, 2020. From January 1, 2009 until April 8, 2019, units of the Fund were distributed pursuant to an exemption from the prospectus requirement (i.e. "pooled fund"). On April 8, 2019, the Fund was converted from a pooled fund to a mutual fund.

Pembroke Growth and Income Fund (formerly The GBC Growth and Income Fund) is an open-end mutual fund established in accordance with the laws of the Province of Ontario by a Declaration of Trust dated November 1, 2006, as amended by a Supplemental Deeds dated January 8, 2018 and April 1, 2020.

Pembroke Global Balanced Fund (formerly The GBC Global Balanced Fund) is an open-end mutual fund established under the laws of the Province of Ontario and established pursuant to a Declaration of Trust dated January 1, 2018 as amended by a Supplemental Deeds dated February 27, 2019 and April 1, 2020. From January 1, 2018 until April 8, 2019, units of the Fund were distributed pursuant to an exemption from the prospectus requirement (i.e. "pooled fund"). On April 8, 2019, the Fund was converted from a pooled fund to a mutual fund.

Pembroke Canadian Growth Fund (formerly The GBC Canadian Growth Fund) is an open-end mutual fund established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated September 8, 1988, as amended by Supplemental Deeds dated November 16, 1988, December 7, 1990, March 27, 1991, January 26, 1996, March 25, 2008, January 8, 2018 and April 1, 2020.

Pembroke American Growth Fund Inc. (formerly The GBC American Growth Fund Inc.) was a closed-end investment corporation until October 1, 1988, when Articles of Amendment were issued converting the Fund from a corporation to an open-end mutual fund corporation. The Articles were further amended on January 8, 2018 and April 1, 2020.

Pembroke International Growth Fund (formerly The GBC International Growth Fund) was an unincorporated investment trust created under the laws of the Province of Alberta by a Declaration of Trust dated October 27, 1989, as amended by a Supplemental Deed dated March 25, 1991.

# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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For the years ended December 31, 2020 and 2019

### **1. The Funds – (continued)**

#### **(i) Establishment of the Funds – (continued)**

On January 6, 1994, the Declaration of Trust was restated to incorporate all amendments up to that date to change the governing laws to the laws of the Province of Ontario. Pursuant to a Simplified Prospectus dated January 7, 1994, the Fund became an open-end mutual fund and was authorized by the Canadian Securities Commissions to sell units to the public starting January 13, 1994. The Declaration of Trust was further amended by Supplemental Declarations dated January 6, 1996, November 30, 2006, March 25, 2008, January 8, 2018, and April 1, 2020.

Pembroke Concentrated Fund is an open-end mutual fund established under the laws of the Province of Ontario pursuant to a Master Declaration of Trust dated January 31, 2018, as amended by Supplemental Deeds dated October 25, 2018 July 16, 2019 and March 9, 2020. On April 1, 2020, Pembroke Concentrated Fund was converted from a pooled fund to a mutual fund.

The amendments made on January 8, 2018 to the Articles of Incorporation and the Declarations of Trusts were to allow for the unilateral redemption of units/shares held by unitholders/shareholders at the net asset value per unit/share corresponding to the amount of management fees owed by such holder to the Fund Manager.

The amendments made on April 1, 2020 to the Articles of Incorporation and the Declarations of Trusts were to reflect the change in name of the Funds from GBC to Pembroke.

#### **(ii) The Manager and Investment Manager**

Pembroke Private Wealth Management Ltd. (“PPW” or the “Manager”) is the Funds’ Manager. The Manager provides the day-to-day management of the business and operations of the Funds. PPW is also the trustee for all the Funds except for Pembroke American Growth Fund Inc. which has a Board of Directors. The registered address of the Funds is: 1002 Sherbrooke Street West, Suite 1700, Montreal, Quebec, H3A 3S4, Canada.

Pembroke Management Ltd. (“Pembroke”) is the investment manager of Pembroke Money Market Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke American Growth Fund Inc. and Pembroke Concentrated Fund. Pembroke is the parent company of PPW. Canso Investment Counsel Ltd is the investment manager of Pembroke Canadian Bond Fund and Pembroke Corporate Bond Fund and William Blair Investment Management, LLC is the investment manager of Pembroke International Growth Fund.

### **2. Basis of presentation and significant accounting policies**

The financial statements of the Funds for the years ended December 31, 2020 and December 31, 2019 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The significant accounting policies used in the preparation of these financial statements are summarized below. These policies have been applied consistently to all years presented.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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For the years ended December 31, 2020 and 2019

**2. Basis of presentation and significant accounting policies – (continued)****(i) Functional and presentation currency**

These financial statements are presented in Canadian dollars which is the Funds' functional and presentation currency.

**(ii) Foreign currency translation**

Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary items and non-monetary assets and liabilities that are denominated in foreign currencies are recognized in profit or loss in the period in which they arise. Foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognized together with other changes in the fair value. Foreign exchange gains and losses on monetary items and non-monetary assets and liabilities other than those classified as fair value through profit or loss are included in the line-item net realized foreign exchange gains (losses) in the statements of comprehensive income.

**(iii) Recognition of revenue and expenses**

Interest income for distribution purposes shown on the statements of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities. The interest income for distribution purposes is the tax basis of calculating the interest received and is subject to tax. It includes interest income from cash and cash equivalents and on debt securities at fair value through profit or loss.

Dividend income is recognized on the ex-dividend date when the right to receive payment is established. Dividend and interest income for distribution purposes are recognized gross of withholding tax, if any.

Distributions received from underlying funds are recorded at the date of distribution. Distributions are included in distributions from underlying funds and are presented as a separate line item in the statements of comprehensive income.

All expenses are recognized in the statements of comprehensive income on an accrual basis.

**(iv) Due from and due to brokers for investment securities sold or purchased**

Amounts due from and due to brokers for investment securities sold or purchased represent receivables for investment securities sold and payables for investment securities purchased that have been contracted for but not yet settled or delivered on the year-end dates, respectively. These amounts are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from brokers.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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For the years ended December 31, 2020 and 2019

**2. Basis of presentation and significant accounting policies – (continued)****(v) Financial assets and financial liabilities at fair value through profit or loss**

Classification

*Financial Assets*

Under IFRS 9 - *Financial Instruments* ("IFRS 9"), the Manager classifies the Funds' investments in debt and equity securities and open-ended investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. These financial assets are managed, and their performance is evaluated, on a fair value basis.

The Manager also manages these financial assets with the objective of realizing cash flows through sales. The Manager has not taken the option to irrevocably designate any of the Funds' equity securities at fair value through other comprehensive income. Consequently, these financial assets are mandatorily measured at fair value through profit or loss.

*Financial Liabilities*

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition are a part of a portfolio of identified financial instruments that the Manager manages together and has a recent actual pattern of short-term profit-taking.

*Financial assets and financial liabilities at amortized cost*

At each reporting date, the Manager measures the Funds' loss allowance on amounts due from brokers for investment securities sold, accrued income and other short-term receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Manager measures the loss allowance at an amount equal to the 12 month expected credit losses. Given the short-term nature of the receivables and the high credit quality, the Manager has determined that the expected credit loss allowances of the Funds are not material.

*Recognition, derecognition and measurement*

Regular purchases and sales of investments are recognized on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the statements of comprehensive income.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the statements of comprehensive income.

Dividend income from financial assets at fair value through profit or loss is recognized in the statements of comprehensive income within dividend income when the Fund's right to receive payment is established.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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For the years ended December 31, 2020 and 2019

**2. Basis of presentation and significant accounting policies – (continued)****(v) Financial assets and financial liabilities at fair value through profit or loss – (continued)***Recognition, derecognition and measurement – (continued)*

Purchases and sales of foreign investments are translated at the exchange rates prevailing on the respective dates of such transactions. The fair values of foreign investments represent their quoted market values translated into Canadian dollars at exchange rates prevailing at period-end.

*Fair value estimation*

The fair value of financial assets and liabilities in active markets is based on quoted market prices at the close of trading on each valuation date. The Funds use the last traded market price for both financial assets and liabilities where the last traded price falls within the day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The cost of investments is determined on a weighted average cost basis.

If a significant event causing a material movement in fair value occurs subsequent to the close of trading up to midnight on the valuation date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Fund's valuation time that materially affects the integrity of the closing prices for any security, instrument or currency affected by that event so that they cannot be considered 'readily available' market quotations.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Manager uses a variety of methods and makes assumptions that are based on market conditions existing at each valuation date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

**(vi) Increase (decrease) in net assets attributable to holders of redeemable units/shares per unit/share**

Increase (decrease) in net assets attributable to holders of redeemable units/shares per unit/share is disclosed in the statements of comprehensive income and represents the increase (decrease) in the net assets attributable to holders of redeemable units/shares for the year divided by the weighted average number of units/shares outstanding during the year.

**(vii) Distributions payable to holders of redeemable units/shares**

The net investment income and net realized capital gains of each of the Funds, as applicable, are paid to the unitholders/shareholders of each relevant Fund as follows: For Pembroke Money Market Fund, the net investment income is distributed monthly on the last valuation day of each month. For Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund and Pembroke Growth and Income Fund, the net investment income is distributed quarterly on the last valuation day of the quarter and net realized capital gains are distributed once a year on the last valuation day of December.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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For the years ended December 31, 2020 and 2019

**2. Basis of presentation and significant accounting policies – (continued)****(vii) Distributions payable to holders of redeemable units/shares – (continued)**

For Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund, the net investment income and net realized capital gains are distributed once a year on the last valuation day of December. For Pembroke American Growth Fund Inc., proposed distributions to holders of redeemable shares in the form of dividends are recognized when they are appropriately authorized by the Board of Directors and not at the discretion of the Fund.

The distributions to holders of redeemable units/shares are recognised in the statements of changes in net assets attributable to holders of redeemable units/shares.

**(viii) Taxation**

The Funds are domiciled in Canada and under the current *Income Tax Act* (Canada) are not subject to tax on income, profits or capital gains or other taxes payable for the year if they allocate such gains (less capital losses carried forward) and earnings to unitholders/shareholders (except for Pembroke American Growth Fund Inc.).

The Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statements of comprehensive income.

Refer to Note 6 for the disclosure relating to taxation.

**(ix) Fair value measurement**

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

IFRS 13 - *Fair value measurement* ("IFRS 13") establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1: Valuation based on inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date.
- Level 2: Valuation based on inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Valuation based on inputs that are partially unobservable. There is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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For the years ended December 31, 2020 and 2019

**2. Basis of presentation and significant accounting policies – (continued)****(ix) Fair value measurement – (continued)**

The inputs are considered as observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

Refer to Note 7 for fair value hierarchy and related disclosures.

**(x) Forward contracts**

Forward contracts are agreements to purchase or sell financial instruments at a specified future date. As they are not traded on an exchange, the agreements between counterparties are not standardized. Changes in value of forward contracts are settled only on termination of the contract. Open forward contracts are revalued to fair value in the statements of financial position, based on the difference between the contract rate and the applicable forward rate to close out the contract. Change in unrealized gains and losses associated with the revaluation of open forward contracts are recorded in the statements of comprehensive income as unrealized gain (loss). Forward contracts are used by Pembroke Corporate Bond Fund.

**3. Accounting estimates and judgements**

The preparation of financial statements in conformity with IFRS requires the Manager to make estimates, judgements and assumptions that affect the application of accounting policies and amounts recorded in the financial statements. Estimates are based on the Manager's best knowledge of current events and actions that the Funds may undertake in the future and are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

*Fair value of securities not quoted in an active market*

The Funds may hold financial instruments that are not quoted in active markets. The fair value of such securities may be determined by the Manager using reputable pricing sources or indicative prices from bond/debt market makers. The Manager exercises judgement on the pricing sources used. Fair value is determined based on models that make maximum use of observable inputs and rely as little as possible on unobservable inputs. The Manager considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. When no quoted prices are available, the fair value is estimated using present value or other valuation methods, which are influenced by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates, which reflect varying degrees of risk, including liquidity risk, credit risk, and risks related to interest rates, exchange rates and price and rate volatility.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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For the years ended December 31, 2020 and 2019

**3. Accounting estimates and judgements – (continued)***Fair value of securities not quoted in an active market – (continued)*

The calculation of the fair values may differ given the role that judgment plays in applying the acceptable estimation and valuation techniques. Estimated fair value reflects market conditions on a given date and for this reason cannot be representative of future fair values.

*Critical judgements**Functional currency*

The Manager considers the Canadian dollar the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions of the Funds. The Canadian dollar is the currency in which each of the Funds measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors. This determination also considers the competitive environment in which the Funds are compared to other Canadian investment products.

*Classification of puttable instruments*

Each of the Funds' redeemable units/shares are classified as financial liabilities to which all of its gains and losses are attributed. Each of the Funds' units/shares do not meet all the criteria under IAS 32 - *Financial Instruments: Presentation* ("IAS 32") to be classified as equity by exception.

