

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

T H E G B C I N T E R N A T I O N A L G R O W T H F U N D

I N T E R I M M A N A G E M E N T R E P O R T O F F U N D P E R F O R M A N C E
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T H E P O R T F O L I O M A N A G E M E N T T E A M
W I L L I A M B L A I R I N V E S T M E N T M A N A G E M E N T , L L C

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

THE GBC INTERNATIONAL GROWTH FUND

Investment Objective and Strategies

The GBC International Growth Fund (the “Fund”) seeks to provide investors with long-term growth through capital appreciation by investing primarily in diversified portfolio of small to mid-sized foreign companies located outside of the United States. The investment analysis for the Fund is based on three levels of decisions. The first involves the decision to underweight or overweight certain regions or countries of the world. The second involves the currency allocation of the Fund. The third involves sector and security level analysis of the Fund. The objective of this three-level decision making approach is to combine the benefits of top-down analysis with that of a detailed bottom-up security selection. This involves evaluating the financial condition and management of a company and its industry, as well as the health of the overall economy.

Risk

The overall risk of the Fund is as described in the Simplified Prospectus. There were no material changes to the Fund over the financial period that affected the overall level of risk associated with an investment in the Fund. The Fund is suitable for investors who have a medium tolerance for risk and are seeking long-term capital growth. The Fund holds non-Canadian assets and is exposed to currency risk. It is not the Fund’s policy to hedge currency exposure as the manager does not believe that hedging will add value in the long term. William Blair Investment Management, LLC. is the investment manager of the Fund.

Results of Operations

Effective January 31, 2018 the Class O Units of the Fund were converted into Class A Units of the Fund and thus Class O ceased to be distributed. The conversion entailed the redemption, at no cost, of the outstanding Class O Units and the issuance of Class A Units.

For the six-month period ended June 30, 2018, the Fund posted a return of 2.29%. In comparison, the Fund’s benchmark index, Morgan Stanley Capital International All Country World Index ex USA Small Cap Net Withholding Tax posted an 1.90% return for the same period. For the twelve months ended December 31, 2017, the Fund posted a return of 24.19% for Class A and 26.31% for Class O respectively compared to the Fund’s benchmark which posted a 23% return.

The Fund outperformed the benchmark Index during the six-month period and stock selection in Europe and Japan were the primary contributors to relative performance, offsetting the adverse effects of emerging markets stock selection. Within Europe, information technology and consumer staples stock selection were the primary sources of outperformance. Danish beverage company Royal Unibrew (“RBREW DC”) was a notable contributor, bolstered by solid operational performance resulting from company initiatives and a favorable sports events calendar. RBREW DC’s improved price mix, scale benefits and smooth integration of its recent Italian acquisition were positive drivers.

Within emerging markets, consumer discretionary stock selection was weak during the six-month period. Indian automotive components company Mitherson Sumi Systems (“MSS IN”) detracted from performance amid broad Indian market weakness and concerns about margin pressures resulting from higher raw materials prices and plant start-up costs.

The Fund’s allocations to health care, information technology and consumer staples were increased during the six-month period, offset by reductions to financials, industrials, materials and utilities. From a geographic perspective, Europe and UK exposures were increased, while Japan and Latin America weightings were reduced.

As at June 30, 2018 the total net asset value of the Fund was \$207.6 million as compared to \$187.1 million (Class A units were \$119.1 million and Class O units were \$68 million) at December 31, 2017. The cash position was 7% of net asset value. The number of units outstanding in the Fund as at June 30, 2018 was 6.9 million compared with 6.2 million (Class A units were 4.1 million and Class O units were 2.1 million) as at December 31, 2017

Unrealized appreciation on investments as at June 30, 2018 was \$30.9 million as compared to \$37.8 million as at December 31, 2017 resulting in an decrease in unrealized appreciation on investments of \$6.9 million. The Fund had net realized gains on investments sold during the period of \$10.1 million.

