



Pender Corporate Bond Fund

For the year ended December 31, 2021

Annual Management Report of Fund Performance

This annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements at your request, at no cost, by calling toll-free 1-866-377-4743, by writing to us at 1830 – 1066 West Hastings Street, Vancouver, BC V6E 3X2 or by visiting our website at www.penderfund.com or the SEDAR website at www.sedar.com.

You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The objective of the Pender Corporate Bond Fund is to preserve capital and generate returns through current income and capital appreciation. The Fund invests primarily in investment and non-investment grade fixed income securities issued by North American corporations. This, however, does not preclude the Fund from making equity investments when the portfolio advisor deems the risk/reward trade-off to be in the investors' favour.

PenderFund Capital Management Ltd. ("Pender") is the Manager and Portfolio Advisor of the Fund.

Risks

The risks of investing in the Fund are outlined in the Simplified Prospectus dated June 25, 2021. Interest rate risk and credit risk remain the principal risks associated with the Fund. There were no significant changes to the Fund's objectives and strategies that affected its overall level of risk during the year.

On February 24, 2022, Russia launched a large military invasion of Ukraine. This has resulted in a disruption in the supply of energy resources, a refugee crisis in Europe, global protests and the imposition of sanctions on Russia, which in turn triggered a financial crisis in Russia. The Russian president has placed Russia's nuclear forces on high alert, increasing tension between the West and Russia. The invasion has introduced a new source of uncertainty for financial markets.

The COVID-19 global health pandemic that began in 2019 continues today. In early 2020, it resulted in significant volatility and turmoil in World markets. The negative economic impact of measures taken to contain the virus have been mitigated to a certain extent by fiscal and monetary stimulus, measures taken to reopen world economies, and the development and rollout of vaccines. The situation has had an impact on many entities and the markets for the securities that they issue, and that impact may continue.

Investment results may be affected by future developments and new information that may emerge resulting from Russia's invasion of Ukraine, COVID-19, its variants and the pandemic, factors which are beyond the Fund's control.

Results of Operations

The net assets of the Fund were \$1,389,779,981 as at December 31, 2021 versus \$997,523,626 as at December 31, 2020. Of this \$392,256,355 increase, \$110,485,068 is attributable to positive investment performance and \$281,771,287 is attributable to net unitholder purchases of the Fund.

For the year ended December 31, 2021, Class A units of the Fund generated a total return of 9.4%. Returns for Class U will differ primarily due to foreign currency as this class is the only class of the Fund that is not hedged against the US dollar. Returns for other classes of the Fund will be similar to Class A with any difference in performance being primarily due to the different management fees that are applicable to different classes and, for US-dollar denominated classes, the impact of any foreign exchange rate fluctuations on the net assets of that class of the Fund. Please see the "Past Performance" section for the performance of the Fund's other classes.

The Fund's blended benchmark, 75% ICE BofA US High Yield Index in Canadian dollars ("ICE") and 25% FTSE/TMX Canada Universe Bond Index, returned 2.9% during the year. In accordance with National Instrument 81-106, we have included a comparison to this blended benchmark to help you understand the Fund's performance relative to the general performance of the market, but we caution that the Fund's mandate may be significantly different from the index. Further, the Fund's returns are reported net of all management fees and expenses for all classes, unlike the returns of the Fund's blended benchmark, which are based on the performance of an index that does not pay fees or incur expenses.

The following comments and the comments under "Recent Developments" reflect the views of the portfolio management team and are based on information as at the end of the year. Please read the caution regarding forward-looking statements located on the last page of this document.

Certain positions held in deeply discounted securities were a large contributor of the Fund's outperformance of the blended benchmark as asset markets continued their recovery into 2021. Our positions in W&T Offshore, Inc. and Chesapeake Energy Corporation were notable positive performers as they rode the recovery towards par from discounted territory. The Fund's allocation to floating rate, rate reset and convertible securities also contributed to its performance. Positions in rate reset preferred shares of BCE Inc. and Fairfax Financial Holdings Limited were areas of strength as credit conditions improved and the outlook for interest rates shifted higher. Other areas of strength included our positions in convertible bonds from issuers such as First Majestic Silver Corp, Eagle Bulk Shipping Inc. and Granite Construction Incorporated. Weakness in the portfolio was limited during the year, however, we did see pressure in some of our workout names including Federal National Mortgage Association and McDermott International, Ltd.

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Recent Developments

Despite challenges from new variants, the global distribution of vaccinations in 2021 paved the way for a coordinated rebound in economic activity and financial markets. After living with COVID-19 for nearly two years, we have a better understanding of the disease, and the market has grown more accustomed to the post-pandemic realities we all share. Although variants are still a source of uncertainty, the market has gained some resilience to pandemic-related disruptions and is shifting its focus to potential policy-induced headwinds.

Performance in the fixed income market was a tale of two stories. High yield bonds outperformed investment grade credit as spreads remained near all-time highs going into year-end. As at December 31, 2021, Option-Adjusted Spread on the ICE had widened by 6 basis points to 3.10% as compared to June 30, 2021. Higher than expected inflation and a changing policy stance from the Fed put some pressure on high yield causing the effective yield to rise by 0.34% to 4.35% at December 31, 2021, in line with levels at the beginning of the year. Within the high yield market, the better-quality BBs outperformed lower tiered CCCs.

At the other end of the credit spectrum the longer duration investment grade market felt the effects of rising interest rates to a higher degree. At December 31, 2021, the ICE BofA BBB US Corporate Index ("BBB") Effective Yield was 2.60%, after bottoming at 2.15% in the second half of the year. The BBB Option-Adjusted Spread also widened by 0.13% to 1.20% at December 31, 2021, but remains near all-time lows. US treasuries ended the year broadly higher than where they started 2021, but the curve flattened into year-end with yields rising on the short end and falling on the long end compared to June 30, 2021.

Related Party Transactions

The Fund pays management and administration fees to the Manager for management and portfolio advisory services (see "Management Fees").