*Segmented information*

Each of the Funds is organized in one main operating segment, namely the management of the Fund's investments in order to achieve the Fund's investment objective.

*Unconsolidated structured entity*

The Manager has determined that the Funds' investments in underlying funds and Exchange Traded Funds ("ETF") are unconsolidated structured entities. This represents a significant judgment by the Manager and generally because decision making about the underlying funds' and ETFs' investing activities is not governed by the Funds.

*IAS 7 Statement of Financial Position disclosures*

IAS 7 - *Statement of Cash Flows* ("IAS 7") requires disclosures related to changes in liabilities arising from financing activities. Units/shares issued by the Funds are classified as liabilities in accordance with IAS 32. The units/shares are considered liabilities for the purposes of the IAS 7 disclosures, regardless of their classification for financial reporting purposes under IAS 32.

**4. Redeemable units/shares****(i) Authorized and issued capital**

The authorized capital of the Funds consists of an unlimited number of unit or share capital which rank equally in all respects and represent a pro rata interest in the net assets of the Funds. A unit or share capital does not confer any interest in any particular asset or investment of the Fund.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### 4. Redeemable units/shares – (continued)

#### (i) Authorized and issued capital – (continued)

The Funds' redeemable units or share capital, which are redeemable at the holder's option, are classified as financial liabilities on the statements of financial position. Redeemable units or shares can be put back into the Fund at any dealing date for cash equal to a proportionate share of the Fund's net asset value attributable to the unit or share class. The redeemable units or shares are carried at the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the unit or share back into the Fund. Quantitative information about each Funds' capital is provided in the statements of changes in financial position attributable to holders of redeemable units/shares.

Pembroke American Growth Fund Inc., being a mutual fund corporation, issues shares with voting rights, whereas all the other Funds are mutual fund trusts and, therefore, issue units.

The Manager manages the capital of the Funds in accordance with the Funds' investment objectives, policies and restrictions, as outlined in the Simplified Prospectus. The Funds' overall strategies for managing capital remain unchanged from the prior year.

The Funds do not have any specific capital requirements on the subscriptions and redemptions of units/shares, other than certain minimum subscription requirements.

The following is a summary of the changes in issued and outstanding units/shares:

#### **Pembroke Money Market Fund**

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Outstanding, beginning of year	1,315,220.837	948,003.002
Issued during the year	4,153,836.512	2,217,712.131
	5,469,057.349	3,165,715.133
Redeemed during the year	2,923,938.593	1,850,494.296
Outstanding, end of year	2,545,118.756	1,315,220.837

#### **Pembroke Canadian Bond Fund - Class A**

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Outstanding, beginning of year	2,603,478.496	2,980,653.442
Issued during the year	683,349.399	629,638.844
	3,286,827.895	3,610,292.286
Redeemed during the year	848,544.251	1,006,813.790
Outstanding, end of year	2,438,283.644	2,603,478.496

#### **Pembroke Corporate Bond Fund**

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Outstanding, beginning of year	9,754,294.823	9,186,120.138
Issued during the year	4,254,403.499	3,342,385.862
	14,008,698.322	12,528,506.000
Redeemed during the year	3,540,515.609	2,774,211.177
Outstanding, end of year	10,468,182.713	9,754,294.823

# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### 4. Redeemable units/shares – (continued)

#### (i) Authorized and issued capital – (continued)

##### **Pembroke Growth and Income Fund**

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Outstanding, beginning of year	2,447,762.500	3,620,494.922
Issued during the year	173,081.032	322,860.975
	2,620,843.532	3,943,355.897
Redeemed during the year	691,431.426	1,495,593.397
Outstanding, end of year	1,929,412.106	2,447,762.500

##### **Pembroke Global Balanced Fund**

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Outstanding, beginning of year	3,850,855.379	100,000.000
Issued during the year	4,951,073.764	4,164,849.690
	8,801,929.143	4,264,849.690
Redeemed during the year	1,318,017.310	413,994.311
Outstanding, end of year	7,483,911.833	3,850,855.379

##### **Pembroke Canadian Growth Fund**

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Outstanding, beginning of year	4,418,728.606	4,782,335.539
Issued during the year	198,182.795	384,490.368
	4,616,911.401	5,166,825.907
Redeemed during the year	785,572.716	748,097.301
Outstanding, end of year	3,831,338.685	4,418,728.606

##### **Pembroke American Growth Fund Inc.**

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Outstanding, beginning of year	4,785,233.888	5,156,073.241
Issued during the year	255,356.900	304,139.928
	5,040,590.788	5,460,213.169
Redeemed during the year	688,400.004	674,979.281
Outstanding, end of year	4,352,190.784	4,785,233.888

##### **Pembroke International Growth Fund - Class A**

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Outstanding, beginning of year	6,321,879.562	6,848,362.829
Issued during the year	1,963,734.601	1,062,407.126
	8,285,614.163	7,910,769.955
Redeemed during the year	2,344,968.878	1,588,890.393
Outstanding, end of year	5,940,645.285	6,321,879.562

# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### 4. Redeemable units/shares – (continued)

#### (i) Authorized and issued capital – (continued)

##### **Pembroke Concentrated Fund - Class A**

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Outstanding, beginning of year	2,218,900.147	146,101.378
Issued during the year	2,309,798.664	2,219,229.446
	4,528,698.811	2,365,330.824
Redeemed during the year	342,730.060	146,430.677
Outstanding, end of year	4,185,968.751	2,218,900.147

##### **Pembroke Concentrated Fund - Class F**

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Outstanding, beginning of year	4,614.547	-
Issued during the year	595,684.837	4,614.547
	600,299.384	4,614.547
Redeemed during the year	9,656.555	-
Outstanding, end of year	590,642.829	4,614.547

#### (ii) Valuation of Fund units/shares

The net asset value per unit or share (“NAVPU”) is calculated weekly as at the close of business on each Tuesday, or if any such Tuesday is not a business day, then on the next business day immediately succeeding it, and on the last business day of the month. For Funds that have only one class of units/shares, the NAVPU is determined by dividing the net assets of the Fund by the number of redeemable units/shares outstanding on the valuation date. For Funds that have more than one class of units/shares, the net assets of a particular class of units/shares is computed by calculating the value of that class’ proportionate share of the assets and liabilities common to all classes less the liabilities attributable only to that class.

A notice of redemption must be given in writing to the Manager at any of its offices in Canada. The value of the units or shares to be redeemed will be established as at the valuation date following the receipt of such notice. Within two business days following the valuation date, the Manager will pay the holder the value of the units/shares redeemed.

### 5. Management fees and expenses

Management fees are paid to the Manager in consideration for investment management, administrative and advisory services. For all Funds except for Class F of Pembroke Concentrated Fund, subject to the maximum fees set forth below, unitholders/shareholders will be charged management fees based on the assets under management of their PPW relationship. Such management fees will be payable directly to PPW by the redemption (without charge) of a sufficient number of units/shares of the Fund held. For Class F of Pembroke Concentrated Fund, the Manager will charge to the Fund fees in respect of Class F units computed at the annual rate of 1.00% plus applicable taxes. Such management fee will be accrued daily and paid monthly. The applicable rate will be applied to the Net Asset Value of the Class and charged as a Class specific expense.

# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### 5. Management fees and expenses – (continued)

<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 Growth and Income Fund	1.30%	1.20%
Pembroke Global Balanced Fund	1.30%	1.00%
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%

<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 Growth and Income Fund	0.85%	0.75%	0.65%
Pembroke Global Balanced Fund	0.75%	0.75%	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%

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

The Funds pay all expenses incurred in the ordinary course of business relating to their organization, management and operations, including transaction costs on the purchase and sale of investment securities, custodial and safekeeping fees, audit fees, registrar and transfer agents' fees, filing fees, information fees, as well as legal fees relating to the distribution of units/shares of the Funds and preparation of any filings required under any securities legislation and taxes of all kinds for which the Funds are, or might be, subject to.

### 6. Income taxes

The Funds (except for Pembroke American Growth Fund Inc.) qualify as Mutual Fund Trusts under the *Income Tax Act* (Canada). The Funds (except for Pembroke American Growth Fund Inc.) are not subject to income taxes on their net taxable capital gains or their net earnings for the year if they allocate such gains (less capital losses carried forward) and earnings to unitholders. It is the intention of the Manager to allocate the taxable income of the Funds annually to unitholders so as to eliminate any income taxes otherwise payable by the individual Funds.

# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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For the years ended December 31, 2020 and 2019

### 6. Income taxes – (continued)

Pembroke American Growth Fund Inc. is treated as a mutual fund corporation under the *Income Tax Act* (Canada). Income taxes on net realized capital gains are recoverable by the Fund when its capital gains are distributed to shareholders either through share redemptions or the declaration of capital gains dividends. Income taxes paid on dividends from taxable Canadian corporations may be refunded, generally at the rate of \$1 for every \$3 of taxable dividends paid.

As at December 31, 2020, certain Funds have accumulated non-capital losses and capital losses available to reduce future taxable income that can be carried forward to a maximum of 10 years for years 2004 and 2005 and 20 years for 2006 and subsequent years. Accumulated capital losses available to reduce realized capital gains in future years that can be carried forward indefinitely are as follows:

	Non-capital losses		Capital losses
For Quebec purposes:			
Pembroke Canadian Bond Fund	\$ —	\$	574,154
Pembroke American Growth Fund Inc.	\$ 27,181,151	\$	—

During 2020, Pembroke American Growth Fund Inc. utilized \$573,419 of non-capital losses (2019 – \$196,000). The non-capital losses expire starting in 2026 with the last loss ending in 2037. There is no deferred income tax asset recorded on the statements of financial position.

### 7. Financial instruments' risk management

The Funds' financial assets may principally comprise investments in equity and debt instruments, short-term investments, trade and other receivables, and/or cash and cash equivalents. Financial liabilities may comprise accrued expenses, trade and other payables. The Funds' activities expose them to a variety of financial risks that are associated with their investment strategies, financial instruments and the markets in which they invest. The level of risk depends on the Funds' investment objectives and the types of securities they invest in. The value of investments within the Funds' portfolios can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, market and company news related to specific securities within the Funds.

The most important risks arising from the Funds' financial instruments include credit risk, liquidity risk, market risk (comprising interest rate risk, currency risk and other price risk) and concentration risk. The risks and the related risk management practices employed by the Funds are summarized in the Simplified Prospectus and are discussed below.

#### (i) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a loss by failing to discharge its obligations. The Funds are exposed to credit risk on their debt instruments, cash and cash equivalents and other short-term trade receivables.

The Manager measures the Funds' credit risk and lifetime expected credit loss ("ECL") related to the short-term receivables using historical analysis and forward-looking information in determining the ECL.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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For the years ended December 31, 2020 and 2019

**7. Financial instruments' risk management – (continued)****(i) Credit risk – (continued)**

The Funds use highly rated, well established financial institutions for cash transactions and as a result, the risk of default is considered minimal. The Funds are also exposed to credit risk with the custodian. Should the custodian become insolvent, it could cause a delay for the Funds in obtaining access to their assets.

Where a Fund invests in debt instruments, this represents the main concentration of credit risk. The fair value of debt instruments includes consideration of the credit worthiness of the issuer and represents the maximum credit risk exposure of the Fund. All transactions executed by a Fund in listed securities are settled/paid for upon delivery using approved brokers meeting minimum risk rating levels. The risk of default is considered minimal, as delivery of securities sold is only made once the Fund has received payment, and payment is made on a purchase once the securities have been received by the Fund. The trade will fail if either party fails to meet its obligation.

**(ii) Liquidity risk**

Liquidity risk is defined as the risk that a Fund may encounter difficulties in meeting the obligations associated with its financial liabilities on time or at a reasonable price.

Each Fund is exposed to weekly and end-of-month cash redemptions of redeemable units/shares. The units/shares of each Fund are issued and redeemed on demand at the current NAV per unit/share at the option of the holder. Liquidity risk is managed by investing the majority of the Funds' assets in investments that are traded in an active market and can be readily disposed of.

Each Fund may, from time to time, invest in securities that are not traded in an active market and may be illiquid. A lack of buyer interest in a particular security may increase the level of difficulty in selling this security and, therefore, result in a loss or reduced return. Portfolio diversification and concentration limits reduce this risk.

**(iii) Interest rate risk**

Interest rate risk arises from the possibility that changes in market interest rates will affect future cash flows or the fair values of financial instruments.

Interest rate risk arises when a Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates.