Fees and Expenses

During the six-month period, the Fund paid a total of \$0.5 million in operating expenses. The management expense ratio (“MER”) for Class A units was 0.25%. The MER for Class O units for the one month-period prior to its conversion to Class A units was 0.13%. There are no management fees charged to the Fund starting January 1, 2018. Refer to the Management fee section for further details on this change.

Unitholder Activity

Throughout the six-month period, \$30 million flowed into the Fund by way of subscriptions and \$14.2 million flowed out of the Fund as a result of redemptions.

Related Party Transactions

Pembroke Private Wealth Management Ltd. (“PPW”) is the Fund’s Manager. The Fund Manager provides the day-to-day management of the business and operations of the Fund. The fees paid to the Fund Manager are shown in the “Management Fees” section of this report. The related party transactions take place in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Recent Developments

Outlook

US-driven trade disruption has become a meaningful risk in the near term. Amid growing hostilities in recent weeks, China and the US were unable to avoid the first round of tariffs that commenced on July 6th. Looking ahead, it is believed that China will strive to maintain reciprocity in negotiations. The Trump administration is very unlikely to back down unless there is significant opposition from US companies or core supporters. The “Rust Belt” swing states that helped Trump win office in 2016 have major exposure to agricultural and energy exports. China appears to have crafted its initial response on tariffs to specifically punish right-leaning states in the US, targeting agricultural products in the tariffs that took effect on July 6th. China also has the potential to hit energy imports if the second wave of tariffs is implemented later this summer.

Trump appears to believe tariffs are a valuable and productive tool of economic policy, and he is likely to continue aggressive behavior to seemingly protect the interests of his support base. Trump’s overall approval rating is at its highest point since he took office, and his approval ratings among the Republican voters are sky high. With such a high level of support, Republicans in Congress are likely to stay quiet until midterm elections in November.

Second, expanding tariffs to electronics directly hits US companies (mainly Apple’s) supply chains. In the short term, this will be disruptive for Apple and other companies sourcing from Chinese assemblers, but can be possibly beneficial for Korean, Taiwanese and Japanese competitors as someone is going to have to fill the gap. This policy will have the effect of incentivizing China to develop its own semiconductor and related industries that much faster in the medium term.

Finally, the growth-inflation trade-off will likely become less favorable. It may not be meaningful for the whole US economy but will be for individual companies. Either companies will pass on higher prices of end products to consumers (effectively a consumption tax) or they will look to absorb price increase themselves through lower profit margins; most likely some combination of the two.

THE GBC INTERNATIONAL GROWTH FUND

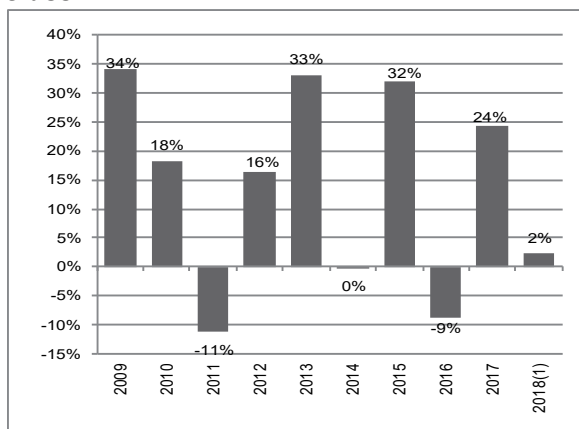
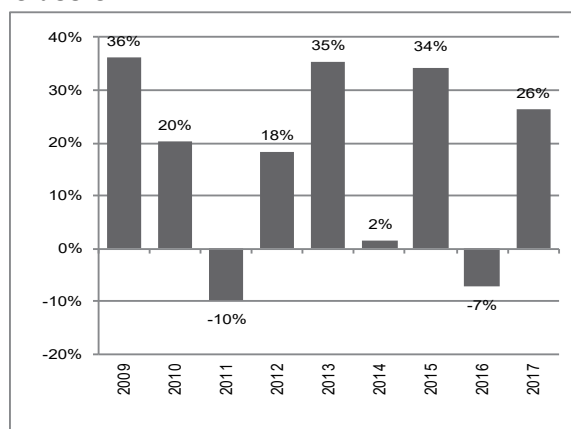
Past Performance

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

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

Year-by-year returns

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

Class A**Class O**

(1) Six-month return to June 30, 2018

(2) Effective January 31, 2018 there is no performance data for Class O units as the units ceased to be distributed.