As at the end of the year, parties related to the Manager collectively held less than 1% of the Fund's units. In addition, the Pender Bond Universe Fund, the Pender Enhanced Income Fund, the Pender Partners Fund, and the Pender Strategic Growth and Income Fund, funds also managed by the Manager, collectively held 4% of outstanding units of the Fund.

Management Fees

The Fund pays management and administration fees calculated as a percentage of the net asset value of each respective class. The Management Expense Ratio ("MER") before applicable taxes such as GST or HST for each class does not exceed certain levels as set out in the Fund's offering documents. The fees are calculated at the close of business on each valuation day and are paid monthly. In exchange for the administration fee, the Manager will pay the operating costs of the Fund.

Management fees are used by the Manager, in part, to pay sales commissions, trailer fees, marketing costs and other associated distribution costs relating to the sale of units of the Fund.

Such expenses represented approximately 23% of the management fees paid by the Fund to the Manager for the year.

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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 calendar years indicated.

Fund's Net Assets Per Unit (a)

	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)	2017 (\$)
Class A					
Net Assets, beginning of year	12.87	12.49	12.24	11.92	11.48
Increase (decrease) from operations:					
Total revenue	0.73	0.58	0.59	0.56	0.61
Total expenses	(0.28)	(0.24)	(0.25)	(0.25)	(0.24)
Realized gains (losses)	1.00	(0.13)	0.06	0.18	0.90
Unrealized gains (losses)	(0.30)	0.32	0.13	-	(0.49)
Total increase (decrease) from operations (b)	1.15	0.53	0.53	0.49	0.78
Distributions:					
From income (excluding dividends)	(0.37)	(0.33)	(0.30)	(0.32)	(0.30)
From dividends	(0.04)	(0.04)	(0.02)	(0.02)	(0.03)
From capital gains	(0.78)	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(1.19)	(0.37)	(0.32)	(0.34)	(0.33)
Net Assets, end of year	12.86	12.87	12.49	12.24	11.92

Class D					
Net Assets, beginning of year	11.82	11.45	11.23	10.92	10.52
Increase (decrease) from operations:					
Total revenue	0.53	0.28	0.57	0.43	0.50
Total expenses	(0.15)	(0.14)	(0.16)	(0.17)	(0.17)
Realized gains (losses)	0.68	(0.02)	0.07	0.16	0.70
Unrealized gains (losses)	(0.11)	(0.14)	0.05	0.04	(0.35)
Total increase (decrease) from operations (b)	0.95	(0.02)	0.53	0.46	0.68
Distributions:					
From income (excluding dividends)	(0.44)	(0.37)	(0.33)	(0.36)	(0.33)
From dividends	(0.04)	(0.04)	(0.03)	(0.02)	(0.03)
From capital gains	(0.46)	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(0.94)	(0.41)	(0.36)	(0.38)	(0.36)
Net Assets, end of year	12.06	11.82	11.45	11.23	10.92

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Fund's Net Assets Per Unit (a) (cont'd)

	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)	2017 (\$)
Class E					
Net Assets, beginning of year	10.35	10.07	10.00		
Increase (decrease) from operations:					
Total revenue	0.61	0.51	0.16		
Total expenses	(0.06)	(0.05)	(0.01)		
Realized gains (losses)	0.81	(0.11)	(0.05)		
Unrealized gains (losses)	(0.29)	0.31	0.08		
Total increase (decrease) from operations (b)	1.07	0.66	0.18		
Distributions:					
From income (excluding dividends)	(0.44)	(0.39)	(0.11)		
From dividends	(0.05)	(0.05)	(0.01)		
From capital gains	(0.67)	-	-		
Return of capital	-	-	-		
Total distributions (b), (c)	(1.16)	(0.44)	(0.12)		
Net Assets, end of year	10.31	10.35	10.07		
Class F					
Net Assets, beginning of year	12.86	12.50	12.25	11.92	11.48
Increase (decrease) from operations:					
Total revenue	0.72	0.58	0.59	0.56	0.57
Total expenses	(0.16)	(0.14)	(0.15)	(0.15)	(0.15)
Realized gains (losses)	0.99	(0.12)	0.07	0.13	0.79
Unrealized gains (losses)	(0.29)	0.37	0.12	(0.07)	(0.40)
Total increase (decrease) from operations (b)	1.26	0.69	0.63	0.47	0.81
Distributions:					
From income (excluding dividends)	(0.47)	(0.42)	(0.11)	(0.42)	(0.39)
From dividends	(0.05)	(0.05)	(0.01)	(0.02)	(0.04)
From capital gains	(0.76)	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(1.28)	(0.47)	(0.12)	(0.44)	(0.43)
Net Assets, end of year	12.88	12.86	12.50	12.25	11.92
Class H					
Net Assets, beginning of year	11.33	11.01	10.79	10.51	10.11
Increase (decrease) from operations:					
Total revenue	0.58	0.48	0.51	0.51	0.52
Total expenses	(0.21)	(0.18)	(0.19)	(0.19)	(0.18)
Realized gains (losses)	0.80	(0.10)	0.06	0.15	0.74
Unrealized gains (losses)	(0.19)	0.29	0.11	(0.03)	(0.39)
Total increase (decrease) from operations (b)	0.98	0.49	0.49	0.44	0.69
Distributions:					
From income (excluding dividends)	(0.36)	(0.32)	(0.30)	(0.31)	(0.30)
From dividends	(0.04)	(0.04)	(0.02)	(0.02)	(0.03)
From capital gains	(0.57)	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(0.97)	(0.36)	(0.32)	(0.33)	(0.33)
Net Assets, end of year	11.45	11.33	11.01	10.79	10.51

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Fund's Net Assets Per Unit (a) (cont'd)