**(iv) Currency risk**

Currency risk corresponds to the risk that the fair value or future cash flows of a financial instrument denominated in a currency other than the Canadian dollar will fluctuate because of changes in foreign exchange rates.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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For the years ended December 31, 2020 and 2019

**7. Financial instruments' risk management – (continued)****(iv) Currency risk – (continued)**

Changes in the value of the Canadian dollar relative to foreign currencies will affect the value, in Canadian dollar terms, of foreign securities held in the Funds. These fluctuations may reduce, or even eliminate, any return the Funds have earned on foreign securities. Currency exposure may increase the volatility of foreign investments relative to Canadian investments and can also affect the relative competitive position of entities whose securities are held by the Funds. It is not the Manager's policy to hedge the currency risk between the Canadian dollar and foreign currencies. Thus, the Manager does not manage currency risk.

**(v) Other price risk**

Other price risk corresponds to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The investments of the Funds are subject to normal market fluctuations and the risks inherent with investing in financial markets. Financial instruments held by each Fund are susceptible to market price risk arising from uncertainties about future prices of the instruments. The investment manager mitigates this risk through a careful selection of securities within the parameters of the Funds' investment strategies and through diversification of the investment portfolios. The investment manager monitors the Funds' overall market positions on a daily basis and positions are maintained within established ranges in an attempt to mitigate this risk.

**(vi) Concentration risk**

Concentration risk arises because of the concentration of exposure within the same category, whether it is geographical location or industry sector. For Funds with an international investment strategy, the concentration by geographic location is presented according to, among other things, the country of incorporation or region. For Funds with a domestic investment strategy, the concentration by industry sector is presented according to their investments in the different sectors. The concentration risk is managed through portfolio diversification within the framework of the Funds' objective and strategy.

Refer to Discussion of Financial Risk Management for Fund-specific risk disclosure.



# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Money Market Fund (formerly The GBC Money Market Fund)

#### Risk management

The investment objective of Pembroke Money Market Fund (the “Fund”) is to maximize interest income while preserving capital and maintaining liquidity.

To manage risk, the Fund invests primarily in high quality, short-term debt securities issued by the Government of Canada or any Canadian provincial government, obligations of Canadian banks and trust companies, and commercial paper with an approved credit rating.

#### Credit risk

As at December 31, 2020 and December 31, 2019, the Fund invested in debt instruments with the following credit ratings, representing the maximum credit risk exposure:

<b>Debt Instruments by Credit Rating</b>	<b>December 31, 2020</b>		<b>December 31, 2019</b>	
	<b>\$ Fair Value</b>	<b>% of Net Assets</b>	<b>\$ Fair Value</b>	<b>% of Net Assets</b>
AAA	25,434,988	99.94	13,137,206	99.89
Total	25,434,988	99.94	13,137,206	99.89

Credit ratings are obtained from Standard & Poor’s Financial Services LLC, Moody’s Investor Service Inc. and/or DBRS. Where more than one rating is obtained for a security, the lowest rating has been used.

#### Liquidity risk

The tables below analyze the Fund’s financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

#### December 31, 2020

<b>Financial liabilities</b>	<b>&lt; 7 days \$</b>	<b>7 days - 3 months \$</b>	<b>3 months - 1 year \$</b>	<b>Total \$</b>
Redeemable units	25,451,078	-	-	25,451,078
Total	25,451,078	-	-	25,451,078

#### December 31, 2019

<b>Financial liabilities</b>	<b>&lt; 7 days \$</b>	<b>7 days - 3 months \$</b>	<b>3 months - 1 year \$</b>	<b>Total \$</b>
Redeemable units	13,152,189	-	-	13,152,189
Total	13,152,189	-	-	13,152,189

Redeemable units are redeemed on demand at the holder’s option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Money Market Fund (formerly The GBC Money Market Fund) – (continued)

Liquidity risk – (continued)

The Manager manages the Fund's liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2020 and December 31, 2019.

Interest rate risk

The Fund has minimal sensitivity to changes in interest rates since securities are usually held to maturity and tend to be short-term in nature. As at December 31, 2020 and December 31, 2019, the Fund's exposure to financial assets was as follows:

	<b>December 31, 2020</b>		<b>December 31, 2019</b>	
	\$	\$	\$	\$
	<b>Interest bearing instruments</b>	<b>Non-interest bearing instruments</b>	<b>Interest bearing instruments</b>	<b>Non-interest bearing instruments</b>
Investments	25,434,988	-	13,137,206	-
Cash	-	16,090	-	14,983

The following tables detail the Fund's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

#### December 31, 2020

<b>Contractual maturities</b>	<b>&lt; 1 month</b>	<b>1 - 3 months</b>	<b>3 months - 1 year</b>	<b>&gt; 1 year</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Interest bearing instruments	-	23,401,014	2,033,974	-	25,434,988
Non-interest bearing instruments	16,090	-	-	-	16,090
Total	16,090	23,401,014	2,033,974	-	25,451,078

#### December 31, 2019

<b>Contractual maturities</b>	<b>&lt; 1 month</b>	<b>1 - 3 months</b>	<b>3 months - 1 year</b>	<b>&gt; 1 year</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Interest bearing instruments	-	7,353,104	5,784,102	-	13,137,206
Non-interest bearing instruments	14,983	-	-	-	14,983
Total	14,983	7,353,104	5,784,102	-	13,152,189

Currency risk

The Fund did not have any financial instruments denominated in currencies other than the Canadian dollar. As a result, the Fund did not have any significant exposure to currency risk as at December 31, 2020 and December 31, 2019.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### **Discussion of Financial Risk Management – Pembroke Money Market Fund (formerly The GBC Money Market Fund) – (continued)**

Other price risk

All of the Fund's financial instruments are interest bearing. As a result, the Fund did not have any significant exposure to other price risk as at December 31, 2020 and December 31, 2019.

Concentration risk

The following table is a summary of the Fund's concentration risk of its fixed income investments by market segment.

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	%	%
Government of Canada Treasury Bills	99.94	99.89
<b>Total</b>	<b>99.94</b>	<b>99.89</b>

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2020 and December 31, 2019.

<b>Fair value at December 31, 2020</b>				
	Level 1	Level 2	Level 3	Total
<b>Description</b>	\$	\$	\$	
Government of Canada Treasury Bills	-	25,434,988	-	25,434,988
<b>Total</b>	<b>-</b>	<b>25,434,988</b>	<b>-</b>	<b>25,434,988</b>

<b>Fair value at December 31, 2019</b>				
	Level 1	Level 2	Level 3	Total
<b>Description</b>	\$	\$	\$	
Government of Canada Treasury Bills	-	13,137,206	-	13,137,206
<b>Total</b>	<b>-</b>	<b>13,137,206</b>	<b>-</b>	<b>13,137,206</b>

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2020 and December 31, 2019.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### **Discussion of Financial Risk Management – Pembroke Canadian Bond Fund (formerly The GBC Canadian Bond Fund)**

#### Risk management

The investment objective of Pembroke Canadian Bond Fund (the “Fund”) is to provide a high level of income and some capital growth while preserving capital by investing primarily in bonds, debentures and other debt instruments of Governmental Issuers or Government-Related Issuers and corporations. The Fund must maintain a minimum allocation of at least 25% in Governmental Issuers or Government-Related Issuers with no more than 10% concentration per issuer. Foreign pay issuers are not permitted due to currency risk, though foreign issued Maple Bonds are acceptable, adding a diversification benefit. A minimum credit rating of “A” is required by all issuers to minimize credit risk.

When classifying the bonds in its portfolio, the Manager and the portfolio manager rely on the classifications from PC Bond Analytics, a business unit of the FTSE TMX Group. Although some bonds are classified as being issued by governmental issuers under such classification, it does not mean that they are actually issued by a government but rather by an issuer related to a government (provincial or federal).

Risk is mitigated by employing a Maximum Loss methodology which limits each position according to its potential impact on a portfolio’s long-term value-added. The higher the trading price of a security compared to its downside potential, the smaller the position allowed. The risk assessment allows the security’s specific features that modify its downside risk to be considered. This includes the priority of the security and quality of the issuer.

#### Credit risk

As at December 31, 2020 and December 31, 2019, the Fund invested in debt instruments with the following credit ratings, representing the maximum credit risk exposure:

<b>Debt Instruments by Credit Rating</b>	<b>December 31, 2020</b>		<b>December 31, 2019</b>	
	<b>\$ Fair Value</b>	<b>% of Net Assets</b>	<b>\$ Fair Value</b>	<b>% of Net Assets</b>
AAA	10,361,911	31.86	12,464,110	37.25
AA	6,965,256	21.42	6,208,635	18.55
A	14,979,378	46.06	14,188,441	42.40
Total	32,306,545	99.34	32,861,186	98.20

Credit ratings are obtained from Standard & Poor’s Financial Services LLC, Moody’s Investor Service Inc. and/or DBRS. Where more than one rating is obtained for a security, the lowest rating has been used.

#### Liquidity risk

The tables below analyze the Fund’s financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Canadian Bond Fund (formerly The GBC Canadian Bond Fund) – (continued)

Liquidity risk – (continued)

#### December 31, 2020

<b>Financial liabilities</b>	<b>&lt; 7 days</b>	<b>7 days - 3 months</b>	<b>3 months - 1 year</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accrued expenses	5,530	-	-	5,530
Distributions payable to unitholders	237,442	-	-	237,442
HST/QST payable	693	-	-	693
Redeemable units	32,518,546	-	-	32,518,546
<b>Total</b>	<b>32,762,211</b>	<b>-</b>	<b>-</b>	<b>32,762,211</b>

#### December 31, 2019

<b>Financial liabilities</b>	<b>&lt; 7 days</b>	<b>7 days - 3 months</b>	<b>3 months - 1 year</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accrued expenses	5,833	-	-	5,833
Distributions payable to unitholders	281,263	-	-	281,263
Redeemable units	33,462,077	-	-	33,462,077
<b>Total</b>	<b>33,749,173</b>	<b>-</b>	<b>-</b>	<b>33,749,173</b>

Redeemable units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Manager manages the Fund's liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2020 and December 31, 2019.

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk as at December 31, 2020 and December 31, 2019. It includes the Fund's financial assets at their fair values, categorized by the earlier of contractual re-pricing or maturity dates.

	<b>December 31, 2020</b>		<b>December 31, 2019</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>Interest bearing instruments</b>	<b>Non Interest bearing instruments</b>	<b>Interest bearing instruments</b>	<b>Non Interest bearing instruments</b>
Investments	32,306,545	-	32,861,186	-
Cash	-	201,773	-	598,033
Other assets	-	253,893	-	289,954
Liabilities	-	243,665	-	287,096

As at December 31, 2020 and December 31, 2019, had prevailing interest rates increased or decreased by 100 basis points, with all other variables remaining constant, the decrease or increase respectively in net assets would amount to approximately \$2,167,000 (2019 - \$1,755,000). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Canadian Bond Fund (formerly The GBC Canadian Bond Fund) – (continued)

Interest rate risk – (continued)

The following tables detail the Fund's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

#### December 31, 2020

Contractual maturities	< 1 month \$	1 - 3 months \$	3 months - 1 year \$	> 1 year \$	Total \$
Interest bearing instruments	-	-	125,329	32,181,216	32,306,545
Non-interest bearing instruments	212,001	-	-	-	212,001
Total	212,001	-	125,329	32,181,216	32,518,546

#### December 31, 2019

Contractual maturities	< 1 month \$	1 - 3 months \$	3 months - 1 year \$	> 1 year \$	Total \$
Interest bearing instruments	-	644,602	637,681	31,578,903	32,861,186
Non-interest bearing instruments	600,891	-	-	-	600,891
Total	600,891	644,602	637,681	31,578,903	33,462,077

Currency risk

The Fund did not have any financial instruments denominated in a currency other than the Canadian dollar. As a result, the Fund did not have any significant exposure to currency risk as at December 31, 2020 and December 31, 2019.

Other price risk

All of the Fund's financial instruments are interest bearing. As a result, the Fund did not have any significant exposure to other price risk as at December 31, 2020 and December 31, 2019.

Concentration risk

The following table is a summary of the Fund's concentration risk of its bond investments by market segment.

Industry Sector	December 31, 2020 %	December 31, 2019 %
Canadian Governmental Issuers or Government-Related issuers	18.43	13.03
Canadian Corporations	57.38	37.09
Asset/Mortgaged-Backed	4.66	20.14
Foreign Governmental Issuers or Government-Related issuers	5.60	10.30
Foreign Corporations	13.28	17.64
Total	99.35	98.20

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

**Discussion of Financial Risk Management – Pembroke Canadian Bond Fund (formerly The GBC Canadian Bond Fund) – (continued)**

Concentration risk – (continued)

As at December 31, 2020, the Fund does not hold an individual investment position greater than 9.2% (2019 – 9.6%) of the total net assets attributable to the holders of redeemable units.

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2020 and December 31, 2019.