Summary of Investment Portfolio

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

Industry Sector	% of Net Asset Value
Industrials	16.8%
Consumer Discretionary	15.8%
Information Technology	14.3%
Financials	13.9%
Health Care	11.4%
Consumer Staples	8.3%
Materials	4.5%
Energy	3.4%
Real Estate	3.1%
Utilities	1.2%
Cash	7.0%
Other Net Current Assets	0.3%
Total	100.0%

THE GBC INTERNATIONAL GROWTH FUND

Summary of Investment Portfolio (Cont'd)

Country allocation	% of Net Asset Value	Country allocation (cont.)	% of Net Asset Value
United Kingdom	20.2%	Netherlands	1.1%
Japan	17.4%	Norway	1.0%
Sweden	6.0%	Brazil	1.0%
Italy	5.3%	Hong Kong	1.0%
Germany	4.7%	Belgium	1.0%
China	4.5%	Hungary	0.9%
France	3.7%	Thailand	0.9%
India	3.4%	Jersey Islands	0.8%
Australia	3.3%	Argentina	0.8%
Israel	3.2%	Austria	0.7%
Taiwan	3.2%	New Zealand	0.6%
South Africa	2.8%	Cambodia	0.4%
Denmark	1.8%	Cash	7.0%
Ireland	1.6%	Other Net Current Assets	0.3%
Switzerland	1.4%		
		Total	100.0%

Top 25 Holdings

Company	% of Net Asset Value	Country
1 Royal Unibrew	1.8%	Denmark
2 Beazley	1.7%	United Kingdom
3 Thule Group	1.5%	Sweden
4 SSP Group	1.4%	United Kingdom
5 DiaSorin	1.4%	Italy
6 Abcam	1.3%	United Kingdom
7 IT Holdings	1.3%	Japan
8 Tokyo Century	1.2%	Japan
9 Asahi Intecc	1.2%	Japan
10 Nihon M&A Center	1.2%	Japan
11 Evolution Gaming Group	1.2%	Sweden
12 Dechra Pharmaceuticals	1.2%	United Kingdom
13 Wix.com	1.2%	Israel
14 Paltac Corporation	1.2%	Japan
15 Fevertree Drinks	1.2%	United Kingdom
16 Kose	1.2%	Japan
17 Rubis	1.2%	France
18 Amplifon	1.2%	Italy
19 Chailease Holding	1.2%	Taiwan
20 Frutarom Industries	1.1%	Israel
21 Workspace Group	1.1%	United Kingdom
22 Burford Capital	1.1%	United Kingdom
23 The UNITE Group	1.1%	United Kingdom
24 Cts Eventim AG & Co	1.1%	Germany
25 Euronext Amsterdam N.V.	1.1%	Netherlands
Top 25 Holdings	31.4%	

THE GBC INTERNATIONAL GROWTH FUND

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the financial periods indicated. This information is derived from the Fund's audited annual financial statements (excluding June 30, 2018 information). The information presented is based on prescribed regulations and, as a result, is not expected to add up due to the increase (decrease) in net assets attributable to holders of redeemable units being based on the average units outstanding during the period and all other numbers being based on the actual units outstanding at the relevant point in time. The June 30, 2018 interim financial statements are unaudited.