	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)	2017 (\$)
Class I					
Net Assets, beginning of year	11.05	10.74	10.53	10.24	9.85
Increase (decrease) from operations:					
Total revenue	0.60	0.51	0.51	0.51	0.48
Total expenses	(0.12)	(0.11)	(0.11)	(0.12)	(0.10)
Realized gains (losses)	0.81	(0.13)	0.05	0.10	0.66
Unrealized gains (losses)	(0.21)	0.37	0.08	(0.09)	(0.32)
Total increase (decrease) from operations (b)	1.08	0.64	0.53	0.40	0.72
Distributions:					
From income (excluding dividends)	(0.42)	(0.37)	(0.35)	(0.37)	(0.35)
From dividends	(0.05)	(0.05)	(0.03)	(0.02)	(0.03)
From capital gains	(0.58)	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(1.05)	(0.42)	(0.38)	(0.39)	(0.38)
Net Assets, end of year	11.14	11.05	10.74	10.53	10.24
Class N					
Net Assets, beginning of year	10.33	10.01	10.00		
Increase (decrease) from operations:					
Total revenue	0.75	0.01	0.22		
Total expenses	(0.09)	(0.07)	(0.04)		
Realized gains (losses)	0.93	0.07	(0.03)		
Unrealized gains (losses)	(0.47)	(1.06)	0.04		
Total increase (decrease) from operations (b)	1.12	(1.05)	0.19		
Distributions:					
From income (excluding dividends)	(0.42)	(0.37)	(0.17)		
From dividends	(0.04)	(0.04)	(0.02)		
From capital gains	(1.02)	-	-		
Return of capital	-	-	-		
Total distributions (b), (c)	(1.48)	(0.41)	(0.19)		
Net Assets, end of year	9.95	10.33	10.01		
Class O					
Net Assets, beginning of year	11.18	10.87	10.64	10.37	9.97
Increase (decrease) from operations:					
Total revenue	0.55	0.51	0.48	0.51	0.50
Total expenses	(0.01)	-	-	(0.01)	(0.01)
Realized gains (losses)	0.72	(0.15)	0.06	0.23	0.70
Unrealized gains (losses)	(0.17)	0.48	0.21	0.11	(0.34)
Total increase (decrease) from operations (b)	1.09	0.84	0.75	0.84	0.85
Distributions:					
From income (excluding dividends)	(0.53)	(0.47)	(0.43)	(0.47)	(0.44)
From dividends	(0.06)	(0.06)	(0.05)	(0.03)	(0.05)
From capital gains	(0.50)	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(1.09)	(0.53)	(0.48)	(0.50)	(0.49)
Net Assets, end of year	11.34	11.18	10.87	10.64	10.37

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Fund's Net Assets Per Unit (a) (cont'd)

	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)	2017 (\$)
Class U					
Net Assets, beginning of year	10.21	9.95	10.00		
Increase (decrease) from operations:					
Total revenue	0.36	0.76	0.25		
Total expenses	(0.13)	(0.12)	(0.06)		
Realized gains (losses)	0.27	(0.25)	-		
Unrealized gains (losses)	0.31	0.52	(0.16)		
Total increase (decrease) from operations (b)	0.81	0.91	0.03		
Distributions:					
From income (excluding dividends)	(0.39)	(0.34)	(0.14)		
From dividends	(0.01)	(0.05)	(0.02)		
From capital gains	(0.27)	-	-		
Return of capital	-	-	-		
Total distributions (b), (c)	(0.67)	(0.39)	(0.16)		
Net Assets, end of year	10.52	10.21	9.95		
Class A (USD)					
Net Assets, beginning of year	14.10	13.66	13.89	12.48	12.67
Increase (decrease) from operations:					
Total revenue	0.32	1.25	0.78	1.07	0.46
Total expenses	(0.30)	(0.28)	(0.28)	(0.29)	(0.26)
Realized gains (losses)	0.86	(0.24)	0.08	0.01	0.98
Unrealized gains (losses)	0.30	0.31	(0.48)	0.73	(0.96)
Total increase (decrease) from operations (b)	1.18	1.04	0.10	1.52	0.22
Distributions:					
From income (excluding dividends)	(0.40)	(0.36)	(0.33)	(0.35)	(0.31)
From dividends	(0.05)	(0.05)	(0.03)	(0.02)	(0.04)
From capital gains	(0.17)	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(0.62)	(0.41)	(0.36)	(0.37)	(0.35)
Net Assets, end of year	14.71	14.10	13.66	13.89	12.48
Class F (USD)					
Net Assets, beginning of year	13.96	13.52	13.75	12.35	12.54
Increase (decrease) from operations:					
Total revenue	0.33	1.30	0.75	1.05	0.38
Total expenses	(0.17)	(0.16)	(0.16)	(0.17)	(0.14)
Realized gains (losses)	0.82	(0.30)	0.11	0.08	0.67
Unrealized gains (losses)	0.30	0.08	(0.53)	0.75	(0.83)
Total increase (decrease) from operations (b)	1.28	0.92	0.17	1.71	0.08
Distributions:					
From income (excluding dividends)	(0.51)	(0.47)	(0.43)	(0.44)	(0.43)
From dividends	(0.05)	(0.05)	(0.03)	(0.02)	(0.04)
From capital gains	(0.21)	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(0.77)	(0.52)	(0.46)	(0.46)	(0.47)
Net Assets, end of year	14.52	13.96	13.52	13.75	12.35

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Fund's Net Assets Per Unit (a) (cont'd)