<b>Fair value at December 31, 2020</b>				
<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	
Bonds	-	32,306,545	-	32,306,545
Total	-	32,306,545	-	32,306,545

<b>Fair value at December 31, 2019</b>				
<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	
Bonds	-	32,861,186	-	32,861,186
Total	-	32,861,186	-	32,861,186

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2020 and December 31, 2019. Securities classified as Level 2 consist of active bonds which are priced daily and are valued based on inputs other than quoted prices. Included as Level 2 are bonds with the following:

- Modeled prices where market inputs are used;
- Fixed income prices where spreads, yields and other recognized valuation techniques are used; and
- Vendor generated fair value factors.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### **Discussion of Financial Risk Management – Pembroke Corporate Bond Fund (formerly The GBC Corporate Bond Fund)**

#### Risk management

The investment objective of Pembroke Corporate Bond Fund (the “Fund”) is to achieve above-average income returns through a diversified portfolio composed primarily of fixed income securities of corporate entities anywhere in the world.

In selecting investments for the Fund, the portfolio manager takes a “bottom up” approach to portfolio construction focusing on security selection and then adjusting the portfolio to stay within its duration and term targets. The exposure to credit risk depends on the phase of the credit cycle and the bottom up valuation of individual securities. With respect to any corporate, municipal or other issuer, the Fund may invest a maximum of 10% of its assets in any issuer rated BBB or above, a maximum of 8% of its assets in any issuer rated BB and a maximum of 5% in any issuer rated below BB. For the purposes of determining the rating of securities in which the Fund invests, the portfolio manager relies on the classifications from PC Bond Analytics, a business unit of the FTSE TMX Group.

The Fund may utilize forward currency contracts and related options, purchase and sell options on currencies or securities to hedge against fluctuations caused by changes in currency exchange rates.

#### Credit risk

As at December 31, 2020 and December 31, 2019, the Fund invested in debt instruments with the following credit ratings, representing the maximum credit risk exposure:

<b>Debt Instruments by Credit Rating</b>	<b>December 31, 2020</b>		<b>December 31, 2019</b>	
	<b>\$ Fair Value</b>	<b>% of Net Assets</b>	<b>\$ Fair Value</b>	<b>% of Net Assets</b>
AAA	3,118,246	2.07	41,997,796	33.57
AA	1,000,000	0.66	1,562,849	1.25
A	1,825,866	1.21	14,956,586	11.96
BBB	35,707,825	23.65	42,922,000	34.31
BB	52,528,965	34.79	8,489,430	6.79
B	30,409,311	20.14	7,926,602	6.34
Below B	14,064,716	9.32	-	-
Not rated	9,725,796	6.44	4,742,322	3.79
<b>Total</b>	<b>148,380,725</b>	<b>98.28</b>	<b>122,597,585</b>	<b>98.01</b>

Credit ratings are obtained from Standard & Poor’s Financial Services LLC, Moody’s Investor Service Inc. and/or DBRS. Where more than one rating is obtained for a security, the lowest rating has been used.

#### Liquidity risk

The tables below analyze the Fund’s financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.



# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Corporate Bond Fund (formerly The GBC Corporate Bond Fund) – (continued)

Liquidity risk – (continued)

#### December 31, 2020

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Accrued expenses	6,582	-	-	6,582
Distributions payable to unitholders	6,616,858	-	-	6,616,858
HST/QST payable	217	-	-	217
Redeemable units	150,973,406	-	-	150,973,406
Total	157,597,063	-	-	157,597,063

#### December 31, 2019

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Accrued expenses	6,688	-	-	6,688
Distributions payable to unitholders	874,103	-	-	874,103
Redeemable units	125,103,081	-	-	125,103,081
Total	125,983,872	-	-	125,983,872

Redeemable units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Manager manages the Fund's liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2020 and December 31, 2019.

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk as at December 31, 2020 and December 31, 2019. It includes the Fund's financial assets at their fair values, categorized by the earlier of contractual re-pricing or maturity dates.

	December 31, 2020		December 31, 2019	
	\$	\$	\$	\$
	Interest bearing instruments	Non Interest bearing instruments	Interest bearing instruments	Non Interest bearing instruments
Investments	148,380,725	2,755,583	122,597,585	2,156,851
Cash	-	4,009,957	-	236,129
Other assets	-	2,450,798	-	993,307
Liabilities	-	6,623,657	-	880,791

As at December 31, 2020 and December 31, 2019, had prevailing interest rates increased or decreased by 100 basis points, with all other variables remaining constant, the decrease or increase in net assets would amount to approximately \$5,955,000 (December 31, 2019 - \$1,459,000). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Corporate Bond Fund (formerly The GBC Corporate Bond Fund) – (continued)

Interest rate risk – (continued)

The following tables detail the Fund's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

#### December 31, 2020

Contractual maturities	< 1 month	1 - 3 months	3 months - 1 year	> 1 year	Total
	\$	\$	\$	\$	\$
Interest bearing instruments	-	347,770	2,281,772	145,751,183	148,380,725
Non-interest bearing instruments	2,592,681	-	-	-	2,592,681
Total	2,592,681	347,770	2,281,772	145,751,183	150,973,406

#### December 31, 2019

Contractual maturities	< 1 month	1 - 3 months	3 months - 1 year	> 1 year	Total
	\$	\$	\$	\$	\$
Interest bearing instruments	1,607,054	607,457	13,754,526	106,628,548	122,597,585
Non-interest bearing instruments	2,505,496	-	-	-	2,505,496
Total	4,112,550	607,457	13,754,526	106,628,548	125,103,081

Currency risk

The tables below indicate the foreign currency to which the Fund had significant exposure at December 31, 2020 and December 31, 2019, in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

#### December 31, 2020

Currency Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
US Dollar	183,289	0.1	18,329	-
Corporate Bonds - US Dollar	75,078,909	49.7	7,507,891	5.0
Total	75,262,198	49.9	7,526,220	5.0

#### December 31, 2019

Currency Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
US Dollar	111,346	0.1	11,135	-
Corporate Bonds - US Dollar	23,419,207	18.7	2,341,921	1.9
Total	23,530,553	18.8	2,353,056	1.9

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### **Discussion of Financial Risk Management – Pembroke Corporate Bond Fund (formerly The GBC Corporate Bond Fund) – (continued)**

Other price risk

The majority of the Fund's financial instruments are interest bearing. As a result, the Fund did not have any direct significant exposure to other price risk as at December 31, 2020 and December 31, 2019.

Concentration risk

The following table is a summary of the Fund's concentration risk of its investments by market segment.

<b>Industry Sector</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	%	%
Government of Canada Treasury Bills	-	1.28
Canadian Corporate Bonds	29.31	52.67
Canadian Corporate Bonds - Denominated in US Dollar	16.89	4.64
Asset/Mortgage-Backed	1.69	14.49
Foreign Corporate Bonds - denominated in Canadian Dollar	0.66	6.20
Foreign Corporate Bonds - denominated in US Dollar	49.73	18.72
Equities - Canadian	1.83	1.72
<b>Total</b>	<b>100.11</b>	<b>99.72</b>

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

As at December 31, 2020, the Fund does not hold an individual investment position greater than 4.4% (December 31, 2019 – 8.9%) of the total net assets attributable to the holders of redeemable units.

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2020 and December 31, 2019.

<b>Description</b>	<b>Fair value at December 31, 2020</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	\$	\$	\$	
Equity investments	880,764	-	1,874,819	2,755,583
Bonds	-	148,380,725	-	148,380,725
<b>Total</b>	<b>880,764</b>	<b>148,380,725</b>	<b>1,874,819</b>	<b>151,136,308</b>

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Corporate Bond Fund (formerly The GBC Corporate Bond Fund) – (continued)

Fair value disclosure – (continued)

<b>Description</b>	<b>Fair value at December 31, 2019</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Description</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
Government of Canada Treasury Bills	-	1,607,054	-	1,607,054
Equity investments	478,851	-	1,678,000	2,156,851
Bonds	-	120,059,466	931,065	120,990,531
Foreign exchange forward contract	-	349,925	-	349,925
<b>Total</b>	<b>478,851</b>	<b>122,016,445</b>	<b>2,609,065</b>	<b>125,104,361</b>

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2020 and December 31, 2019. Securities classified as Level 2 consist of active bonds which are priced daily and are valued based on inputs other than quoted prices. Included as Level 2 are bonds with the following:

- Modeled prices where market inputs are used;
- Fixed income prices where spreads, yields and other recognized valuation techniques are used; and
- Vendor generated fair value factors.

Bonds classified as Level 3 in 2019 were transferred to Level 2 during the year ended 2020 as the inputs used in the valuation of the bonds became observable.

The following is a reconciliation of Level 3 fair value measurements:

<b>Bonds</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Balance as at beginning of the year	2,609,065	4,878,991
Realized gain/(loss)	(471,970)	2,747
Change in unrealized appreciation (depreciation)	149,397	(50,807)
Purchases	-	113,039
Sales	(411,673)	(639,548)
Transfers in and/or out of Level 3	-	(1,695,357)
<b>Balance as at end of the year</b>	<b>1,874,819</b>	<b>2,609,065</b>

The following sections provides information regarding 2020 Level 3 securities. It includes a summary of the valuation techniques used and the sensitivity of the fair value of these securities to changes in input values.

# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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For the years ended December 31, 2020 and 2019

### **Discussion of Financial Risk Management – Pembroke Corporate Bond Fund (formerly The GBC Corporate Bond Fund) – (continued)**

Fair value disclosure – (continued)

ClearStream Energy Services, Preferred Shares

- Price: \$1,000.00; Fair Value: \$ 1,565,000
- Valuation Technique: The private placement financing technique
- Unobservable Inputs: The last transacted price unless there is a material subsequent event that warrants a review. The preferred shares were issued on January 16, 2018 at \$1,000. There have been no subsequent material events affecting value.
- Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$300.

ClearStream Energy Services, Preferred Shares, Series 2

- Price: \$1,000.00; Fair Value: \$ 113,000
- Valuation Technique: The private placement financing technique
- Unobservable Inputs: The last transacted price unless there is a material subsequent event that warrants a review. The preferred shares were issued on June 27, 2019 at \$1,000. There have been no subsequent material events affecting value.
- Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$300.

Xplore Mobile (Mobility Spinco)

- Price: \$1.43; Fair Value: \$44,463
- Valuation Technique: Relative value technique
- Unobservable Inputs: The primary unobservable inputs for this security were taken from audited financial data and government publications.
- Change in input values: A reasonably possible change to the value of the assets that make up the business could result in an increase or decrease of 40%, or an increase or decrease in the security price of \$0.15.

Xplornet Wireless (License Spinco)

- Price: \$4.90; Fair Value: \$152,356
- Valuation Technique: Relative value technique
- Unobservable Inputs: The primary unobservable inputs for this security were taken from audited financial data and government publications.
- Change in input values: A reasonably possible change to the value of the assets that make up the business could result in an increase or decrease of 40%, or an increase or decrease in the security price of \$0.30.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### **Discussion of Financial Risk Management – Pembroke Growth and Income Fund (formerly The GBC Growth and Income Fund)**

#### Risk management

The investment objective of Pembroke Growth and Income Fund (the “Fund”) is to provide investors with a reasonable balance between long-term capital growth and income to diversify risk. The Fund invests primarily in equities, bonds and other marketable securities. The Fund may make these investments directly or by purchasing units of Pembroke Canadian Bond Fund and/or of Pembroke International Growth Fund.

Risk is mitigated by employing professional, experienced portfolio advisors, by daily monitoring of the Fund’s positions and market events, and by diversifying the investment portfolio through investing in different companies and across multiple industry sectors within the constraints of the Fund’s investment objective.

#### Credit risk

As at December 31, 2020 and December 31, 2019, the Fund invested in debt instruments through its holding of units of the Pembroke Canadian Bond Fund which invested in debt securities with the following credit ratings, representing the maximum credit risk exposure:

<b>Debt Instruments by Credit Rating</b>	<b>December 31, 2020</b>		<b>December 31, 2019</b>	
	<b>\$ Fair Value</b>	<b>% of Net Assets</b>	<b>\$ Fair Value</b>	<b>% of Net Assets</b>
AAA	2,651,616	9.17	3,628,063	11.07
AA	1,782,411	6.17	1,807,214	5.51
A	3,833,226	13.26	4,129,983	12.60
Total	8,267,253	28.60	9,565,260	29.18

Credit ratings are obtained from Standard & Poor’s Financial Services LLC, Moody’s Investor Service Inc. and/or DBRS. Where more than one rating is obtained for a security, the lowest rating has been used.

