Signatory of:

PRI Principles for Responsible Investment

RIA

PENDER FIXED INCOME

PENDER CORPORATE BOND FUND

KNOW YOUR PRODUCT

penderfund.com



PENDER

FUND FACTS

PenderFund Capital Management Ltd.

Pender Corporate Bond Fund — Class F

June 25, 2021

This document contains key information you should know about Pender Corporate Bond Fund. You can find more detailed information in the fund's simplified prospectus. Ask your representative for a copy, contact PenderFund Capital Management Ltd. (Pender) at 1-866-377-4743 or info@penderfund.com or visit www.penderfund.com.

Before you invest in any fund, consider how it would work with your other investments and your tolerance for risk.

Quick facts

Fund code:	PGF510
Date class started:	June 1, 2009
Total value of the fund on April 30, 2021:	$1.1 billion
Management expense ratio (MER):	1.15%
Fund manager:	PenderFund Capital Management Ltd.
Portfolio manager(s):	Geoff Castle, PenderFund Capital Management Ltd.
Associate portfolio manager:	Parul Garg, PenderFund Capital Management Ltd.
Distributions:	Net income monthly; net capital gains annually. Automatically reinvested in additional units; cash upon request.
Minimum investment:	$5,000 initial, $100 additional

What does the fund invest in?

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.

The charts below give you a snapshot of the fund's investments on April 30, 2021. The fund's investments will change.

Top 10 investments - (April 30, 2021)

1.	Open Text Corporation, 5.875%, 01-Jun-26	2.1%
2.	Paratek Pharmaceuticals, Inc., 4.750%, 01-May-24	2.0%
3.	Uber Technologies, Inc., 8.000%, 01-Nov-26	2.0%
4.	Osisko Gold Royalties Ltd, 4.000%, 31-Dec-22	1.8%
5.	Curaleaf Holdings, Inc., 12/19 Tlb, Term Loan, 10-Jan-24	1.7%
6.	W&T Offshore, Inc., 9.750%, 01-Nov-23	1.7%
7.	Intelsat Jackson Holdings S.A., 8.000%, 15-Feb-24	1.7%
8.	VeriSign, Inc., 4.625%, 01-May-23	1.5%
9.	SFL Corporation Ltd., 7.250%, 12-May-26	1.4%
10.	McDonald's Corporation, 3.125%, 04-Mar-25	1.4%
Total percentage of top 10 Investments		**17.3%**
Total number of investments		**183**

Investment mix - (April 30, 2021)

Information Technology	14.2%
Health Care	12.5%
Energy	11.7%
Diversified Financials	11.4%
Industrials	10.4%
Consumer Discretionary	8.6%
Materials	5.9%
Cash	5.4%
Communication Services	5.3%
Consumer Staples	4.1%
Banks	3.6%
Insurance	3.0%
Utilities	2.8%
Real Estate	0.7%
Closed End Funds	0.4%

How risky is it?

The value of the fund can go down as well as up. You could lose money. One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

Risk rating

Pender has rated the volatility of Class F of the fund as low.

This rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.

Low	Low to Medium	Medium	Medium to High	High

For more information about the risk rating and specific risks that can affect the fund's returns, see the section titled "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund" in the fund's simplified prospectus.

No guarantees

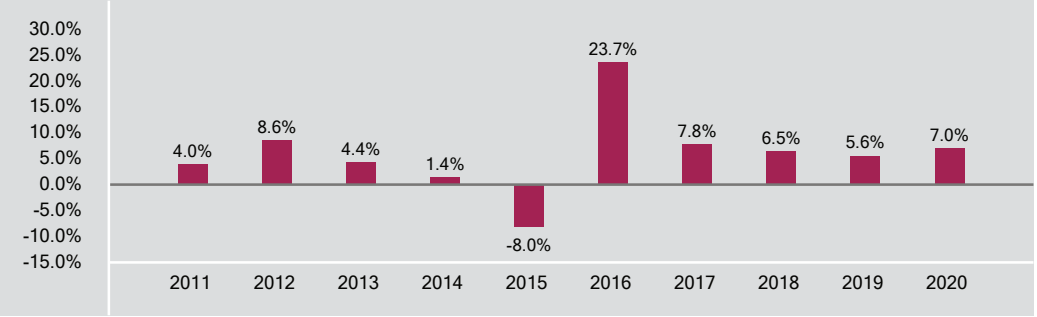
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

How has the fund performed?