	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)	2017 (\$)
Class H (USD)					
Net Assets, beginning of year	13.42	13.02	13.10		
Increase (decrease) from operations:					
Total revenue	0.33	1.27	0.31		
Total expenses	(0.24)	(0.22)	(0.11)		
Realized gains (losses)	0.84	(0.36)	(0.01)		
Unrealized gains (losses)	0.29	0.01	(0.38)		
Total increase (decrease) from operations (b)	1.22	0.70	(0.19)		
Distributions:					
From income (excluding dividends)	(0.42)	(0.41)	(0.18)		
From dividends	(0.05)	(0.04)	(0.01)		
From capital gains	(0.20)	-	-		
Return of capital	-	-	-		
Total distributions (b), (c)	(0.67)	(0.45)	(0.19)		
Net Assets, end of year	13.95	13.42	13.02		
Class I (USD)					
Net Assets, beginning of year	13.45	13.04	13.10		
Increase (decrease) from operations:					
Total revenue	0.33	1.21	0.38		
Total expenses	(0.15)	(0.14)	(0.07)		
Realized gains (losses)	0.81	(0.33)	(0.03)		
Unrealized gains (losses)	0.27	0.22	(0.17)		
Total increase (decrease) from operations (b)	1.26	0.96	0.11		
Distributions:					
From income (excluding dividends)	(0.51)	(0.47)	(0.21)		
From dividends	(0.06)	(0.06)	(0.02)		
From capital gains	(0.20)	-	-		
Return of capital	-	-	-		
Total distributions (b), (c)	(0.77)	(0.53)	(0.23)		
Net Assets, end of year	13.99	13.45	13.04		

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Fund's Net Assets Per Unit (a) (cont'd)

	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)	2017 (\$)
Class N (USD)					
Net Assets, beginning of year	13.41	13.00	13.10		
Increase (decrease) from operations:					
Total revenue	0.28	1.29	0.36		
Total expenses	(0.11)	(0.11)	(0.05)		
Realized gains (losses)	0.87	(0.33)	(0.02)		
Unrealized gains (losses)	0.31	(0.07)	(0.17)		
Total increase (decrease) from operations (b)	1.35	0.78	0.12		
Distributions:					
From income (excluding dividends)	(0.54)	(0.50)	(0.22)		
From dividends	(0.06)	(0.06)	(0.02)		
From capital gains	(0.14)	-	-		
Return of capital	-	-	-		
Total distributions (b), (c)	(0.74)	(0.56)	(0.24)		
Net Assets, end of year	14.00	13.41	13.00		

(a) This information is derived from the Fund's audited annual financial statements as at December 31 for the year stated, prepared under International Financial Reporting Standards.

(b) Net assets per unit and distributions per unit are based on the actual number of units for the relevant Fund class outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding during the year.

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

Ratios and Supplemental Data

	2021	2020	2019	2018	2017
Class A					
Total net asset value (\$000s) (a)	110,720	92,199	115,962	76,888	38,229
Number of units outstanding (a)	8,607,770	7,165,766	9,281,603	6,280,891	3,206,403
Management expense ratio (b)	2.01%	1.95%	1.95%	1.95%	1.95%
Management expense ratio before absorptions (c)	2.01%	1.95%	1.95%	1.95%	1.95%
Trading expense ratio (d)	0.03%	0.03%	0.02%	0.05%	0.07%
Portfolio turnover rate (e)	63.24%	103.95%	61.95%	69.13%	95.38%
Net asset value per unit (\$) (a)	12.86	12.87	12.49	12.24	11.92
Class D					
Total net asset value (\$000s) (a)	8,930	2,876	3,906	1,726	182
Number of units outstanding (a)	740,251	243,197	341,030	153,752	16,702
Management expense ratio (b)	1.17%	1.28%	1.40%	1.40%	1.40%
Management expense ratio before absorptions (c)	1.17%	1.28%	1.40%	1.40%	1.40%
Trading expense ratio (d)	0.03%	0.03%	0.02%	0.05%	0.07%
Portfolio turnover rate (e)	63.24%	103.95%	61.95%	69.13%	95.38%
Net asset value per unit (\$) (a)	12.06	11.82	11.45	11.23	10.92
Class E					
Total net asset value (\$000s) (a)	4,132	3,292	3,912		
Number of units outstanding (a)	400,826	318,107	388,330		
Management expense ratio (b)	0.52%	0.50%	0.50%		
Management expense ratio before absorptions (c)	0.52%	0.50%	0.50%		
Trading expense ratio (d)	0.03%	0.03%	0.02%		
Portfolio turnover rate (e)	63.24%	103.95%	61.95%		
Net asset value per unit (\$) (a)	10.31	10.35	10.07		

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Ratios and Supplemental Data (cont'd)

	2021	2020	2019	2018	2017
Class F					
Total net asset value (\$000s) (a)	422,355	342,633	406,674	246,709	68,365
Number of units outstanding (a)	32,781,853	26,636,091	32,530,750	20,139,093	5,733,494
Management expense ratio (b)	1.17%	1.15%	1.15%	1.15%	1.15%
Management expense ratio before absorptions (c)	1.17%	1.15%	1.15%	1.15%	1.15%
Trading expense ratio (d)	0.03%	0.03%	0.02%	0.05%	0.07%
Portfolio turnover rate (e)	63.24%	103.95%	61.95%	69.13%	95.38%
Net asset value per unit (\$) (a)	12.88	12.86	12.50	12.25	11.92
Class H					
Total net asset value (\$000s) (a)	103,092	65,161	62,459	38,560	19,159
Number of units outstanding (a)	9,004,515	5,749,645	5,671,949	3,573,651	1,823,363
Management expense ratio (b)	1.69%	1.65%	1.65%	1.65%	1.65%
Management expense ratio before absorptions (c)	1.69%	1.65%	1.65%	1.65%	1.65%
Trading expense ratio (d)	0.03%	0.03%	0.02%	0.05%	0.07%
Portfolio turnover rate (e)	63.24%	103.95%	61.95%	69.13%	95.38%
Net asset value per unit (\$) (a)	11.45	11.33	11.01	10.79	10.51
Class I					
Total net asset value (\$000s) (a)	602,871	411,640	381,228	140,680	42,272
Number of units outstanding (a)	54,127,966	37,250,197	35,491,065	13,366,024	4,127,027
Management expense ratio (b)	1.02%	1.00%	1.00%	1.00%	1.00%
Management expense ratio before absorptions (c)	1.02%	1.00%	1.00%	1.00%	1.00%
Trading expense ratio (d)	0.03%	0.03%	0.02%	0.05%	0.07%
Portfolio turnover rate (e)	63.24%	103.95%	61.95%	69.13%	95.38%
Net asset value per unit (\$) (a)	11.14	11.05	10.74	10.53	10.24
Class N					
Total net asset value (\$000s) (a)	2,695	3,475	17,211		
Number of units outstanding (a)	270,776	336,405	1,719,279		
Management expense ratio (b)	0.76%	0.75%	0.75%		
Management expense ratio before absorptions (c)	0.76%	0.75%	0.75%		
Trading expense ratio (d)	0.03%	0.03%	0.02%		
Portfolio turnover rate (e)	63.24%	103.95%	61.95%		
Net asset value per unit (\$) (a)	9.95	10.33	10.01		
Class O					
Total net asset value (\$000s) (a)	58,562	29,746	27,198	8,387	12,351
Number of units outstanding (a)	5,161,977	2,661,770	2,501,605	787,928	1,191,011
Management expense ratio (b)	0.00%	0.00%	0.00%	0.00%	0.00%
Management expense ratio before absorptions (c)	0.00%	0.00%	0.00%	0.00%	0.00%
Trading expense ratio (d)	0.03%	0.03%	0.02%	0.05%	0.07%
Portfolio turnover rate (e)	63.24%	103.95%	61.95%	69.13%	95.38%
Net asset value per unit (\$) (a)	11.34	11.18	10.87	10.64	10.37
Class U					
Total net asset value (\$000s) (a)	11,425	40	6		
Number of units outstanding (a)	1,085,631	3,876	588		
Management expense ratio (b)	1.14%	1.15%	1.15%		
Management expense ratio before absorptions (c)	1.14%	1.15%	1.15%		
Trading expense ratio (d)	0.03%	0.03%	0.02%		
Portfolio turnover rate (e)	63.24%	103.95%	61.95%		
Net asset value per unit (\$) (a)	10.52	10.21	9.95		