#### Liquidity risk

The tables below analyze the Fund’s financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

#### **December 31, 2020**

<b>Financial liabilities</b>	<b>&lt; 7 days \$</b>	<b>7 days - 3 months \$</b>	<b>3 months - 1 year \$</b>	<b>Total \$</b>
Accrued expenses	4,657	-	-	4,657
Distributions payable to unitholders	1,153,731	-	-	1,153,731
Due to brokers for investment securities purchased	19,836	-	-	19,836
QST/HST payable	170	-	-	170
Redeemable units	28,908,846	-	-	28,908,846
Total	30,087,240	-	-	30,087,240

# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Growth and Income Fund (formerly The GBC Growth and Income Fund) – (continued)

Liquidity risk – (continued)

#### December 31, 2019

Financial liabilities	< 7 days	7 days - 3 months	3 months - 1 year	Total
	\$	\$	\$	\$
Accrued expenses	4,677	-	-	4,677
Distributions payable to unitholders	253,899	-	-	253,899
Redeemable units	32,788,574	-	-	32,788,574
<b>Total</b>	<b>33,047,150</b>	<b>-</b>	<b>-</b>	<b>33,047,150</b>

Redeemable units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Manager manages the Fund's liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2020 and December 31, 2019.

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk as at December 31, 2020 and December 31, 2019, as a result of its holding of units of Pembroke Canadian Bond Fund. The Fund's financial assets and liabilities have been included at their fair values, categorized by the earlier of contractual re-pricing or maturity dates.

	December 31, 2020		December 31, 2019	
	\$	\$	\$	\$
	Interest bearing instruments	Non-interest bearing instruments	Interest bearing instruments	Non-interest bearing instruments
Investments	8,267,253	21,273,389	9,565,260	22,771,927
Cash	-	235,931	-	593,488
Other assets	-	310,667	-	116,475
Liabilities	-	1,178,394	-	258,576

As at December 31, 2020 and December 31, 2019, had prevailing interest rates increased or decreased by 100 basis points, with all other variables remaining constant, the decrease or increase respectively in net assets would amount to approximately \$555,000 (2019 – \$511,000). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Growth and Income Fund (formerly The GBC Growth and Income Fund) – (continued)

Interest rate risk – (continued)

The following tables detail the Fund's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

#### December 31, 2020

Contractual maturities	< 1 month \$	1 - 3 months \$	3 months - 1 year \$	> 1 year \$	Total \$
Interest bearing instruments	-	-	32,072	8,235,181	8,267,253
Non-interest bearing instruments	20,641,593	-	-	-	20,641,593
Total	20,641,593	-	32,072	8,235,181	28,908,846

#### December 31, 2019

Contractual maturities	< 1 month \$	1 - 3 months \$	3 months - 1 year \$	> 1 year \$	Total \$
Interest bearing instruments	-	187,631	185,617	9,192,012	9,565,260
Non-interest bearing instruments	23,223,314	-	-	-	23,223,314
Total	23,223,314	187,631	185,617	9,192,012	32,788,574

Currency risk

The tables below indicate the foreign currency to which the Fund had significant exposure at December 31, 2020 and December 31, 2019, in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

#### December 31, 2020

Currency Exposure	Fair Value \$	% of Net Assets	Impact on net assets \$	%
US Dollar	29,054	0.1	2,905	-
US Investments	1,588,659	5.5	158,866	0.5
Total	1,617,713	5.6	161,771	0.5

#### December 31, 2019

Currency Exposure	Fair Value \$	% of Net Assets	Impact on net assets \$	%
US Dollar	111,346	0.3	11,135	-
US Investments	1,509,202	4.6	150,920	0.5
Total	1,620,548	4.9	162,055	0.5

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.



# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Growth and Income Fund (formerly The GBC Growth and Income Fund) – (continued)

Other price risk

The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of these financial instruments. The tables below indicate the financial instruments to which the Fund had significant market exposure at December 31, 2020 and December 31, 2019. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if equity markets had strengthened or weakened by 10%, with all other variables held constant:

#### December 31, 2020

Market Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
Investments	21,273,389	73.6	2,127,339	7.4

#### December 31, 2019

Market Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
Investments	22,771,927	69.5	2,277,193	6.9

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Concentration risk

The following table is a summary of the Fund's concentration risk of its equity investments by market segment.

Industry Sector	December 31, 2020	December 31, 2019
	%	%
Mutual Funds - Bonds	28.60	29.17
Communication Services	2.38	1.63
Consumer Discretionary	7.30	11.94
Consumer Staples	5.26	1.87
Energy	-	1.71
Financials	17.02	15.70
Health Care	-	0.27
Industrials	15.08	8.51
Information Technology	14.48	13.15
Materials	3.33	3.68
Real Estate	8.74	10.99
Utilities	-	-
Total	102.19	98.62

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

As at December 31, 2020, other than its investment in the Pembroke Canadian Bond Fund of 28.60% (29.17% as at December 31, 2019), the Fund does not hold an individual investment position greater than 5.5% (December 31, 2019 – 3.7%) of the total net assets attributable to the holders of redeemable units.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

**Discussion of Financial Risk Management – Pembroke Growth and Income Fund (formerly The GBC Growth and Income Fund) – (continued)**

Concentration risk – (continued)

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2020 and December 31, 2019.

<b>Fair value at December 31, 2020</b>				
<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	
Equity investments	21,273,389	-	-	21,273,389
Bond Mutual Fund	-	8,267,253	-	8,267,253
Total	21,273,389	8,267,253	-	29,540,642

<b>Fair value at December 31, 2019</b>				
<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	
Equity investments	22,771,927	-	-	22,771,927
Bond Mutual Fund	-	9,565,260	-	9,565,260
Total	22,771,927	9,565,260	-	32,337,187

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2020 and December 31, 2019.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### **Discussion of Financial Risk Management – Pembroke Global Balanced Fund (formerly The GBC Global Balanced Fund)**

#### Risk management

The investment objective of Pembroke Global Balanced Fund (the “Fund”) is to provide investors with long-term capital growth and income while minimizing risk through the diversification of assets, geographies and market capitalization. This involves investing in units of public equity funds and units of fixed income funds including units of equity exchanged traded funds.

Under normal market conditions, the portfolio is constructed to achieve an asset mix of 70% units of equity funds and 30% units of fixed income funds of which, 80% should be actively managed funds and 20% passively managed funds. The equity funds and fixed income funds to compose the Fund’s portfolio will include a selection of exchange traded funds based on liquidity, fees and the makeup of underlying holdings. Occasionally, when appropriate, the Fund may also invest in individual securities to be selected by the manager and may also invest up to 10% of its asset in cash or cash equivalent securities.

When investing, the managers will target an asset allocation that will represent not more than 30% of the assets invested a single fund and not more than 7% of the assets invested in a single security. The Fund will neither invest more than 25% of its assets in Canadian equity funds or in US equity funds or more than 20% of its assets in international equity funds for a global limit of 70% of its assets to be invested in equity funds and 30% in fixed income funds. Outside these limits, a rebalancing of the investments will occur.

#### Credit risk

As at December 31, 2020 and December 31, 2019, the Fund invested in debt instruments through its holding of units of the Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund and Lysander-Canso Bond Fund, which invested in debt securities with the following credit ratings, representing the maximum credit risk exposure:

<b>Debt Instruments by Credit Rating</b>	<b>December 31, 2020</b>		<b>December 31, 2019</b>	
	<b>\$ Fair Value</b>	<b>% of Net Assets</b>	<b>\$ Fair Value</b>	<b>% of Net Assets</b>
AAA	2,319,328	2.51	4,267,085	10.45
AA	3,159,659	3.42	490,831	1.20
A	4,955,424	5.36	2,083,141	5.10
BBB	7,601,487	8.23	3,624,728	8.88
BB	4,734,601	5.12	716,925	1.76
B	2,740,887	2.97	669,395	1.64
Below B	1,267,697	1.37	-	-
Not rated	876,617	0.95	400,485	0.98
<b>Total</b>	<b>27,655,700</b>	<b>29.93</b>	<b>12,252,590</b>	<b>30.01</b>

Credit ratings are obtained from Standard & Poor’s Financial Services LLC, Moody’s Investor Service Inc. and/or DBRS. Where more than one rating is obtained for a security, the lowest rating has been used.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Global Balanced Fund (formerly The GBC Global Balanced Fund) - (continued)

Liquidity risk

The tables below analyze the Fund’s financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

#### December 31, 2020

<b>Financial liabilities</b>	<b>&lt; 7 days</b>	<b>7 days - 3 months</b>	<b>3 months - 1 year</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Distributions payable to unitholders	2,036,424	-	-	2,036,424
Due to brokers for investment securities purchased	8,614	-	-	8,614
Redeemable units	92,405,213	-	-	92,405,213
<b>Total</b>	<b>94,450,251</b>	<b>-</b>	<b>-</b>	<b>94,450,251</b>

#### December 31, 2019

<b>Financial liabilities</b>	<b>&lt; 7 days</b>	<b>7 days - 3 months</b>	<b>3 months - 1 year</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Distributions payable to unitholders	525,307	-	-	525,307
Due to brokers for investment securities purchased	344,000	-	-	344,000
Redeemable units	40,825,841	-	-	40,825,841
<b>Total</b>	<b>41,695,148</b>	<b>-</b>	<b>-</b>	<b>41,695,148</b>

Redeemable units are redeemed on demand at the holder’s option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Manager manages the Fund’s liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2020 and December 31, 2019.

Interest rate risk

The table below summarizes the Fund’s exposure to interest rate risk as at December 31, 2020 and December 31, 2019.

	<b>December 31, 2020</b>		<b>December 31, 2019</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>Interest bearing instruments</b>	<b>Non Interest bearing instruments</b>	<b>Interest bearing instruments</b>	<b>Non Interest bearing instruments</b>
Investments	27,655,700	65,611,830	12,252,590	28,482,789
Cash	-	767,386	-	946,763
Other assets	-	415,335	-	13,006
Liabilities	-	2,045,038	-	869,307

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Global Balanced Fund (formerly The GBC Global Balanced Fund) - (continued)

Interest rate risk – (continued)

As at December 31, 2020, had prevailing interest rates increased or decreased by 100 basis points, with all other variables remaining constant, the decrease or increase in net assets would amount to approximately \$1,293,000 (December 31, 2019 - \$225,000). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

The following tables detail the Fund's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

#### December 31, 2020

Contractual maturities	< 1 month \$	1 - 3 months \$	3 months - 1 year \$	> 1 year \$	Total \$
Interest bearing instruments	-	224,604	257,707	27,173,389	27,655,700
Non-interest bearing instruments	64,749,513	-	-	-	64,749,513
Total	64,749,513	224,604	257,707	27,173,389	92,405,213

#### December 31, 2019

Contractual maturities	< 1 month \$	1 - 3 months \$	3 months - 1 year \$	> 1 year \$	Total \$
Interest bearing instruments	135,714	88,556	1,198,415	10,829,904	12,252,590
Non-interest bearing instruments	28,573,251	-	-	-	28,573,251
Total	28,708,965	88,556	1,198,415	10,829,904	40,825,841

Currency risk

The table below indicates the foreign currency to which the Fund had significant exposure at December 31, 2020, in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to the holders of redeemable shares if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

#### December 31, 2020

Currency Exposure	Fair Value \$	% of Net Assets	Impact on net assets \$	%
US Dollar	31,425	-	3,143	-
US Investments	807,838	0.9	80,784	0.1
Total	839,263	0.9	83,926	0.1

#### December 31, 2019

Currency Exposure	Fair Value \$	% of Net Assets	Impact on net assets \$	%
US Dollar	223,960	0.5	22,396	0.1
US Investments	326,373	0.8	32,637	0.1
Total	550,333	1.3	55,033	0.2

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Global Balanced Fund (formerly The GBC Global Balanced Fund) - (continued)

Other price risk

The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of these financial instruments. The tables below indicate the financial instruments to which the Fund had significant market exposure at December 31, 2020 and December 31, 2019. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if equity markets had strengthened or weakened by 10%, with all other variables held constant.

#### December 31, 2020

Market Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
Investments	65,611,830	71.0	6,561,183	7.1

#### December 31, 2019

Market Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
Investments	28,482,789	69.8	2,848,279	7.0

Concentration risk

The following table is a summary of the Fund's concentration risk of its investments by market segment.

Industry Sector	December 31, 2020	December 31, 2019
	%	%
Mutual Funds - Bonds	29.92	30.01
Mutual Funds - Equities	36.75	37.77
Exchange Traded Funds	21.91	20.15
Communication Services	0.41	0.30
Consumer Discretionary	1.19	1.90
Consumer Staples	0.86	0.33
Energy	-	0.30
Financials	2.78	2.72
Health Care	-	0.05
Industrials	2.56	1.44
Information Technology	2.46	2.15
Materials	0.57	0.63
Real Estate	1.52	2.03
Utilities	-	-
Total	100.93	99.78

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

**Discussion of Financial Risk Management – Pembroke Global Balanced Fund (formerly The GBC Global Balanced Fund) - (continued)**

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2020 and December 31, 2019.

