

Signatory of:



# PENDER EQUITY

PENDER VALUE FUND

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[penderfund.com](http://penderfund.com)



This document contains key information you should know about Pender Value 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

<b>Fund code:</b>	PGF210	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	June 28, 2013	<b>Portfolio manager(s):</b>	David Barr, CFA, Felix Narhi, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on April 30, 2021:</b>	\$319.2 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	1.40%	<b>Minimum investment:</b>	\$5,000 initial, \$100 additional

### What does the fund invest in?

The fund invests primarily in Canadian and US securities but may also invest in foreign securities. The fund will focus on businesses that have the potential for growth over the long term and have securities that trade at favourable prices.

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. Burford Capital Limited	6.3%
2. SS&C Technologies Holdings, Inc.	4.1%
3. MAV Beauty Brands Inc.	3.6%
4. Baidu, Inc.	3.3%
5. Interactive Brokers Group, Inc.	3.3%
6. Premium Brands Holdings Corporation	3.3%
7. ProntoForms Corporation	3.1%
8. Zillow Group, Inc.	3.0%
9. BuildDirect.com Technologies Inc.	2.9%
10. IAC/InterActiveCorp	2.9%
<b>Total percentage of top 10 Investments</b>	<b>35.8%</b>
<b>Total number of investments</b>	<b>61</b>

#### Investment mix - (April 30, 2021)

Information Technology	21.3%
Diversified Financials	20.9%
Communication Services	16.9%
Consumer Discretionary	14.1%
Consumer Staples	9.3%
Health Care	6.3%
Energy	4.8%
Materials	3.6%
Real Estate	2.3%
Industrials	0.5%
Cash	0.0%

### 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 medium to high.**

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
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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

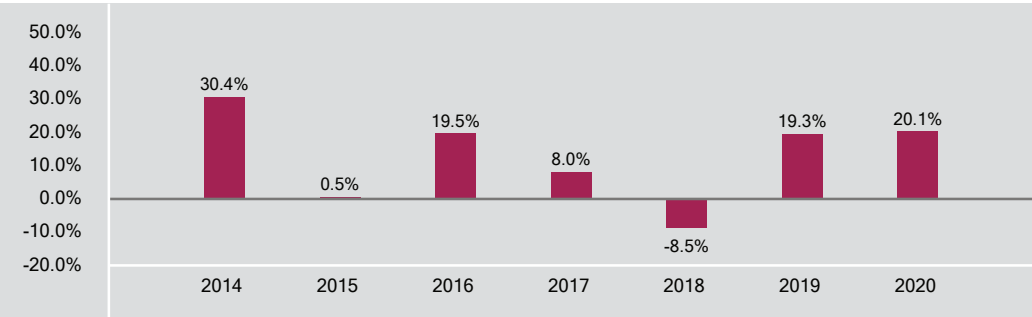
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

How has the fund performed?

This section tells you how Class F units of the fund have performed over the past 7 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 7 calendar years. The fund dropped in value in 1 of the 7 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 7 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	38.2%	January 31, 2021	Your investment would rise to \$1,382.
Worst return	-32.5%	March 31, 2020	Your investment would drop to \$675.

AVERAGE RETURN

The annual compounded return of Class F units of the fund was 15.3% since inception. If you had invested \$1,000 in the fund since inception, your investment would be now worth \$3,056.

Who is this fund for?

This fund is suitable for investors who want to maximize the long-term potential growth of their capital. Investors in this fund should have a long-term investment time horizon and a medium to high tolerance for investment risk. This fund is not suitable for those with a low tolerance for risk in their returns or 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 1.53% of the value of this class. This equals \$15.30 for every \$1,000 invested.

	Annual rate (as a % of the class' value)
<b>Management expense ratio (MER)</b>	1.40%
This is the total of the fund's management fee (including, if applicable, the trailing commission) and administration fee.	
<b>Trading expense ratio (TER)</b>	0.13%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	1.53%

#### 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
<b>Short-term trading fee</b>	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.
<b>Switch fee</b>	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.
<b>Fee-based account fee</b>	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](http://www.penderfund.com) or on the SEDAR website at [www.sedar.com](http://www.sedar.com).

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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](http://www.securities-administrators.ca).



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## EQUITY

December 2021 / CLASS F

## Pender Value Fund

NET ASSET VALUE	AS OF Dec 31/21
Class F	\$21.81
Fund Beta	1.14
Active Share (%)	99.73
Total Holdings	50
Total Net Assets of Fund	\$265.60 Million

### FUND FACTS

Asset Class	Canadian and US Equity Fund
Fund Inception	June 2013
Valuations	Daily
Eligibility	Canada-wide Registered Plans
Distributions	DRIP Annually Cash Optional

### FUND INFO

	CODES	MER
Class A	PGF 200	2.35%
Class F	PGF 210	1.35%
Class H	PGF 240	2.05%
Class I	PGF 250	1.20%
Class D	PGF 260	1.35%

### 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

### PORTFOLIO MANAGER(S)



PenderFund Capital Management Ltd.