Pender Corporate Bond Fund

For the year ended December 31, 2021

Ratios and Supplemental Data (cont'd)

	2021	2020	2019	2018	2017
Class A (USD)					
Total net asset value (\$000s) (a)	2,979	2,533	6,018	6,177	1,264
Number of units outstanding (a)	202,496	179,642	440,638	444,755	101,249
Management expense ratio (b)	1.98%	1.95%	1.95%	1.95%	1.95%
Management expense ratio before absorptions (c)	1.98%	1.95%	1.95%	1.95%	1.95%
Trading expense ratio (d)	0.03%	0.03%	0.02%	0.05%	0.07%
Portfolio turnover rate (e)	63.24%	103.95%	61.95%	69.13%	95.38%
Net asset value per unit (\$) (a)	14.71	14.10	13.66	13.89	12.48
Class F (USD)					
Total net asset value (\$000s) (a)	15,842	11,382	20,175	24,368	12,427
Number of units outstanding (a)	1,091,009	815,559	1,492,314	1,772,010	1,006,425
Management expense ratio (b)	1.14%	1.15%	1.15%	1.15%	1.15%
Management expense ratio before absorptions (c)	1.14%	1.15%	1.15%	1.15%	1.15%
Trading expense ratio (d)	0.03%	0.03%	0.02%	0.05%	0.07%
Portfolio turnover rate (e)	63.24%	103.95%	61.95%	69.13%	95.38%
Net asset value per unit (\$) (a)	14.52	13.96	13.52	13.75	12.35
Class H (USD)					
Total net asset value (\$000s) (a)	8,224	6,636	2,680		
Number of units outstanding (a)	589,688	494,651	205,849		
Management expense ratio (b)	1.68%	1.65%	1.65%		
Management expense ratio before absorptions (c)	1.68%	1.65%	1.65%		
Trading expense ratio (d)	0.03%	0.03%	0.02%		
Portfolio turnover rate (e)	63.24%	103.95%	61.95%		
Net asset value per unit (\$) (a)	13.95	13.42	13.02		
Class I (USD)					
Total net asset value (\$000s) (a)	35,290	23,199	15,621		
Number of units outstanding (a)	2,522,383	1,724,282	1,197,716		
Management expense ratio (b)	1.00%	1.00%	1.00%		
Management expense ratio before absorptions (c)	1.00%	1.00%	1.00%		
Trading expense ratio (d)	0.03%	0.03%	0.02%		
Portfolio turnover rate (e)	63.24%	103.95%	61.95%		
Net asset value per unit (\$) (a)	13.99	13.45	13.04		

Pender Corporate Bond Fund

For the year ended December 31, 2021

Ratios and Supplemental Data (cont'd)

	2021	2020	2019	2018	2017
Class N (USD)					
Total net asset value (\$000s) (a)	2,664	2,713	3,648		
Number of units outstanding (a)	190,261	202,357	280,525		
Management expense ratio (b)	0.72%	0.75%	0.75%		
Management expense ratio before absorptions (c)	0.72%	0.75%	0.75%		
Trading expense ratio (d)	0.03%	0.03%	0.02%		
Portfolio turnover rate (e)	63.24%	103.95%	61.95%		
Net asset value per unit (\$) (a)	14.00	13.41	13.00		

(a) This information is derived from the Fund's audited annual financial statements as at December 31 for the year stated, prepared under International Financial Reporting Standards.

(b) Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the year and is expressed as an annualized percentage of daily average net asset value during the year. The MER may vary from one class of units to another because of differences in the applicable management fees and certain fees and expenses may have been absorbed by the Manager which would otherwise be reflected in the Fund.

(c) The Manager of the Fund has agreed to absorb sufficient expenses of the Fund, as necessary, such that the annual MER before applicable taxes such as GST or HST will not exceed certain limits as outlined in the Fund's Simplified Prospectus. The amount of expenses absorbed is at the discretion of the Manager as set out in the Fund's Simplified Prospectus, and the Manager may in its sole discretion cease to absorb expenses.