This section tells you how Class F units of the fund have performed over the past 10 calendar years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

YEAR-BY-YEAR RETURNS

This chart shows how Class F units of the fund have performed in each of the past 10 calendar years. The fund dropped in value in 1 of the 10 calendar years. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.



BEST and WORST 3-MONTH RETURNS

This table shows the best and worst returns for Class F units of the fund in a 3-month period over the past 10 years. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3 months ended	If you invested $1,000 at the beginning of the period
Best return	10.4%	January 31, 2021	Your investment would rise to $1,104.
Worst return	-12.6%	March 31, 2020	Your investment would drop to $874.

AVERAGE RETURN

The annual compounded return of Class F units of the fund was 6.1% over the past 10 years. If you had invested $1,000 in the fund 10 years ago, your investment would be now worth $1,805.

Who is this fund for?

This fund is suitable for investors who want to maximize the long-term growth potential of their capital. Investors in this fund should have a long-term investment time horizon and a low tolerance for investment risk. This fund is not suitable for those who have a short or medium time horizon for their investment.

A word about tax

In general, you pay income tax on your share of the fund's earnings and on any gains you realize from redeeming your investment. The amount of tax depends on the tax rules and rates that apply to you, and whether you hold the fund in a registered plan, such as an RRSP or TFSA.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell Class F units of the fund. The fees and expenses – including any commissions – can vary among classes of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

1. SALES CHARGES

There are no sales charges for Class F units of the fund.

2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. As of December 31, 2020, the expenses of Class F were 1.18% of the value of this class. This equals $11.80 for every $1,000 invested.

	Annual rate (as a % of the class' value)
Management expense ratio (MER) This is the total of the fund's management fee (including, if applicable, the trailing commission) and administration fee.	1.15%
Trading expense ratio (TER) These are the fund's trading costs for this class.	0.03%
Fund expenses	1.18%

More about the trailing commission

No trailing commission is paid by Pender to your representative's firm in respect of Class F securities.

3. OTHER FEES

You may have to pay other fees when you buy, hold, sell or switch units of the fund.

Fee	What you pay
Short-term trading fee	You may be charged up to 2.00% of the value of units you sell or switch within 30 days of buying them. This fee goes to the fund.
Switch fee	Your representative's firm may charge you up to 2.00% of the value of units you switch to another class of the fund or to another fund managed by Pender.
Fee-based account fee	You may pay a fee-based account fee, which is negotiated between you and your representative, and paid directly to your representative's firm. Investors who purchase this class of the fund generally participate in an eligible fee-based program with their representative's firm.

What if I change my mind?

Under the securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund units within two business days after you receive a simplified prospectus or Fund Facts document; or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you will also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document; or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

For more information

Contact Pender or your representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents, which can be found on our website at www.penderfund.com or on the SEDAR website at www.sedar.com.

PenderFund Capital Management Ltd.
1066 W. Hastings St., Suite 1830
Vancouver, BC V6E 3X2
Toll Free: 1-866-377-4743
Fax: 604-563-3199
Email: info@penderfund.com
www.penderfund.com

To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at **www.securities-administrators.ca**.

PENDER

Forward thinking. Finding value.

FIXED INCOME

December 2021 / CLASS F

Pender Corporate Bond Fund

The Pender Corporate Bond Fund is an income fund that is both conservatively managed to preserve capital as well as opportunistic to generate returns. The Fund is focused on key credit characteristics - coverage, seniority and duration. It is driven by bottom up fundamental analysis, and seeks to use its nimble size to invest in opportunities large or index based funds cannot. This advantage could provide investors with an attractive cash yield, while maintaining positions in attractively valued securities that provide a margin-of-safety for investors.