**Fair value at December 31, 2020**

<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	
Bond Mutual Funds	-	27,655,700	-	27,655,700
Equity Mutual Funds	33,951,480	-	-	33,951,480
Exchange Traded Funds	20,246,944	-	-	20,246,944
Equity investments	11,413,406	-	-	11,413,406
<b>Total</b>	<b>65,611,830</b>	<b>27,655,700</b>	<b>-</b>	<b>93,267,530</b>

**Fair value at December 31, 2019**

<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
Bond Mutual Funds	-	12,252,590	-	12,252,590
Equity Mutual Funds	15,421,680	-	-	15,421,680
Exchange Traded Funds	8,225,099	-	-	8,225,099
Equity investments	4,836,010	-	-	4,836,010
<b>Total</b>	<b>28,482,789</b>	<b>12,252,590</b>	<b>-</b>	<b>40,735,379</b>

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2020 and December 31, 2019.

# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Canadian Growth Fund (formerly The GBC Canadian Growth Fund)

#### Risk management

The investment objective of Pembroke Canadian Growth Fund (the “Fund”) is to provide long-term growth through capital appreciation by investing primarily in small to mid-size Canadian companies judged to have above-average growth potential or to be undervalued.

Risk is mitigated by employing professional, experienced portfolio advisors, by daily monitoring of the Fund’s positions and market events, and by diversifying the investment portfolio through investing in different companies and across multiple industry sectors within the constraints of the Fund’s investment objective.

#### Credit risk

As at December 31, 2020 and December 31, 2019, the Fund did not have any significant investments in debt instruments and, therefore, the Fund has no significant direct exposure to credit risk.

#### Liquidity risk

The tables below analyze the Fund’s financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

#### December 31, 2020

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Distributions payable to unitholders	141,712	-	-	141,712
Due to brokers for investment securities purchased	91,663	-	-	91,663
HST payable	2,568	-	-	2,568
Redeemable units	323,235,640	-	-	323,235,640
<b>Total</b>	<b>323,471,583</b>	<b>-</b>	<b>-</b>	<b>323,471,583</b>

#### December 31, 2019

Financial liabilities	< 7 days \$	7 days - 3 months \$	3 months - 1 year \$	Total \$
Distributions payable to unitholders	637,120	-	-	637,120
Due to brokers for investment securities purchased	9,518	-	-	9,518
HST payable	2,774	-	-	2,774
Redeemable units	292,304,749	-	-	292,304,749
<b>Total</b>	<b>292,954,161</b>	<b>-</b>	<b>-</b>	<b>292,954,161</b>

Redeemable units are redeemed on demand at the holder’s option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.



# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

**Discussion of Financial Risk Management – Pembroke Canadian Growth Fund (formerly The GBC Canadian Growth Fund) - (continued)**

Liquidity risk – (continued)

The Manager manages the Fund's liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2020 and December 31, 2019.

Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund was not subject to a significant amount of direct interest rate risk as at December 31, 2020 and December 31, 2019.

Currency risk

The Fund did not have any significant financial instruments denominated in currencies other than the Canadian dollar. As a result, the Fund did not have any significant exposure to currency risk as at December 31, 2020 and December 31, 2019.

Other price risk

The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of these financial instruments. The tables below indicate the financial instruments to which the Fund had significant market exposure at December 31, 2020 and December 31, 2019. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if equity markets had strengthened or weakened by 10%, with all other variables held constant:

**December 31, 2020**

<b>Market Exposure</b>	<b>Fair Value</b> <b>\$</b>	<b>% of</b> <b>Net Assets</b>	<b>Impact on net assets</b> <b>\$</b>	<b>%</b>
Investments	316,390,548	97.9	31,639,055	9.8

**December 31, 2019**

<b>Market Exposure</b>	<b>Fair Value</b> <b>\$</b>	<b>% of</b> <b>Net Assets</b>	<b>Impact on net assets</b> <b>\$</b>	<b>%</b>
Investments	285,046,970	97.5	28,504,697	9.8

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Canadian Growth Fund (formerly The GBC Canadian Growth Fund) - (continued)

Concentration risk

The following table is a summary of the Fund's concentration risk of its equity investments by market segment.

Industry Sector	December 31, 2020 %	December 31, 2019 %
Communication Services	-	4.35
Consumer Discretionary	16.40	17.06
Consumer Staples	2.86	2.16
Energy	2.08	4.66
Financials	13.67	16.51
Health Care	-	0.38
Industrials	16.01	11.41
Information Technology	28.31	24.76
Materials	7.47	5.06
Real Estate	11.08	11.17
Utilities	-	-
<b>Total</b>	<b>97.88</b>	<b>97.52</b>

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

As at December 31, 2020, the Fund does not hold an individual investment position greater than 5.1% (2019 – 4.4%) of the total net assets attributable to the holders of redeemable units.

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2020 and December 31, 2019.

<b>Fair value at December 31, 2020</b>				
Description	Level 1 \$	Level 2 \$	Level 3 \$	Total
Equity investments	316,390,548	-	-	316,390,548
<b>Total</b>	<b>316,390,548</b>	<b>-</b>	<b>-</b>	<b>316,390,548</b>

<b>Fair value at December 31, 2019</b>				
Description	Level 1 \$	Level 2 \$	Level 3 \$	Total
Equity investments	285,046,970	-	-	285,046,970
<b>Total</b>	<b>285,046,970</b>	<b>-</b>	<b>-</b>	<b>285,046,970</b>

P E M B R O K E

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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For the years ended December 31, 2020 and 2019

**Discussion of Financial Risk Management – Pembroke Canadian Growth Fund (formerly The GBC Canadian Growth Fund) - (continued)**

Fair value disclosure – (continued)

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2020 and December 31, 2019.

Level 2 securities for the year ended December 31, 2020 (\$nil) and December 31, 2019 (\$nil) consist of Helius Medical Technologies Warrants that do not trade on a public exchange. The warrants are valued by the Manager using the Black Scholes model. They are convertible on a one-for-one basis to common shares until 2021:

**December 31, 2020**

<b>Issuance date</b>	<b>Number issued</b>	<b>Expiry date</b>	<b>Exercise price \$</b>	<b>Adjusted Volatility</b>
11-Apr-18	105,940	10-Apr-21	12.25	50.00%

**December 31, 2019**

<b>Issuance date</b>	<b>Number issued</b>	<b>Expiry date</b>	<b>Exercise price \$</b>	<b>Adjusted Volatility</b>
11-Apr-18	105,940	10-Apr-21	12.25	50.00%

# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

**Discussion of Financial Risk Management – Pembroke American Growth Fund Inc. (formerly The GBC American Growth Fund Inc.)**

**Risk management**

The investment objective of Pembroke American Growth Fund Inc. (the “Fund”) is to provide long-term growth through capital appreciation by investing primarily in smaller US companies judged to have above-average growth potential or to be undervalued.

Risk is mitigated by employing professional, experienced portfolio advisors, by daily monitoring of the Fund’s positions and market events, and by diversifying the investment portfolio through investing in different companies and across multiple industry sectors within the constraints of the Fund’s investment objective.

**Credit risk**

As at December 31, 2020 and December 31, 2019, the Fund did not have any significant investments in debt instruments and, therefore, the Fund has no significant direct exposure to credit risk.

**Liquidity risk**

The tables below analyze the Fund’s financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

**December 31, 2020**

<b>Financial liabilities</b>	<b>&lt; 7 days</b>	<b>7 days - 3 months</b>	<b>3 months - 1 year</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accrued expenses	-	-	30,400	30,400
Redeemable shares	217,649,951	-	-	217,649,951
<b>Total</b>	217,649,951	-	30,400	217,680,351

**December 31, 2019**

<b>Financial liabilities</b>	<b>&lt; 7 days</b>	<b>7 days - 3 months</b>	<b>3 months - 1 year</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accrued expenses	-	-	30,866	30,866
Redeemable shares	187,291,532	-	-	187,291,532
<b>Total</b>	187,291,532	-	30,866	187,322,398

Redeemable shares are redeemed on demand at the holder’s option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Manager manages the Fund’s liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2020 and December 31, 2019.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke American Growth Fund Inc. (formerly The GBC American Growth Fund Inc.) – (continued)

#### Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund was not subject to a significant amount of direct interest rate risk as at December 31, 2020 and December 31, 2019.

#### Currency risk

The tables below indicate the foreign currency to which the Fund had significant exposure at December 31, 2020 and December 31, 2019, in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable shares if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

#### December 31, 2020

Currency Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
US Dollar	1,318,787	0.6	131,879	0.1
US Investments	209,406,734	96.2	20,940,673	9.6
Total	210,725,521	96.8	21,072,552	9.7

#### December 31, 2019

Currency Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
US Dollar	1,689,889	0.9	168,989	0.1
US Investments	176,862,654	94.4	17,686,265	9.4
Total	178,552,543	95.3	17,855,254	9.5

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

#### Other price risk

The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of these financial instruments. The tables below indicate the financial instruments to which the Fund had significant market exposure at December 31, 2020 and December 31, 2019. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable shares if equity markets had strengthened or weakened by 10%, with all other variables held constant.

#### December 31, 2020

Market Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
Investments	209,406,734	96.2	20,940,673	9.6

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

**Discussion of Financial Risk Management – Pembroke American Growth Fund Inc. (formerly The GBC American Growth Fund Inc.) – (continued)**

Other price risk – (continued)

**December 31, 2019**

<b>Market Exposure</b>	<b>Fair Value</b>	<b>% of</b>	<b>Impact on net assets</b>	
	<b>\$</b>	<b>Net Assets</b>	<b>\$</b>	<b>%</b>
Investments	176,862,654	94.4	17,686,265	9.4

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Concentration risk

The following table is a summary of the Fund's concentration risk of its equity investments by market segment.

<b>Industry Sector</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	<b>%</b>	<b>%</b>
Communication Services	0.62	3.73
Consumer Discretionary	21.64	14.02
Consumer Staples	-	1.59
Energy	-	-
Financials	3.47	10.09
Health Care	17.64	15.53
Industrials	23.68	21.85
Information Technology	29.16	27.62
Materials	-	-
Real Estate	-	-
Utilities	-	-
<b>Total</b>	<b>96.21</b>	<b>94.43</b>

The percentages shown are a percentage of net assets attributable to the holders of redeemable shares.

As at December 31, 2020, the Fund does not hold an individual investment position greater than 3.9% (2019 – 3.8%) of the total net assets attributable to the holders of redeemable shares.

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy.

P E M B R O K E

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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For the years ended December 31, 2020 and 2019

**Discussion of Financial Risk Management – Pembroke American Growth Fund Inc. (formerly The GBC American Growth Fund Inc.) – (continued)**

Fair value disclosure – (continued)

The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2020 and December 31, 2019.

<b>Fair value at December 31, 2020</b>				
<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	
Equity investments	209,406,734	-	-	209,406,734
Total	209,406,734	-	-	209,406,734

<b>Fair value at December 31, 2019</b>				
<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	
Equity investments	176,862,654	-	-	176,862,654
Total	176,862,654	-	-	176,862,654

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2020 and December 31, 2019.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### **Discussion of Financial Risk Management – Pembroke International Growth Fund (formerly The GBC International Growth Fund)**

#### Risk management

The investment objective of Pembroke International Growth Fund (the “Fund”) is to provide long-term growth through capital appreciation by investing primarily in a diversified portfolio of small to mid-size foreign companies located outside of the United States.

Risk is mitigated by employing professional, experienced portfolio advisors, by daily monitoring of the Fund’s positions and market events, and by diversifying the investment portfolio amongst geographic sectors, capitalization and individual securities. Risk is further managed through individual position size limitations based upon capitalization. These position sizes are adjusted for outlooks in any one company, which is measured through team discussions that occur daily and in comparison to the growth opportunities in other security names and potential purchases. A model portfolio framework is used.

#### Credit risk

As at June 30, 2020 and December 31, 2019, the Fund did not have any significant investments in debt instruments and, therefore, the Fund has no significant direct exposure to credit risk.

#### Liquidity risk

The tables below analyze the Fund’s financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

#### **December 31, 2020**

<b>Financial liabilities</b>	<b>&lt; 7 days</b>	<b>7 days - 3 months</b>	<b>3 months - 1 year</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accrued expenses	25,509	-	-	25,509
Distributions payable to unitholders	5,367,255	-	-	5,367,255
Due to brokers for investment securities purchased	1,637,272	-	-	1,637,272
HST payable	2,381	-	-	2,381
Redeemable units	219,301,146	-	-	219,301,146
<b>Total</b>	<b>226,333,563</b>	<b>-</b>	<b>-</b>	<b>226,333,563</b>

#### **December 31, 2019**

<b>Financial liabilities</b>	<b>&lt; 7 days</b>	<b>7 days - 3 months</b>	<b>3 months - 1 year</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accrued expenses	33,052	-	-	33,052
Distributions payable to unitholders	3,062,110	-	-	3,062,110
Due to brokers for investment securities purchased	234,100	-	-	234,100
Redeemable units	185,985,192	-	-	185,985,192
<b>Total</b>	<b>189,314,454</b>	<b>-</b>	<b>-</b>	<b>189,314,454</b>



# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

**Discussion of Financial Risk Management – Pembroke International Growth Fund (formerly The GBC International Growth Fund) - (continued)**

Liquidity risk – (continued)

Redeemable units are redeemed on demand at the holder’s option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Manager manages the Fund’s liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2020 and December 31, 2019.