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

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

Pender Corporate Bond Fund

For the year ended December 31, 2021

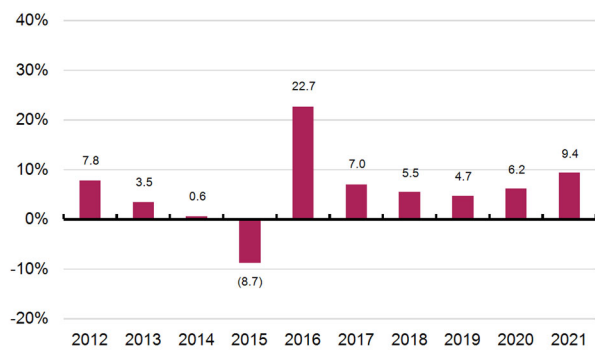
Past Performance

The following charts show the past performance for the units of each class of the Fund and do not necessarily indicate how the Fund will perform in the future. The information shown assumes that any distributions made by the Fund were reinvested in additional units of the Fund. Returns would be different if an investor did not reinvest distributions. In addition, the information does not take into account sales, redemptions, income taxes payable or other charges that would have reduced returns or performance.

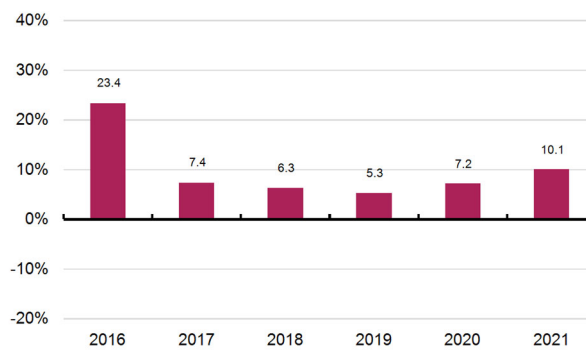
Year-by-Year Returns

To illustrate how the Fund's performance has varied over time, the following bar charts show the annual returns for the calendar years indicated. The information is presented starting from the first full financial year of the respective Fund class. In percentage terms, the bar charts show how much an investment held on the first day of the year would have increased or decreased by the last day of the year.