NET ASSET VALUE	AS OF Dec 31/21
Class F	$12.88
Current Yield (%)	4.63
Yield to Maturity (%)	5.27
Term to Maturity (years)	4.77
Duration (years)	3.58
Total Holdings	188
Total Net Assets of Fund	$1.39 Billion

FUND FACTS	
Asset Class	Fixed Income Securities
Fund Inception	June 2009
Valuations	Daily
Eligibility	Canada-wide Registered Plans
Distributions	DRIP Monthly Cash Optional

FUND INFO	CODES	US CODES	MER
Class A	PGF 500	PGF 501	1.90%
Class F	PGF 510	PGF 511	1.10%
Class H	PGF 540	PGF 541	1.60%
Class I	PGF 550	PGF 551	0.95%
Class D	PGF 560		1.10%
Class U	PGF 518		1.10%

MINIMUM INVESTMENT	Initial Investment	Subsequent Investment
Class A	$5,000	$100
Class F	$5,000	$100
Class H	$100,000	$100
Class I	$100,000	$100
Class D	$5,000	$100

FUND OVERVIEW	
Legal Counsel	Lawson Lundell LLP
Fund Admin	CIBC Mellon
Auditor	KPMG LLP

PERFORMANCE (%)

1 Mo.	3 Mo.	6 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	SINCE INCEPTION
0.5	1.3	2.6	10.3	7.6	7.4	6.5	7.2

ANNUAL PERFORMANCE (%)

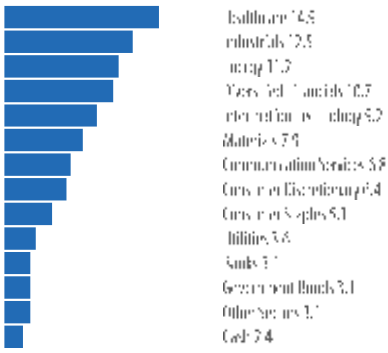
2014	2015	2016	2017	2018	2019	2020	2021	2021 YTD
1.4	-8.0	23.7	7.8	6.5	5.6	7.0	10.3	10.3

DISTRIBUTIONS ($)

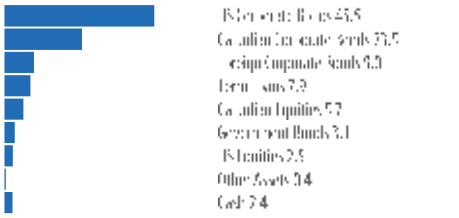
Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	SINCE INCEPTION
0.04	0.05	0.04	0.04	0.04	0.05	0.78	7.29

Since inception returns based on distributions from Jun 2009. All returns greater than 1 year are annual compounded returns

SECTOR ALLOCATION (%)



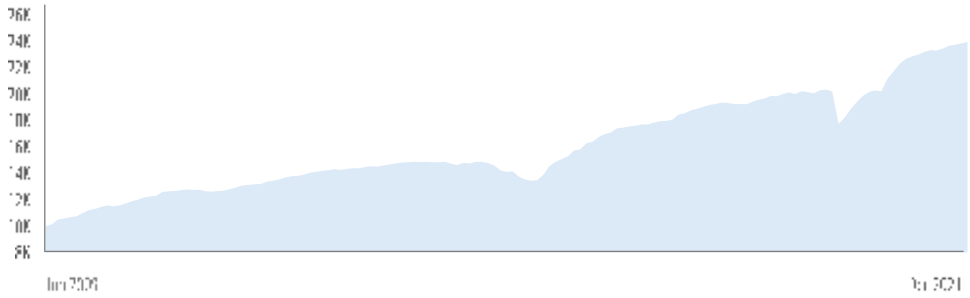
ASSET ALLOCATION (%)



CURRENCY ALLOCATION (%)



GROWTH OF $10K



PORTFOLIO MANAGER(S)





PenderFund Capital Management Ltd.