THE FUND'S NET ASSETS PER UNIT	CLASS A					
	June 30, 2018 ⁽⁵⁾	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Net assets attributable to holders of redeemable units, beginning of period ⁽¹⁾	29.33	24.71	27.83	22.40	22.42	16.87
Increase (decrease) in net assets attributable to holders of redeemable units:						
Total revenue	0.36	0.60	0.56	0.51	0.55	0.44
Total expenses	(0.08)	(0.61)	(0.53)	(0.59)	(0.53)	(0.46)
Realized gains (losses) for the period	1.48	2.66	1.01	3.35	1.94	3.35
Unrealized gains (losses) for the period	(1.40)	3.38	(3.59)	3.92	(2.01)	2.27
Total Increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.36	6.03	(2.55)	7.19	(0.05)	5.60
Distributions to holders of redeemable units:						
From income (excluding dividends)	-	(0.01)	(0.01)	-	-	(0.03)
From dividends	-	(0.03)	(0.04)	(0.01)	(0.01)	-
From capital gains	-	(1.33)	(0.60)	(1.68)	-	-
Return on capital	-	-	-	-	-	-
Total distributions to holders of redeemable units ⁽³⁾	-	(1.37)	(0.65)	(1.69)	(0.01)	(0.03)
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	30.00	29.33	24.71	27.83	22.40	22.42

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

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

(3) Distributions were paid in cash and/or reinvested in additional units of the Fund.

(4) This table is not intended to be a reconciliation of beginning to ending net assets per unit.

(5) Class O units of the Fund were converted to Class A units on January 31, 2018.

RATIOS AND SUPPLEMENTAL DATA (based on Trading NAV)

	June 30, 2018 ⁽⁶⁾	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Total net asset value (\$) (000's) ⁽¹⁾	207,601	119,120	111,606	132,914	118,889	129,513
Number of redeemable units outstanding (000's) ⁽¹⁾	6,920	4,061	4,516	4,776	5,307	5,778
Management expense ratio (%) ⁽²⁾⁽⁵⁾	0.25	1.92	1.88	1.85	1.81	1.97
Management expense ratio before waivers or absorptions (%) ⁽²⁾⁽⁵⁾	0.25	1.92	1.88	1.85	1.81	1.97
Trading expense ratio (%) ⁽³⁾	0.29	0.19	0.22	0.37	0.41	0.41
Portfolio turnover rate (%) ⁽⁴⁾	46.48	63.61	72.40	92.38	123.38	113.32
Net asset value per unit (\$)	30.00	29.33	24.71	27.83	22.40	22.42

(1) This information is provided as at June 30 or December 31 of the period shown, as applicable.

(2) The management expense ratio ("MER") is calculated in accordance with National Instrument 81-106, based on expenses for the stated period (including Harmonized Sales Tax, Goods and Service Tax, income tax and interest) but excluding foreign withholding taxes, commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. PPW may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. The GBC International Growth Fund did not have any expenses waived or absorbed in any of the periods presented.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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

(5) As a comparative, if the New Fee Payment Model change, effective January 1st, 2018, would have been in effect throughout fiscal year 2017 the adjusted MER of the Fund would be 0.21%.

(6) Class O units of the Fund were converted to Class A units on January 31, 2018.

THE GBC INTERNATIONAL GROWTH FUND

Financial Highlights (Cont'd)

THE FUND'S NET ASSETS PER UNIT	CLASS O					
	June 30, 2018 ⁽⁵⁾	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Net assets attributable to holders of redeemable units, beginning of period	31.60	26.63	30.04	24.09	23.77	17.84
Increase (decrease) in net assets attributable to holders of redeemable units:						
Total revenue	-	0.65	0.61	0.54	0.60	0.46
Total expenses	(0.01)	(0.08)	(0.04)	(0.07)	(0.07)	(0.14)
Realized gains (losses) for the period	0.07	2.95	1.17	3.62	1.74	3.56
Unrealized gains (losses) for the period	0.89	3.46	(3.61)	4.08	(2.48)	2.53
Total Increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.95	6.98	(1.87)	8.17	(0.21)	6.41
Distributions to holders of redeemable units:						
From income (excluding dividends)	-	-	-	-	-	(0.34)
From dividends	-	(0.60)	(0.57)	(0.36)	(0.08)	(0.05)
From capital gains	-	(1.46)	(0.73)	(2.02)	-	-
Return on capital	-	-	-	-	-	-
Total distributions to holders of redeemable units ⁽³⁾	-	(2.06)	(1.30)	(2.38)	(0.08)	(0.39)
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	-	31.60	26.63	30.04	24.09	23.77

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

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

(3) Distributions were paid in cash and/or reinvested in additional units of the Fund.

