

PENDER LIQUID ALTERNATIVES



JUSTIN JACOBSEN, CFA
PORTFOLIO MANAGER

Investment Process: Pender Alternative Absolute Return Fund

Valuation & Market Opportunity

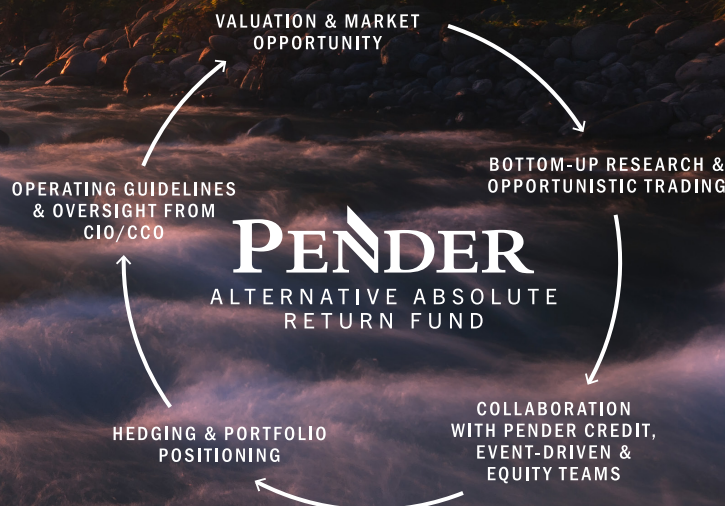
Both market and individual security valuations will drive portfolio positioning. While attractive individual positions can be identified in any market environment, the overall balance of risks and returns will guide the portfolio construction process.

Bottom-Up Research & Opportunistic Trading

Fundamental analysis will identify individual securities that offer attractive risk-adjusted returns compared to the broad market. The Fund will seek to add value by actively trading securities that are detached from fundamental value due to short term technical forces. These include new issues and large fund flows into and out of the market. By acting as a liquidity provider, the Fund will look to capture attractive liquidity premiums.

Collaboration with Pender Credit, Event-Driven & Equity Teams

We will actively collaborate with other Pender investment team members to validate and monitor existing positions, as well as to generate and swap ideas.



Hedging & Portfolio Positioning

Hedging will be used to reduce volatility and to protect capital. While the Fund will always maintain a very strong currency hedge, interest rate and risk asset hedges will be adjusted dynamically for market conditions.

Operating Guidelines & Oversight

To ensure the portfolio is appropriately positioned for the market environment, the CIO and CCO will provide an additional layer of risk management and oversight. Careful consideration will be applied to both individual positions and portfolio level risks.

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Commissions, trailing commissions, management fees and expenses plus additional taxes all may be associated with mutual fund investments. Please read the simplified prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. 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 Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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