Lead Manager:
Geoff Castle, MBA, Portfolio Manager

Co-Manager:
Parul Garg, MBA, Associate Portfolio Manager

TOP 10 HOLDINGS

McDonald s Corporation, 3.125%, 04-Mar-25	McDonald s Corporation operates and franchises McDonald's restaurants in the United States and internationally.
Paratek Pharmaceuticals, Inc., 4.750%, 01-May-24	Paratek Pharmaceuticals, Inc., a commercial-stage biopharmaceutical company, focuses on the development and commercialization of life-saving therapies for life-threatening diseases or other public health threats for civilian, government, and military use.
W&T Offshore, Inc., 9.750%, 01-Nov-23	W&T Offshore, Inc., an independent oil and natural gas producer, engages in the acquisition, exploration, and development of oil and natural gas properties in the Gulf of Mexico. The company sells crude oil, natural gas liquids, and natural gas.
Osisko Gold Royalties Ltd., 4.000%, 31-Dec-22	Osisko Gold Royalties Ltd acquires and manages precious metal and other royalties, streams, and offtake and other interests in Canada and internationally.
Uber Technologies, Inc., 8.000%, 01-Nov-26	Uber Technologies, Inc. develops and operates proprietary technology applications in the United States, Canada, Latin America, Europe, the Middle East, Africa, and the Asia Pacific.
Precigen, Inc., 3.500%, 01-Jul-23	Precigen, Inc. discovers and develops the next generation of gene and cellular therapies in the United States.
Team Health Holdings, Inc., 1/1/ Tlb, Term Loan, 06-Feb-24	Team Health Holdings, Inc. provides outsourced healthcare professional staffing and administrative services to hospitals and other healthcare providers in the United States.
Intelsat Jackson Holdings S.A., 8.000%, 15-Feb-24	Intelsat Jackson Holdings S.A. is a debt issuing vehicle.
Trulieve Cannabis Corp, 8.000%, 06-Oct-26	Trulieve Cannabis Corp., together with its subsidiaries, operates as a medical cannabis company.
SS&C Technologies, Inc., 5.500%, 30-Sep-27	SS&C Technologies, Inc. provides investment management software and services.

Source: Capital IQ

ABOUT PENDER

Pender was founded in 2003 and is an independent, employee-owned investment firm located in Vancouver, British Columbia. Our goal is to protect and grow wealth for our investors over time. We have a talented investment team of expert analysts, security selectors and independent thinkers who actively manage our suite of differentiated investment funds, exploiting inefficient parts of the investing universe to achieve our goal.

PORTFOLIO MANAGER(S)

GEOFF CASTLE, MBA

Mr. Castle began his investing career in 2000 and has experience in both public mutual funds and proprietary investment fund management for ultra-high net worth individuals. His background also includes more than five years of industry experience in trade credit and general corporate management. As a fixed income manager, his focus has been on seeking enhanced yield opportunities in situations where substantial margins of safety exist. Mr. Castle holds a Bachelor of Arts degree from UBC and an MBA from the Richard Ivey School of Business at the University of Western Ontario. He is a member of the CFA Institute.

PARUL GARG, MBA

Ms. Garg has been investing since 2009. She started her career as a Software Engineer, focusing on projects in the financial domain before working as a Fixed Income Derivative Analyst for two years at a private investment firm in India. She also worked in Product Development with the Business Development Team for Fixed Income Markets at the MCX Stock Exchange in India. She has a Bachelors of Technology in Civil Engineering from NIT Surat in India, an MBA from the Beedie School of Business at Simon Fraser University, and has completed CFA Level 1.