(4) This table is not intended to be a reconciliation of beginning to ending net assets per unit.

(5) Class O units of the Fund were converted to Class A units on January 31, 2018. The Net Asset Value as at June 30, 2018 is zero.

RATIOS AND SUPPLEMENTAL DATA (based on Trading NAV)

	June 30, 2018 ⁽⁵⁾	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Total net asset value (\$) (000's) ⁽¹⁾	-	67,999	55,839	50,181	34,625	18,623
Number of redeemable units outstanding (000's) ⁽¹⁾	-	2,152	2,097	1,671	1,437	784
Management expense ratio (%) ⁽²⁾	0.13	0.22	0.21	0.22	0.23	0.26
Management expense ratio before waivers or absorptions (%) ⁽²⁾	0.13	0.22	0.21	0.22	0.23	0.26
Trading expense ratio (%) ⁽³⁾	-	0.19	0.22	0.37	0.41	0.41
Portfolio turnover rate (%) ⁽⁴⁾	46.48	63.61	72.40	92.38	123.38	113.32
Net asset value per unit (\$)	-	31.60	26.63	30.04	24.09	23.77

(1) This information is provided as at June 30 or December 31 of the period shown, as applicable.

(2) The management expense ratio ("MER") is calculated in accordance with National Instrument 81-106, based on expenses for the stated period (including Harmonized Sales Tax, Goods and Service Tax, income tax and interest) but excluding foreign withholding taxes, commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. PPW may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. The GBC International Growth Fund did not have any expenses waived or absorbed in any of the periods presented.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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

(5) Class O units of the Fund were converted to Class A units on January 31, 2018. The Net Asset Value as at June 30, 2018 is zero.

THE GBC INTERNATIONAL GROWTH FUND

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

Further to the special meetings of holders of the GBC Mutual Funds held on January 8, 2018 (the "Meetings"), PPW announced that unitholders of the Fund approved a New Fee Payment Model. Under this new fee payment structure effective January 1, 2018, management fees are no longer charged to the Fund. Instead, the management fees are charged directly to unitholders. Subject to the maximum fees set forth below, unitholders will be charged management fees based on their assets under management. Such management fees will be payable directly to PPW by the redemption (without charge) of a sufficient number of units of the Fund held. This new approach results in enhanced fee transparency, aligns the mutual fund fee structure with the pooled fund fee structure and in certain cases results in reduced fees.

Following this approval, the amount of management fees unitholders pay will be determined based on the amount of assets under management, subject to the following maximum annual management fees:

Name of the Fund	Assets under management		
	Under \$1 million	Between \$1 million and \$5 million	Above \$5 million
The GBC Money Market Fund	0.10%	0.10%	0.10%
The GBC Canadian Bond Fund	0.65%	0.50%	0.40%
The GBC Growth and Income Fund	1.30%	1.20%	0.85%
The GBC Canadian Growth Fund	1.70%	1.50%	1.00%
The GBC American Growth Fund Inc.	1.50%	1.50%	1.00%
The GBC International Growth Fund	1.50%	1.50%	1.00%

Management fees were used by the Manager to pay costs for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, and providing other services. For the period ended June 30, 2018, none of the management fees received by the Manager were used to fund commission payments and other dealer compensation (collectively "distribution-related costs") paid to registered dealers and brokers for units of the Fund bought and held by investors.

Caution Regarding Forward-looking Statements

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

P E M B R O K E

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Pembroke Private Wealth Management Ltd.
is a mutual fund dealer and manager of the GBC Funds.
Pembroke Management Ltd. is an investment adviser.
William Blair Investment Management, L.L.C. is an investment adviser.

Custodial service provided by RBC Investor Services Trust.
Unitholder Recordkeeping provided by L&T Infotech Financial Services Technologies Inc.
Annual audit performed by Deloitte LLP.