Lead Manager:

David Barr, CFA, CEO & Portfolio Manager

Co-Manager:

Felix Narhi, CFA, Chief Investment Officer  
& Portfolio Manager

The Pender Value Fund is a go-anywhere, concentrated portfolio consisting of the top "Best Ideas" from the Pender Investment team, including special situations. Bottom up fundamental analysis of each investment results in a portfolio of securities which we believe have the potential for long term capital appreciation, regardless of market cap or geographical constraints.

### PERFORMANCE (%)

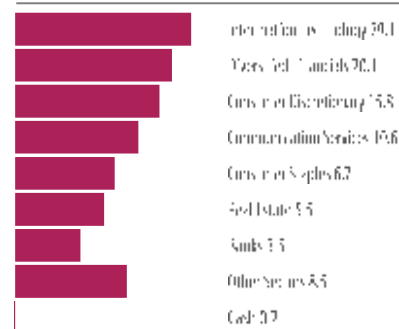
	1 Mo.	3 Mo.	6 Mo.	1 Yr.	3 Yr.	5 Yr.	SINCE INCEPTION
	-1.1	-4.0	-11.8	-0.8	12.4	7.1	12.3

### ANNUAL PERFORMANCE (%)

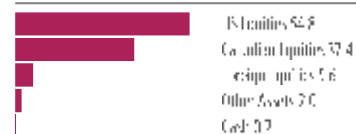
	2014	2015	2016	2017	2018	2019	2020	2021	2021 YTD
	30.4	0.5	19.5	8.0	-8.5	19.3	20.1	-0.8	-0.8

Since inception results are from Jun 2013. All results greater than 1 year are annualized compound returns.

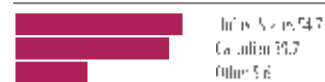
### SECTOR ALLOCATION (%)



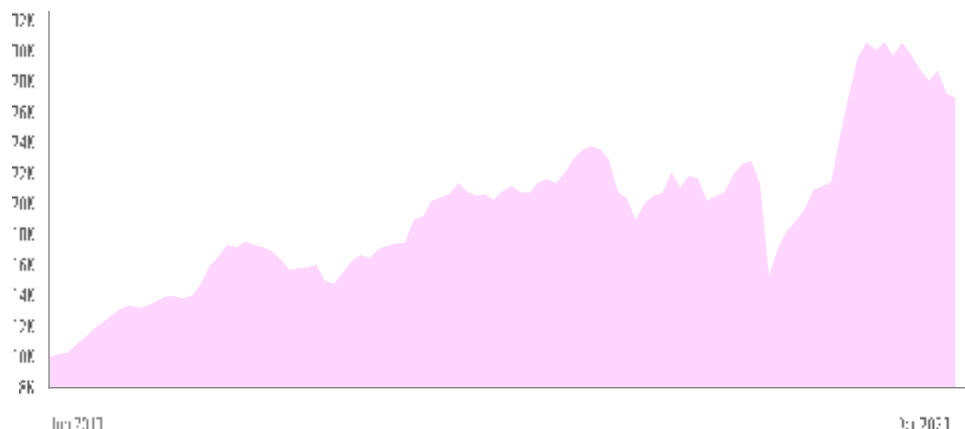
### ASSET ALLOCATION (%)



### CURRENCY ALLOCATION (%)



### GROWTH OF \$10K



penderfund.com



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PenderFund Capital Management



info@penderfund.com

## TOP 10 HOLDINGS

Burford Capital Limited <b>NYSE: BUR</b>	Burford Capital Limited, together with its subsidiaries, provides investment capital, asset management, financing, and risk solutions for the legal sector in Guernsey and internationally.
Interactive Brokers Group, Inc. <b>NasdaqGS: IBKR</b>	Interactive Brokers Group, Inc. operates as an automated electronic broker worldwide.
Optiva Inc. <b>TSX: OPT</b>	Optiva Inc. provides cloud-native revenue management software to communication service providers (CSP) in Europe, the Middle East, Africa, North America, Latin America, the Caribbean, Asia, and the Pacific Rim.
SS&C Technologies Holdings <b>NasdaqGS: SSNC</b>	SS&C Technologies Holdings, Inc., together with its subsidiaries, provides software products and software-enabled services to financial services and healthcare industries.
Dye & Durham Limited <b>TSX: DND</b>	Dye & Durham Limited, through its subsidiary, Dye & Durham Corporation, provides cloud-based software and technology solutions for legal firms, financial service institutions, and government organizations in Canada, Australia, Ireland, and the United Kingdom.
Universal Technical Institute, Inc. <b>NYSE: UTI</b>	Universal Technical Institute, Inc. provides transportation and technical training programs in the United States.
Exor N.V. <b>BIT: EXO</b>	Exor N.V., together with its subsidiaries, engages in the luxury goods, reinsurance, automotive, agricultural equipment, construction equipment, commercial vehicles, and professional football businesses.
Federal National Mortgage Association <b>OTCPK: FNMA.S</b>	Federal National Mortgage Association provides a source of financing for mortgages in the United States.
Sangoma Technologies Corp. <b>TSX: STC</b>	Sangoma Technologies Corporation develops, manufactures, distributes, and supports voice and data connectivity components for software-based communication applications worldwide.
Baidu, Inc. <b>NasdaqGS: BIDU</b>	Baidu, Inc. provides internet search services in China.