PenderFund Capital Management Ltd.
1830-1066 West Hastings, Street
Vancouver, BC V6E 3X2

Toll Free: 1-866-377-4743
Tel: (604) 688-1511 Fax: (604) 563-3199

PENDER
Forward thinking. Finding value.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the simplified prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in net asset value and assumes reinvestment of all distributions and are net of all management and administrative fees, but do not take into account sales, redemption or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Where the performance of a particular class of a fund is displayed, other classes are available and fees and performance may differ in those other classes. This commentary is intended for information purposes only and does not constitute an offer to buy or sell our products or services nor is it intended as investment and/or financial advice on any subject matter and is provided for your information only. Every effort has been made to ensure the accuracy of its contents. Dec 31/21.

PENDER
CORPORATE BOND FUND

Additional Fund Information
Class F, December 31, 2021

NAV PER UNIT	
Class A	$12.86
Class H	$11.45
Class F	$12.88
Class I	$11.14
Class U	$10.52
Class A (US$)	$11.63
Class F (US$)	$11.48
Class H (US$)	$11.03
Class I (US$)	$11.06

BOND RATINGS	% OF FUND	% OF BONDS
AAA	3%	4%
AA	0%	0%
A	3%	4%
BBB	14%	15%
Below BBB-	38%	42%
Unrated	31%	35%
Canadian Equities	6%	
US Equities	3%	
Foreign Equities	0%	
Closed End Funds	0%	
Cash	2%	

COUNTRY OF DOMICILE	
United States	55.5%
Canada	31.9%
International	10.2%
Cash	2.4%

TERM TO MATURITY	% OF FUND	% OF BONDS
Less than 1 year	2%	2%
1-5 years	53%	60%
5-10 years	30%	34%
10-20 years	1%	1%
More than 20 years	3%	3%
Non fixed income	11%	

SUPPLEMENTAL INFORMATION	
Alpha	3.20
Beta	0.28
Correlation	0.32
Sharpe	1.01
Standard Deviation	5.22
Up Capture	70
Down Capture	66

Supplemental Information Statistics are calculated based on class A units of the fund since the fund's inception date. The actual results for class F units should be substantially similar to above units.

TOP 10 HOLDINGS	16.1%
McDonald's Corporation, 3.125%, 04-Mar-25	1.8%
Paratek Pharmaceuticals, Inc., 4.750%, 01-May-24	1.8%
W&T Offshore, Inc., 9.750%, 01-Nov-23	1.8%
Osisko Gold Royalties Ltd., 4.000%, 31-Dec-22	1.7%
Uber Technologies, Inc., 8.000%, 01-Nov-26	1.7%
Precigen, Inc., 3.500%, 01-Jul-23	1.6%
Team Health Holdings, Inc., 1/17 Tlb, Term Loan, 06-Feb-24	1.6%
Intelsat Jackson Holdings S.A., 8.000%, 15-Feb-24	1.4%
Trulieve Cannabis Corp, 8.000%, 06-Oct-26	1.4%
SS&C Technologies, Inc., 5.500%, 30-Sep-27	1.3%

OUR INVESTMENT TEAM



GEOFF CASTLE
Portfolio Manager

Investing since 2000
Public and proprietary portfolio management
Experienced credit analyst
Cross capital structure expertise
Joined Pender in 2015

Geoff Castle is the Portfolio Manager of the Pender Corporate Bond Fund, a role he assumed in September, 2015. In both 2018 and 2019 the Pender Corporate Bond Fund was recognised with a Lipper Fund Award, which is awarded for superior risk-adjusted returns. Geoff's experience as a professional investor spans two decades, and includes experience in both public mutual funds and proprietary investment fund management for ultra-high net worth individuals. Geoff holds a Bachelor of Arts degree from UBC (1989) and a Master of Business Administration from the Richard Ivey School of Business at the University of Western Ontario (1996).
Full Biography



PARUL GARG, MBA
Associate Portfolio Manager

Investing since 2009
High yield, stressed and distressed credit focus
CFA Level 1
Joined Pender in 2015

Parul Garg, MBA, Associate Portfolio Manager: Parul Garg is the Associate Portfolio Manager for the Pender Corporate Bond Fund. She started her career as a Software Engineer, before transitioning to Fixed Income, working as a Derivatives Analyst at a private investment firm and on the Business Development Team for the Fixed Income Markets at the MCX Stock Exchange in India before moving to Vancouver in 2014 to start her MBA. Parul has a Bachelors of Technology in Civil Engineering from NIT Surat in India, a Masters of Business Administration from the Beedie School of Business at Simon Fraser University, and has completed CFA Level 1. She also sits on the Steering Committee for the Vancouver chapter of Women in Capital Markets.