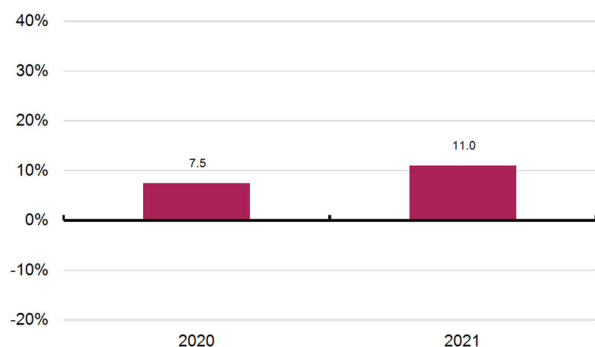
Class A



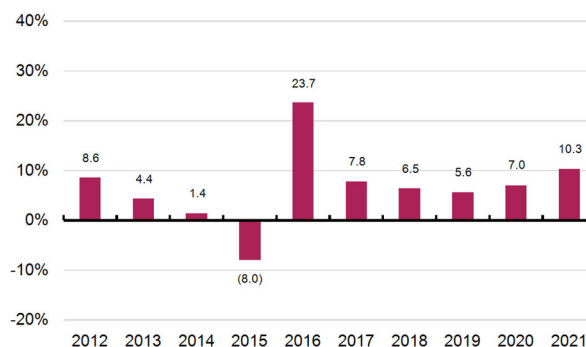
Class D



Class E



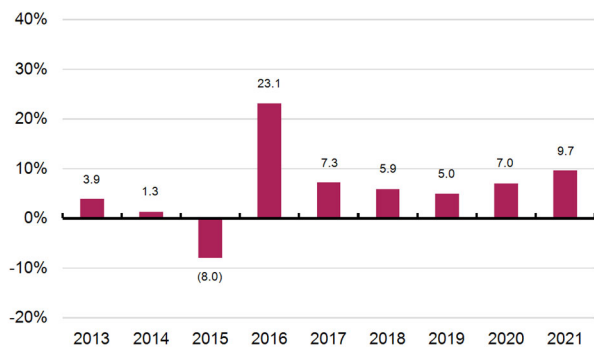
Class F



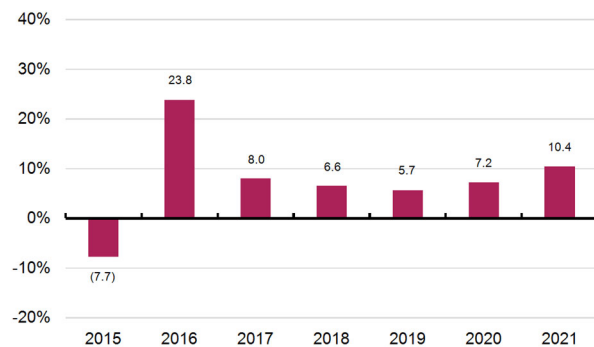
Pender Corporate Bond Fund

For the year ended December 31, 2021

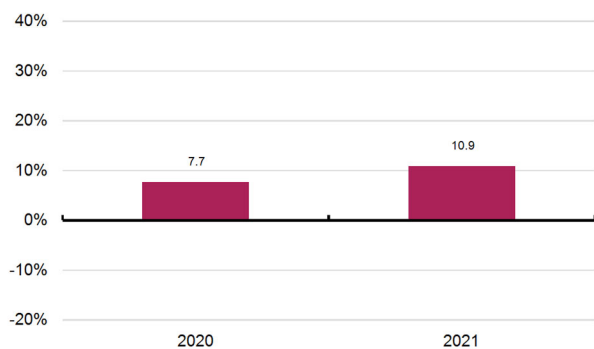
Class H



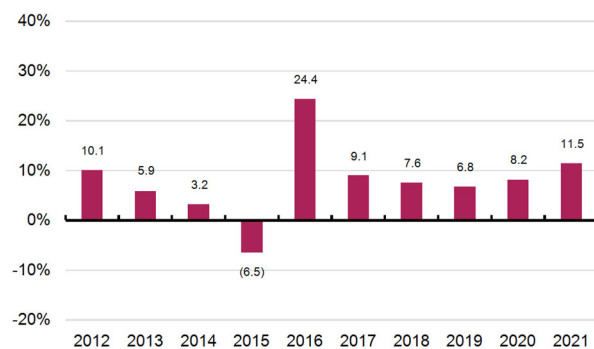
Class I



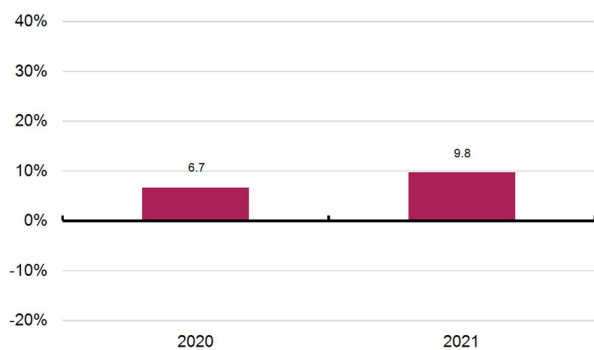
Class N



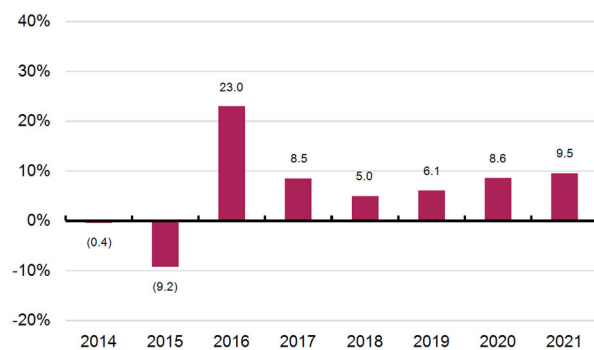
Class O



Class U



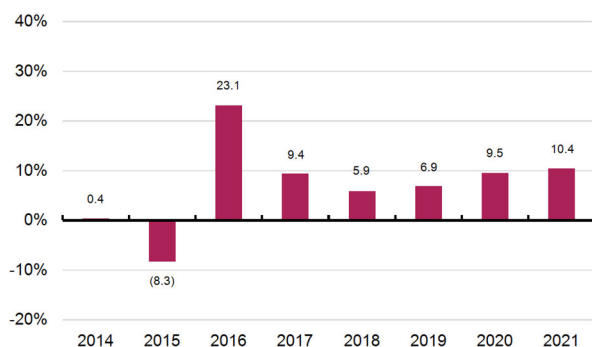
Class A (USD)



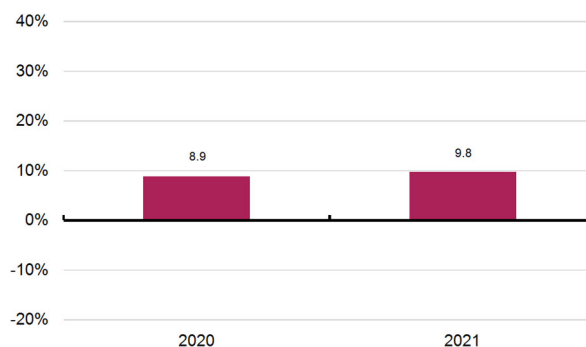
Pender Corporate Bond Fund

For the year ended December 31, 2021

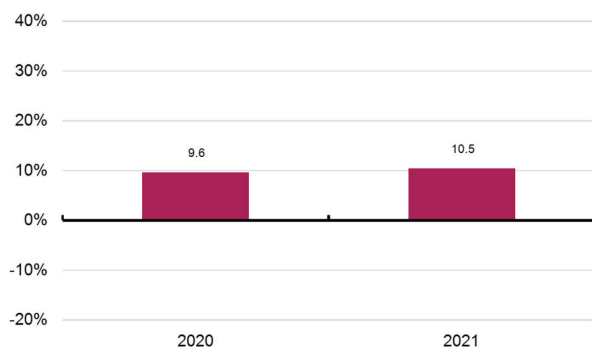
Class F (USD)



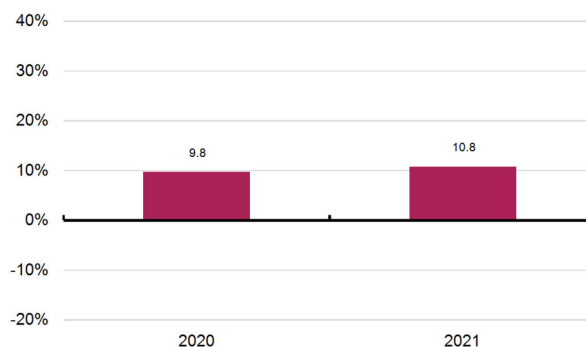
Class H (USD)



Class I (USD)



Class N (USD)



Annual Compound Returns

The annual compound returns table compares the Fund's performance to one or more benchmarks. Benchmarks are usually an index or a composite of more than one index. An index is generally made up of a group of securities. Since the Fund does not necessarily invest in the same securities as an index or in the same proportion, the Fund's performance is not expected to equal the performance of the index. Fund returns are reported net of all management fees and expenses (Prior to June 30, 2021, the Fund's MER was inclusive of applicable taxes such as GST or HST), for all classes, unlike the returns of the Fund's benchmark, which is based on the performance of an index that does not pay fees or incur expenses. It may be more helpful to compare the Fund's performance to that of other mutual funds with similar objectives and investment disciplines.

The Fund's blended benchmark is 75% ICE and 25% FTSE/TMX Canada Universe Bond Index. The FTSE/TMX Canada Bond Universe Index is the broadest and most widely used measure of performance of marketable government and corporate bonds outstanding in the Canadian market.

The ICE measure the performance of U.S. dollar denominated below investment grade (commonly referred to as "junk") corporate debt publicly issued in the U.S. domestic market. With the exception of Class A (USD), Class F (USD), Class H (USD), Class I (USD) and Class N (USD), the performance of the Fund is compared to the benchmark's performance in Canadian dollars. Performance for Class A (USD), Class F (USD), Class H (USD), Class I (USD) and Class N (USD) are compared to the benchmark's performance in U.S. dollars.