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)

**DAVID BARR, CFA**

Mr. Barr is the CEO of PenderFund. He is also the Portfolio Manager of several of Pender's funds and has been investing since 2000. Mr. Barr is an advocate of value investing and aims to determine the intrinsic value of a company and to buy shares in that company at a significant discount to that value (margin-of-safety). He looks for value in unloved and unfollowed parts of the market where he can find quality at a discount. Capital preservation and downside protection are a primary concern. Mr. Barr holds a Bachelor of Science degree from the University of British Columbia and an MBA from the Schulich School of Business at York University. He earned his CFA designation in 2003 and is a past President and an active member of the CFA Society Vancouver.

**FELIX NARHI, CFA**

Mr. Narhi is Chief Investment Officer and a Portfolio Manager at PenderFund. He began his investing career in 1999 and advocates a business-like approach to investing. Sound investing is the process of determining the value underlying a security and then buying it at a considerable discount to that value. The greatest challenge is to maintain the necessary balance between patience and discipline to buy only when prices are attractive and to sell when they are dear. Mr. Narhi holds a Bachelor of Commerce degree from the University of British Columbia. He earned his CFA designation in 2003 and is a member of CFA Society Vancouver.

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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.

**NAV PER UNIT**

Class A	\$21.26
Class H	\$15.32
Class F	\$21.81
Class I	\$15.92

**SUPPLEMENTAL INFORMATION**

Alpha	-2.42
Beta	1.20
Correlation	0.75
Sharpe	0.65
Standard Deviation	17.01
Up Capture	46
Down Capture	38

*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**

**39.2%**

Burford Capital Limited	4.9%
Interactive Brokers Group, Inc.	4.3%
Optiva Inc.	4.3%
SS&C Technologies Holdings, Inc.	4.2%
Dye & Durham Limited	3.8%
Universal Technical Institute, Inc.	3.8%
Exor N.V.	3.7%
Federal National Mortgage Association	3.5%
Sangoma Technologies Corporation	3.5%
Baidu, Inc.	3.2%

**COUNTRY OF DOMICILE**

United States	47.1%
Canada	37.5%
International	13.4%
Mutual Funds	1.8%
Cash	0.2%

# OUR EQUITY INVESTMENT TEAM



**DAVID BARR, CFA**  
**CEO & Portfolio Manager**

Investing since 2000  
Micro to mid cap focus  
Technology and special situations specialist  
Joined Pender in 2003

David Barr is Pender's CEO and the Portfolio Manager of several of Pender's funds. David began his investing career in 2000, initially working in private equity. He joined Pender in 2003, was appointed Chief Investment Officer in 2007, before becoming President and CEO of Pender in 2016. David holds an MBA from the Schulich School of Business and earned his CFA designation in 2003.

***Full Biography***



**FELIX NARHI, CFA**  
**Chief Investment Officer & Portfolio Manager**

Investing since 1999  
Small to large cap focus  
Senior equity analyst experience  
Joined Pender in 2013

Felix Narhi is the Chief Investment Officer at Pender and the Portfolio Manager and Co-Manager of several of Pender's funds. Felix spent over nine years at an independent and value-oriented investment firm in Vancouver. As a Director and Senior Equity Analyst, he contributed thought leadership and primarily US equity idea coverage. Felix holds a Bachelor of Commerce degree from the University of British Columbia and earned his CFA designation in 2003.

***Full Biography***



**AMAR PANDYA, CFA**  
**Portfolio Manager**

Investing since 2011  
Expert in event driven special situations  
Focus on M&A  
Joined Pender in 2017

Amar began his investment career in 2011 in the Portfolio Management Training Program at a large global financial services company. He moved to pursue his passion for equities becoming an APM at a large-cap equity value firm before being drawn to Pender and the west coast in 2017. As an advocate of a contrarian value investing approach, Amar has expertise in event driven special situations with a primary focus on M&A and balance sheet driven special situations. He holds a Bachelor of Commerce degree in Finance (Honours) from the University of Manitoba. He earned his Chartered Financial Analyst designation in 2015.

***Full Biography***

**SHARON WANG**  
**Senior Investment Analyst**

Investing since 2007  
Small cap specialist  
Sell-side equity analyst experience  
Completed CFA Program  
Joined Pender in 2013

***Biography***

**TRACY TIDY, CFA**  
**Investment Analyst**

Investing since 2006  
Small to mid cap focus  
Joined Pender in 2019

***Biography***

**VICTORIA ZHANG**  
**Investment Analyst**

Investing since 2017  
Portfolio and investment analytics  
Completed CFA program  
Joined Pender in 2017

***Biography***





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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.

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