EMILY WHEELER, CFA
Associate Portfolio Manager

Investing since 2004
Fixed income focus
Equity and alternative strategies experience
Joined Pender in 2019

Emily Wheeler is the Associate Portfolio Manager for the Pender Bond Universe Fund. Prior to joining Pender, Emily worked for a Vancouver based investment management firm that ran mandates including value, fixed income, growth and several alternative strategies. She began her career there in 2004 where she traded equities, fixed income, options and currency for the firm's growth, value, fixed income and an alternative strategy mandate and most recently held the title of Portfolio Manager working with the firm's value and high yield teams. Emily holds a Bachelor of Arts degree from the University of British Columbia. She is a CFA charterholder and a member of CFA Society Vancouver.



Read or Listen

Shortcuts to our latest updates…

PENDER

BLOG POSTS

READ

COMMENTARIES

READ

PODCASTS

LISTEN

NEWS

READ

FOR MORE INFORMATION:



ERIC TSE
Vice President,
National Retail Sales
+1 778 996 9861
etse@penderfund.com



IAN COLLINS
Vice President,
Business Development
+1 604 219 9598
icollins@penderfund.com



BEN MYERS
Regional Vice President,
Ontario
+1 647 203 2736
bmyers@penderfund.com



TOM TIEN
Regional Vice President,
Ontario
+1 647 408 3090
ttien@penderfund.com



RYAN TASCIYAN
Regional Vice President,
Quebec
+1 514 295 9509
rtasciyan@penderfund.com



PATRICK HOGAN
Regional Vice President,
Alberta & Manitoba
+1 780 850 4999
phogan@penderfund.com



LAURENT GALARNEAU
Regional Vice President,
Quebec
(514) 835-8423
lgalarneau@penderfund.com



LUCY NAIR
Business Development Manager,
Western Canada
+1 778 945 1147
lnair@penderfund.com



SARA EMBURY
Regional Vice President,
BC & Saskatchewan
+1 604 630 5450
sembury@penderfund.com



MICHAEL YOUNG, CFA
Business Development Manager,
Ontario
+1 437 238 4589
myoung@penderfund.com



ALEXANDER TOTH
Business Development Manager,
BC
+1 604 630 5451
atoth@penderfund.com



KELLY CHAN
Business Development Manager
(647) 291-2377
kchan@penderfund.com



ANNA TALMAN
Sales Co-Ordinator
(778) 317-3170
atalman@penderfund.com

PENDER

PenderFund Capital Management Ltd.

Pender was founded in 2003 and is an independent, employee-owned investment firm located in Vancouver, British Columbia.

Our goal is to protect and grow wealth for our investors over time. We have a talented investment team of expert analysts, security selectors and independent thinkers who actively manage our suite of niche investment funds, exploiting inefficient parts of the investing universe to achieve our goal.

Commissions, trailing commissions, management fees and expenses plus applicable taxes all may be associated with mutual fund investments. Please read the simplified prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in net asset value and assume reinvestment of all distributions and are net of all management and administrative fees, but do not take into account sales, redemption or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Where the performance of a particular class of a fund is displayed, other classes are available and fees and performance may differ in those other classes. This communication is intended for information purposes only and does not constitute an offer to buy or sell our products or services nor is it intended as investment and/or financial advice on any subject matter and is provided for your information only. Every effort has been made to ensure the accuracy of its contents. Certain of the statements made may contain forward-looking statements, which involve known and unknown risk, uncertainties and other factors which may cause the actual results, performance or achievements of the Pender Funds or their investee companies, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

© Copyright PenderFund Capital Management Ltd. All rights reserved.

penderfund.com