A discussion of the performance of the Fund as compared to its benchmarks is found in the "Results of Operations" section of this report.

	Inception Date	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Class A	01-Jun-09	9.4	6.8	6.6	11.6	6.3
Blended benchmark		2.9	5.5	4.5	16.1	9.0

Pender Corporate Bond Fund

For the year ended December 31, 2021

	Inception Date	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Class D	30-Jun-15	10.1	7.5	7.3	-	7.5
Blended benchmark		2.9	5.5	4.5	-	5.5
Class E	30-Aug-19	11.0	-	-	-	8.7
Blended benchmark		2.9	-	-	-	3.4
Class F	01-Jun-09	10.3	7.6	7.4	13.3	7.2
Blended benchmark		2.9	5.5	4.5	16.1	9.0
Class H	19-Jun-12	9.7	7.1	6.9	-	6.0
Blended benchmark		2.9	5.5	4.5	-	7.5
Class I	30-Jun-14	10.4	7.8	7.6	-	6.7
Blended benchmark		2.9	5.5	4.5	-	6.6
Class N	28-Jun-19	10.9	-	-	-	8.2
Blended benchmark		2.9	-	-	-	4.2
Class O	24-Nov-10	11.5	8.8	8.6	16.2	7.6
Blended benchmark		2.9	5.5	4.5	16.1	7.4
Class U	28-Jun-19	9.8	-	-	-	7.0
Blended benchmark		2.9	-	-	-	4.2
Class A (USD)	30-Aug-13	9.5	8.0	7.5	-	5.9
Blended benchmark		3.5	8.2	5.7	-	4.8
Class F (USD)	30-Aug-13	10.4	8.9	8.4	-	6.6
Blended benchmark		3.5	8.2	5.7	-	4.8
Class H (USD)	28-Jun-19	9.8	-	-	-	8.1
Blended benchmark		3.5	-	-	-	5.6
Class I (USD)	28-Jun-19	10.5	-	-	-	8.9
Blended benchmark		3.5	-	-	-	5.6
Class N (USD)	28-Jun-19	10.8	-	-	-	9.0
Blended benchmark		3.5	-	-	-	5.6

Pender Corporate Bond Fund

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Summary of Investment Portfolio

The largest holdings of the Fund as at the end of the year and the major asset classes in which the Fund was invested are indicated below. Where the Fund has less than 25 holdings, the table will show the Fund's entire investment portfolio. The investment portfolio may change due to ongoing portfolio transactions. An update of the Fund's summary of investment portfolio as at the end of each calendar quarter is available from the Manager. Please see the front page of this document for information about how this can be obtained.

Top 25 Holdings

	% of Net Assets
McDonald's Corporation, 3.13%, 2025/03/04	1.8
Paratek Pharmaceuticals, Inc., 4.75%, 2024/05/01	1.8
W&T Offshore, Inc., 9.75%, 2023/11/01	1.8
Osisko Gold Royalties Ltd., 4.00%, 2022/12/31	1.7
Uber Technologies, Inc., 8.00%, 2026/11/01	1.7
Precigen Inc., 3.50%, 2023/07/01	1.6
Team Health Holdings Inc., 3.75%, 2024/02/06	1.6
Intelsat Jackson Holdings S.A., 8.00%, 2024/02/15	1.4
Trulieve Cannabis Corp., 8.00%, 2026/10/06	1.4
Aecon Group Inc., Convertible, Callable, 5.00%, 2023/12/31	1.3
Beacon Roofing Supply Inc., Callable, 4.50%, 2026/11/15	1.3
Esperion Therapeutics Inc., 4.00%, 2025/11/15	1.3
Liberty TripAdvisor Holdings Inc., Convertible, Puttable, 0.50%, 2051/06/30	1.3
SS&C Technologies, Inc., 5.50%, 2027/09/30	1.3
Groupon Inc., Convertible, 1.13%, 2026/03/15	1.2
Hecla Mining Co., Callable, 7.25%, 2028/02/15	1.2
Plantronics Inc., Callable, 4.75%, 2029/03/01	1.2
SFL Corp. Ltd., 7.25%, 2026/05/12	1.2
Tricida, Inc., 3.50%, 2027/05/15	1.2
Tronox Inc., Callable, 4.63%, 2029/03/15	1.2
Cameco Corporation, 2.95%, 2027/10/21	1.1
Carvana Co., 5.63%, 2025/10/01	1.1
Fairfax Financial Holdings Limited, 3.95%, 2031/03/03	1.1
Government of Canada, 1.25%, 2025/03/01	1.1
Loblaw Companies Limited, 3.92%, 2024/06/10	1.1

Composition of the Portfolio

	% of Net Assets
US corporate bonds and loans	52.9
Canadian corporate bonds and loans	26.2
Foreign corporate bonds and loans	9.9
Preferred shares	6.6
Common shares	1.6
Closed end funds	0.3
Warrants	0.1
Total investments	97.6
Derivative liabilities	(0.5)
Total investment portfolio	97.1
Cash	5.2
Other assets less liabilities	(2.3)
Total net assets	100.0

Pender Corporate Bond Fund

For the year ended December 31, 2021

Caution Regarding Forward-Looking Statements

This report contains forward-looking statements about the Fund, including its strategy, prospects and further actions. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or negative versions thereof and similar expressions.

In addition, any statement made concerning future performance, strategies or prospects, and possible future Fund action is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to risks, uncertainties and assumptions about the Fund and economic factors, among other things.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements. Any number of important factors could contribute to these digressions, including, but not limited to: general economic, political and market factors in North America and internationally; interest and foreign exchange rates; global equity and capital markets; business competition; technological change; changes in government regulations; unexpected judicial or regulatory proceedings; pandemics and catastrophic events.

We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, except as may be required under applicable law, the Manager 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.



Pender Corporate Bond Fund

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