Interest rate risk

The majority of the Fund’s financial assets and liabilities are non-interest bearing. As a result, the Fund was not subject to a significant amount of direct interest rate risk as at December 31, 2020 and December 31, 2019.

Price risk

The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of these financial instruments. The tables below indicate the financial instruments to which the Fund had significant market exposure at December 31, 2020 and December 31, 2019. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if equity markets had strengthened or weakened by 10%, with all other variables held constant:

**December 31, 2020**

<b>Market Exposure</b>	<b>Fair Value</b> \$	<b>% of</b> <b>Net Assets</b>	<b>Impact on net assets</b> \$	<b>%</b>
Investments	219,118,513	99.9	21,911,851	10.0

**December 31, 2019**

<b>Market Exposure</b>	<b>Fair Value</b> \$	<b>% of</b> <b>Net Assets</b>	<b>Impact on net assets</b> \$	<b>%</b>
Investments	183,533,372	98.7	18,353,337	9.9

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

P E M B R O K E

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

For the years ended December 31, 2020 and 2019

**Discussion of Financial Risk Management – Pembroke International Growth Fund (formerly The GBC International Growth Fund) - (continued)**

Currency risk

The tables below indicate the foreign currencies to which the Fund had significant exposure at December 31, 2020 and December 31, 2019, in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

**December 31, 2020**

<b>Currency Exposure</b>	<b>Fair Value</b>	<b>% of</b>	<b>Impact on net assets</b>	
	<b>\$</b>	<b>Net Assets</b>	<b>\$</b>	<b>%</b>
<b>Currency</b>				
U.K. Pound sterling	1,174,326	0.5	117,433	0.1
Japanese yen	512,290	0.2	51,229	-
Swiss Franc	344,412	0.2	34,441	-
Euro	163,910	0.1	16,391	-
Indian Rupee	82,235	-	8,224	-
Singapore Dollar	69,096	-	6,910	-
Swedish Krona	53,844	-	5,384	-
US Dollar	3	-	-	-
<b>Investments</b>				
U.K. Pound sterling	35,701,367	16.3	3,570,137	1.6
Euro	34,518,461	15.7	3,451,846	1.6
Swedish Krona	30,939,117	14.1	3,093,912	1.4
Japanese yen	30,274,171	13.8	3,027,417	1.4
Swiss Franc	19,809,578	9.0	1,980,958	0.9
New Taiwan Dollar	13,704,370	6.2	1,370,437	0.6
Indian Rupee	10,258,030	4.7	1,025,803	0.5
Danish Krone	9,014,306	4.1	901,431	0.4
Hong Kong Dollar	8,177,873	3.7	817,787	0.4
Polish zloty	3,395,637	1.5	339,564	0.2
US Dollar	3,390,605	1.5	339,061	0.2
Australian Dollar	3,164,783	1.4	316,478	0.1
Norwegian Krone	2,862,386	1.3	286,239	0.1
Mexican Peso	2,831,290	1.3	283,129	0.1
Indonesian Rupiah	2,481,434	1.1	248,143	0.1
Brazilian Real	2,280,786	1.0	228,079	0.1
New Zealand dollar	1,856,009	0.8	185,601	0.1
South African Rand	1,687,441	0.8	168,744	0.1
Israeli Shekel	1,426,397	0.7	142,640	0.1
South Korean won	1,344,472	0.6	134,447	0.1
<b>Total</b>	<b>221,518,629</b>	<b>100.6</b>	<b>22,151,865</b>	<b>10.2</b>

P E M B R O K E

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

For the years ended December 31, 2020 and 2019

**Discussion of Financial Risk Management – Pembroke International Growth Fund (formerly The GBC International Growth Fund) - (continued)**

Currency risk – (continued)

**December 31, 2019**

<b>Currency Exposure</b>	<b>Fair Value</b>	<b>% of</b>	<b>Impact on net assets</b>	
	<b>\$</b>	<b>Net Assets</b>	<b>\$</b>	<b>%</b>
<b>Currency</b>				
Indian Rupee	132,160	0.1	13,216	-
Singapore Dollar	69,126	-	6,913	-
Israeli Shekel	27,688	-	2,769	-
US Dollar	66	-	7	-
<b>Investments</b>				
U.K. Pound sterling	36,866,088	19.8	3,686,609	2.0
Euro	33,555,392	18.0	3,355,539	1.8
Japanese yen	29,604,634	15.9	2,960,463	1.6
Swedish Krona	19,070,164	10.3	1,907,016	1.0
US Dollar	9,892,761	5.3	989,276	0.5
Swiss Franc	9,634,776	5.2	963,478	0.5
New Taiwan Dollar	7,973,746	4.3	797,375	0.4
Danish Krone	5,679,005	3.1	567,901	0.3
Hong Kong Dollar	4,466,824	2.4	446,682	0.2
New Zealand dollar	3,661,193	2.0	366,119	0.2
Brazilian Real	3,408,887	1.8	340,889	0.2
South African Rand	3,224,213	1.7	322,421	0.2
Australian Dollar	3,093,356	1.7	309,336	0.2
Indian Rupee	2,732,690	1.5	273,269	0.1
Israeli Shekel	2,545,508	1.4	254,551	0.1
Norwegian Krone	2,458,551	1.3	245,855	0.1
Mexican Peso	1,740,420	0.9	174,042	0.1
Thai Baht	1,600,520	0.9	160,052	0.1
Singapore Dollar	1,061,387	0.6	106,139	0.1
South Korean won	632,545	0.3	63,255	-
Indonesian Rupiah	630,712	0.3	63,071	-
<b>Total</b>	<b>183,762,412</b>	<b>98.8</b>	<b>18,376,243</b>	<b>9.7</b>

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke International Growth Fund (formerly The GBC International Growth Fund) - (continued)

Concentration risk

The following table is a summary of the Fund's concentration risk of its international equity investments by geographic region.

<b>Geographic region</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	%	%
Developed Europe	61.90	60.23
Developed Asia	16.09	20.67
Emerging Asia	16.41	9.89
Emerging Europe, the Middle East and Africa	3.19	2.57
Emerging Latin America	2.33	5.32
<b>Total</b>	<b>99.92</b>	<b>98.68</b>

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

The following table is a summary of the Fund's concentration risk of its equity investments by market segment.

<b>Industry Sector</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	%	%
Communication Services	1.28	2.06
Consumer Discretionary	13.01	14.33
Consumer Staples	5.28	5.83
Energy	-	-
Financials	3.98	9.92
Health Care	14.32	10.21
Industrials	28.66	22.58
Information Technology	26.81	23.38
Materials	0.74	2.44
Real Estate	2.81	6.50
Utilities	3.03	1.43
<b>Total</b>	<b>99.92</b>	<b>98.68</b>

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

As at December 31, 2020, the Fund does not hold an individual investment position greater than 2.1% (2019 – 2.1%) of the total net assets attributable to the holders of redeemable units.

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

P E M B R O K E

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

For the years ended December 31, 2020 and 2019

**Discussion of Financial Risk Management – Pembroke International Growth Fund (formerly The GBC International Growth Fund) - (continued)**

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2020 and December 31, 2019.

<b>Fair value at December 31, 2020</b>				
<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	
Equity investments	219,118,513	-	-	219,118,513
Total	219,118,513	-	-	219,118,513

  

<b>Fair value at December 31, 2019</b>				
<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	
Equity investments	183,533,372	-	-	183,533,372
Total	183,533,372	-	-	183,533,372

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2020 and December 31, 2019.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Concentrated Fund

#### Risk management

The investment objective of Pembroke Concentrated Fund (the “Fund”) is to provide long-term growth through capital appreciation by investing primarily in small-to-mid-sized US and Canadian companies judged to have above-average growth potential or to be undervalued.

Risk is mitigated by employing professional, experienced portfolio advisors and by daily monitoring of the Fund’s positions and market events. The portfolio manager aims to add value through disciplined security selection and a concentrated approach to portfolio construction, with approximately 12-18 companies expected in the portfolio.

#### Credit risk

As at December 31, 2020 and December 31, 2019, the Fund did not have any significant investments in debt instruments and, therefore, the Fund has no significant direct exposure to credit risk.

#### Liquidity risk

The tables below analyze the Fund’s financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

#### December 31, 2020

<b>Financial liabilities</b>	<b>&lt; 7 days</b>	<b>7 days - 3 months</b>	<b>3 months - 1 year</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Management fees payable	7,596	-	-	7,596
Distributions payable to unitholders	543,302	-	-	543,302
Redeemable units	81,673,751	-	-	81,673,751
<b>Total</b>	<b>82,224,649</b>	<b>-</b>	<b>-</b>	<b>82,224,649</b>

#### December 31, 2019

<b>Financial liabilities</b>	<b>&lt; 7 days</b>	<b>7 days - 3 months</b>	<b>3 months - 1 year</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Management fees payable	29	-	-	29
Distributions payable to unitholders	23,733	-	-	23,733
Redeemable units	28,628,690	-	-	28,628,690
<b>Total</b>	<b>28,652,452</b>	<b>-</b>	<b>-</b>	<b>28,652,452</b>

Redeemable units are redeemed on demand at the holder’s option. However, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Concentrated Fund – (continued)

Liquidity risk – (continued)

The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short time period (less than 30 days). All assets can be liquidated within a one-year period of time as at December 31, 2020 and December 31, 2019.

Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund was not subject to a significant amount of direct interest rate risk as at December 31, 2020 and December 31, 2019.

Currency risk

The tables below indicate the foreign currency to which the Fund had significant exposure at December 31, 2020 and December 31, 2019, in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

#### December 31, 2020

Currency Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
US Dollar	35,618	-	3,562	-
US Investments	75,524,207	92.5	7,552,421	9.3
Total	75,559,825	92.5	7,555,983	9.3

#### December 31, 2019

Currency Exposure	Fair Value	% of	Impact on net assets	
	\$	Net Assets	\$	%
US Dollar	49,979	0.2	4,998	-
US Investments	23,395,524	81.7	2,339,552	8.2
Total	23,445,503	81.9	2,344,550	8.2

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Other price risk

The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of these financial instruments. The tables below indicate the financial instruments to which the Fund had significant market exposure at December 31, 2020 and December 31, 2019.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### Discussion of Financial Risk Management – Pembroke Concentrated Fund – (continued)

Other price risk – (continued)

The tables also illustrate the potential impact on the net assets attributable to the holders of redeemable units if equity markets had strengthened or weakened by 10%, with all other variables held constant.

#### December 31, 2020

<b>Market Exposure</b>	<b>Fair Value</b>	<b>% of</b>	<b>Impact on net assets</b>	
	<b>\$</b>	<b>Net Assets</b>	<b>\$</b>	<b>%</b>
Investments	81,890,931	100.3	8,189,093	10.0

#### December 31, 2019

<b>Market Exposure</b>	<b>Fair Value</b>	<b>% of</b>	<b>Impact on net assets</b>	
	<b>\$</b>	<b>Net Assets</b>	<b>\$</b>	<b>%</b>
Investments	26,230,277	91.6	2,623,028	9.2

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Concentration risk

The following table is a summary of the Fund's concentration risk of its equity investments by market segment.

<b>Industry Sector</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	<b>%</b>	<b>%</b>
Communication Services	-	-
Consumer Discretionary	17.96	17.97
Consumer Staples	-	-
Energy	-	-
Financials	-	-
Health Care	15.14	17.93
Industrials	18.10	11.48
Information Technology	49.07	44.24
Materials	-	-
Real Estate	-	-
Utilities	-	-
Total	100.27	91.62

The percentages shown are a percentage of net assets attributable to the holders of redeemable units.

As at December 31, 2020, the Fund does not hold an individual investment position greater than 7.5% (December 31, 2019 – 8.8%) of the total net assets attributable to the holders of redeemable units.



P E M B R O K E

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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For the years ended December 31, 2020 and 2019

**Discussion of Financial Risk Management – Pembroke Concentrated Fund – (continued)**

Concentration risk – (continued)

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objective. As a result, the Fund is not subject to a significant amount of concentration risk.

Fair value disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy tables present information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2020 and December 31, 2019.

<b>Fair value at December 31, 2020</b>				
<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	
Equity investments	81,890,931	-	-	81,890,931
Total	81,890,931	-	-	81,890,931

  

<b>Fair value at December 31, 2019</b>				
<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
Equity investments	26,230,277	-	-	26,230,277
Total	26,230,277	-	-	26,230,277

There were no significant transfers between Levels 1 and 2 during the years ended December 31, 2020 and December 31, 2019.

# P E M B R O K E

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### 8. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

All transactions between related parties are conducted at arm's length and can be summarized as follows:

#### *Fund and Portfolio Manager*

Pembroke Private Wealth Management Ltd. is the Funds' Manager. The Manager provides the day-to-day management of the business and operations of the Funds. PPW is also the trustee of the Funds except for Pembroke American Growth Fund Inc. (which is constituted as a corporation, rather than a trust). As trustee, PPW has a fiduciary duty to act in the best interest of the holders of units of the Funds.

Pembroke Management Ltd. is the portfolio manager of Pembroke Money Market Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund and Pembroke American Growth Fund Inc. Pembroke is the parent company of the Fund Manager, PPW. Pembroke's fees are paid by the Manager, which are for services including investment, management, administration, advisory and accounting.

The management fees earned by the Manager, which were directly paid for by holders of units/shares of the Funds for the years ended December 31, 2020 and December 31, 2019 were as follows:

#### Unitholder/Shareholder Management Fees

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Pembroke Money Market Fund	16,745	16,002
Pembroke Canadian Bond Fund	132,863	148,351
Pembroke Corporate Bond Fund	801,497	711,175
Pembroke Growth and Income Fund	366,178	523,725
Pembroke Global Balanced Fund	745,098	187,331
Pembroke Canadian Growth Fund	4,079,382	4,575,881
Pembroke American Growth Fund Inc.	2,344,304	2,589,381
Pembroke International Growth Fund	2,524,078	2,582,138
Pembroke Concentrated Fund	570,761	212,626
<b>Total</b>	<b>11,580,906</b>	<b>11,546,610</b>

Under the terms of the management agreement with PPW, Class F of Pembroke Concentrated Fund pays a management fee calculated as disclosed in Note 5. Total management fees for the year ended December 31, 2020 amounted to \$28,870 (2019 \$59) and are presented in the statements of comprehensive income, with \$7,596 in outstanding accrued fees due to PPW as at December 31, 2020 (\$29 as at December 31, 2019), which are presented in management fees payable in the statements of financial position of Pembroke Concentrated Fund.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### 8. Related party transactions – (continued)

#### *Trustee and Board of Directors' remuneration*

The Trustee and the officers and directors of the Trustee are not paid trustees' or directors' fees or reimbursed for expenses by Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund.

The members of the Board of Directors and Audit Committee of Pembroke American Growth Fund Inc. were paid a total remuneration of \$89,500 during the year ended December 31, 2020 (2019 - \$85,000) and consisted of only fixed directors' fees, which is included in Directors' fees on the statements of comprehensive income. There were no outstanding accrued fees due to the directors as at December 31, 2020 (nil as at December 31, 2019).

For the years ended December 31, 2020 and December 31, 2019, the Board of Directors of Pembroke American Growth Fund Inc. held redeemable units/shares in the Funds as detailed below:

	Number of units/shares						Distributions \$
	Beginning of the year	Acquired during the year	Distributions reinvested	Disposed during the year	Management fees paid	End of year	
Pembroke Money Market Fund	80,670	65,000	411	40,663	5	105,413	-
Pembroke Canadian Bond Fund	5,486	-	170	5	11	5,640	2,234
Pembroke Corporate Bond Fund	196,879	61,020	22,267	52	1,268	278,846	310,637
Pembroke Growth and Income Fund	27,480	2,149	1,634	1,582	42	29,639	23,170
Pembroke Global Balanced Fund	63,280	4,061	1,452	1,368	96	67,329	17,931
Pembroke Canadian Growth Fund	35,792	897	322	865	173	35,973	27,182
Pembroke American Growth Fund Inc.	155,135	18,529	-	16,251	1,201	156,212	-
Pembroke International Growth Fund	28,784	250	698	265	293	29,174	25,754
Pembroke Concentrated Fund	30,636	21,068	153	14,662	55	37,140	2,693
<b>Total</b>	<b>624,142</b>	<b>172,974</b>	<b>27,107</b>	<b>75,713</b>	<b>3,144</b>	<b>745,366</b>	<b>409,601</b>

\* total number of units/shares are subject to rounding differences

	Number of units/shares						Distributions \$
	Beginning of the year	Acquired during the year	Distributions reinvested	Disposed during the year	Management fees paid	End of year	
Pembroke Money Market Fund	87,702	6,368	-	13,394	6	80,670	-
Pembroke Canadian Bond Fund	6,568	-	180	1,238	24	5,486	2,321
Pembroke Corporate Bond Fund	37,110	156,485	3,851	-	567	196,879	49,072
Pembroke Growth and Income Fund	31,231	952	870	5,521	52	27,480	11,361
Pembroke Global Balanced Fund	29,352	33,248	805	38	87	63,280	8,523
Pembroke Canadian Growth Fund	35,000	759	1,660	1,439	188	35,792	109,844
Pembroke American Growth Fund Inc.	116,314	49,450	-	9,931	698	155,135	-
Pembroke International Growth Fund	28,454	300	467	66	371	28,784	13,727
Pembroke Concentrated Fund	-	30,663	25	-	52	30,636	327
<b>Total</b>	<b>371,731</b>	<b>278,225</b>	<b>7,858</b>	<b>31,627</b>	<b>2,045</b>	<b>624,142</b>	<b>195,175</b>

\* total number of units/shares are subject to rounding differences

#### *Other related party transactions*

Pembroke Growth and Income Fund and Pembroke Global Balanced Fund have investments in other Funds managed by PPW which are recorded as unconsolidated structured entities. The change in fair value of the underlying funds is included in the statements of comprehensive income in net change in unrealized gains (losses) on investments at fair value through profit or loss. During the years ended December 31, 2020 and December 31, 2019, the Funds did not provide financial support to the unconsolidated structured entities and have no intention of providing financial or other support. The Funds can redeem their units/shares in the underlying Funds at any time, subject to there being sufficient liquidity in the underlying Fund.

# PEMBROKE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

### 8. Related party transactions – (continued)

The tables below set out interest held by the Funds in the unconsolidated structured entities. The maximum exposure to loss is the carrying amounts of the financial assets held.

**December 31, 2020**

Top Fund	Underlying Fund	Total number of units/shares held	Total Net Assets of investee Funds \$	Fair Value \$	% Net Assets of investee Funds
Pembroke Growth and Income Fund	Pembroke Canadian Bond Fund	619,887	32,518,546	8,267,253	25.4%
Pembroke Global Balanced Fund	Pembroke Canadian Bond Fund	357,691	32,518,546	4,770,412	14.7%
Pembroke Global Balanced Fund	Pembroke Corporate Bond Fund	927,328	150,973,406	13,374,023	8.9%
Pembroke Global Balanced Fund	Pembroke Canadian Growth Fund	88,450	323,235,640	7,462,212	2.3%
Pembroke Global Balanced Fund	Pembroke American Growth Fund Inc.	128,167	217,649,951	6,409,519	2.9%
Pembroke Global Balanced Fund	Pembroke International Growth Fund	172,876	219,301,146	6,381,786	2.9%

**December 31, 2019**

Top Fund	Underlying Fund	Total number of units/shares held	Total Net Assets of investee Funds \$	Fair Value \$	% Net Assets of investee Funds
Pembroke Growth and Income Fund	Pembroke Canadian Bond Fund	744,216	33,462,077	9,565,260	28.6%
Pembroke Global Balanced Fund	Pembroke Canadian Bond Fund	147,775	33,462,077	1,899,325	5.7%
Pembroke Global Balanced Fund	Pembroke Corporate Bond Fund	807,247	125,103,081	10,353,265	8.3%
Pembroke Global Balanced Fund	Pembroke Canadian Growth Fund	50,608	292,304,749	3,347,816	1.1%
Pembroke Global Balanced Fund	Pembroke American Growth Fund Inc.	74,060	187,291,532	2,898,677	1.5%
Pembroke Global Balanced Fund	Pembroke International Growth Fund	99,601	185,985,192	2,930,195	1.6%

### 9. Events after the statement of financial position date

There have been no significant events after the statement of financial position date which in the opinion of the Trustee and Board of Directors require disclosure in the financial statements.

### 10. Capital Management

The Funds' capital are their net assets, representing unitholders' and shareholders' equity. The Funds' objectives when managing capital is to safeguard the Funds' ability to continue as a going concern in order to provide returns for unitholders and shareholders, maximize unitholder and shareholder value and maintain financial strength.

The Funds are not subject to any externally imposed capital requirements.

### 11. Approval of the audited Financial Statements

The financial statements of Pembroke American Growth Fund Inc. were authorized for issuance by the Board of Directors of Pembroke American Growth Fund Inc. on February 16, 2021. The financial statements of Pembroke Money Market Fund, Pembroke Canadian Bond Fund, Pembroke Corporate Bond Fund, Pembroke Growth and Income Fund, Pembroke Global Balanced Fund, Pembroke Canadian Growth Fund, Pembroke International Growth Fund and Pembroke Concentrated Fund were authorized for issuance by the Trustee, PPW on February 16, 2021.

# PEMBROKE

**Pembroke Money Market Fund**  
**Pembroke Canadian Bond Fund**  
**Pembroke Corporate Bond Fund**  
**Pembroke Growth and Income Fund**  
**Pembroke Global Balanced Fund**  
**Pembroke Canadian Growth Fund**  
**Pembroke International Growth Fund**  
**Pembroke Concentrated Fund**

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## **Manager and Distributor**

Pembroke Private Wealth Management Ltd.,  
Montreal, Quebec

## **Trustee, Registrar and Transfer Agent**

(except for Pembroke American Growth Fund Inc.)  
Pembroke Private Wealth Management Ltd.,  
Montreal, Quebec

## **Registrar and Transfer Agent**

Pembroke American Growth Fund Inc.  
Computershare Investor Services Inc.,  
Montreal, Quebec

## **Shareholder/Unitholder Recordkeeping**

L&T Infotech Financial Services Technologies  
Inc.,  
Mississauga, Ontario

## **Investment Managers**

Pembroke Money Market Fund  
Pembroke Growth and Income Fund  
Pembroke Global Balanced Fund  
Pembroke Canadian Growth Fund,  
Pembroke American Growth Fund Inc.,  
Pembroke Concentrated Fund  
Pembroke Management Ltd.  
Montreal, Quebec

Pembroke Canadian Bond Fund  
Pembroke Corporate Bond Fund  
Canso Investment Counsel Ltd.,  
Richmond Hill, Ontario

Pembroke International Growth Fund  
William Blair Investment Management, LLC,  
Chicago, Illinois

## **Independent Review Committee**

Peter M. Blaikie  
Corporate Director  
Montreal, Quebec

Marc A. Courtois  
Corporate Director  
Montreal, Quebec

Glen D. Roane, ICD.D  
Corporate Director  
Calgary, Alberta

## **Auditor**

Deloitte LLP  
Chartered Professional Accountants  
Montreal, Quebec

## **Custodian**

RBC Investor & Treasury Services  
Toronto, Ontario

## **Legal Counsel**

Lavery De Billy, LLP  
Montreal, Quebec

Torys, LLP  
Toronto, Ontario

## **Trustee of Registered Plans**

The Royal Trust Company  
Toronto, Ontario

# P E M B R O K E

## **Pembroke American Growth Fund Inc.**

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### **Directors**

A. Ian Aitken, M.S.C., CFA  
President & Chief Executive Officer  
Pembroke Management Ltd.  
Montreal, Quebec

Marc A. Courtois <sup>1</sup>  
Corporate Director  
Montreal, Quebec

Glen D. Roane <sup>1</sup>, ICD.D  
Corporate Director  
Calgary, Alberta

Lloyd M. Segal  
President & Chief Executive Officer  
Repare Therapeutics Inc.  
Montreal, Quebec

Caroline S. Miller <sup>1</sup>, CFA, ICD.D  
Economist  
Corporate Director  
Montreal, Quebec

### **Officers**

Marc A. Courtois  
Chairman

A. Ian Aitken, M.S.C., CFA  
President & Chief Executive Officer

Michael P. McLaughlin, CPA, CA  
Chief Financial Officer

Anthony Calzetta, CPA, CA  
Secretary-Treasurer

### **Annual Meeting**

Monday, March 15, 2021, 4:00 p.m.

<sup>1</sup> *Members of the Audit Committee*

# P E M B R O K E

P R I V A T E   W E A L T H   M A N A G E M E N T

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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 advisor.