

Signatory of:



PENDER EQUITY

PENDER SPECIAL SITUATIONS FUND

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This document contains key information you should know about Pender Special Situations 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.

The fund has amended its investment objectives and strategies. For further information, please see the simplified prospectus dated June 25, 2021.

Quick facts

Fund code:	PGF1510	Fund manager:	PenderFund Capital Management Ltd.
Date class started:	June 25, 2020	Portfolio manager(s):	Amar Pandya, CFA, PenderFund Capital Management Ltd.
Total value of the fund on April 30, 2021:	\$0.3 million	Distributions:	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
Management expense ratio (MER):	0.00%	Minimum investment:	\$5,000 initial, \$100 additional

What does the fund invest in?

The fund invests primarily in Canadian and US equity with the ability to also invest in debt and other securities. The fund seeks to identify investment opportunities that are believed to represent special situations.

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. Nova Cannabis Inc.	6.5%
2. Burford Capital Limited	5.6%
3. Spartan Delta Corp.	5.6%
4. Cypress Development Corp.	5.0%
5. MAV Beauty Brands Inc.	4.5%
6. Magnet Forensics Inc.	4.4%
7. IAC/InterActiveCorp	4.0%
8. Copper Mountain Mining	4.0%
9. Aritzia Inc.	3.5%
10. Corus Entertainment Inc.	3.2%
Total percentage of top 10 Investments	46.3%
Total number of investments	35

Investment mix - (April 30, 2021)

Industrials	17.8%
Diversified Financials	16.6%
Communication Services	12.3%
Materials	11.3%
Health Care	9.4%
Energy	9.1%
Information Technology	7.0%
Consumer Discretionary	5.5%
Consumer Staples	4.5%
Utilities	2.8%
Other sectors	2.6%
Cash	1.1%

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.

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 since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

YEAR-BY-YEAR RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

BEST and WORST 3-MONTH RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

AVERAGE RETURN

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

Who is this fund for?

This fund is suitable for investors who want long-term capital growth potential. Investors in this fund should have a long-term investment time horizon and a medium 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. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. As of December 31, 2020, the expenses of Class F were 0.85% of the value of this class. This equals \$8.50 for every \$1,000 invested.

	Annual rate (as a % of the class' value)
Management expense ratio (MER)	0.00%
This is the total of the fund's management fee (including, if applicable, the trailing commission) and administration fee.	
Trading expense ratio (TER)	0.85%
These are the fund's trading costs for this class.	
Fund expenses	0.85%

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.

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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.



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EQUITY

December 2021 / CLASS F

Pender Special Situations Fund

NET ASSET VALUE	AS OF Dec 31/21
Class F	\$18.75
Fund Beta	0.96
Active Share (%)	99.25
Total Holdings	40
Total Net Assets of Fund	\$1.72 Million

FUND FACTS

Asset Class	Canadian and US Equity Fund
Fund Inception	July 2020
Valuations	Weekly
Eligibility	Canada-wide Registered Plans
Distributions	DRIP Annually Cash Optional

PERFORMANCE (%)

1 Mo.	3 Mo.	6 Mo.	1 Yr.	SINCE INCEPTION
-0.8	3.8	8.2	37.1	80.9

ANNUAL PERFORMANCE (%)

2021	2021 YTD
37.1	37.1

Since Inception returns are from Jun 2020. All returns greater than a year are annual compounded returns.

FUND INFO

	CODES	MER
Class A	PGF 1500	2.45%
Class F	PGF 1510	1.45%
Class H	PGF 1540	2.15%
Class I	PGF 1550	1.30%

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

FUND OVERVIEW

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

PORTFOLIO MANAGER(S)

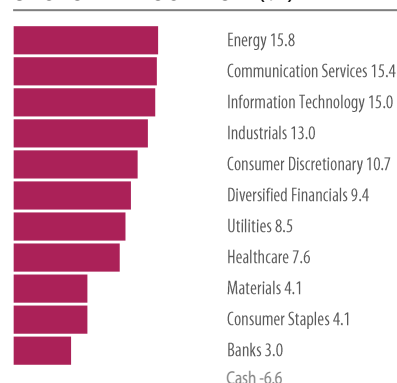


PenderFund Capital Management Ltd.

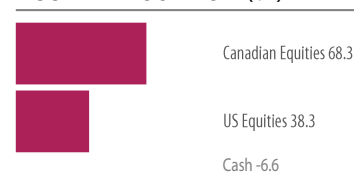
Lead Manager:

Amar Pandya, CFA, Portfolio Manager

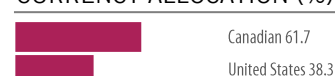
SECTOR ALLOCATION (%)



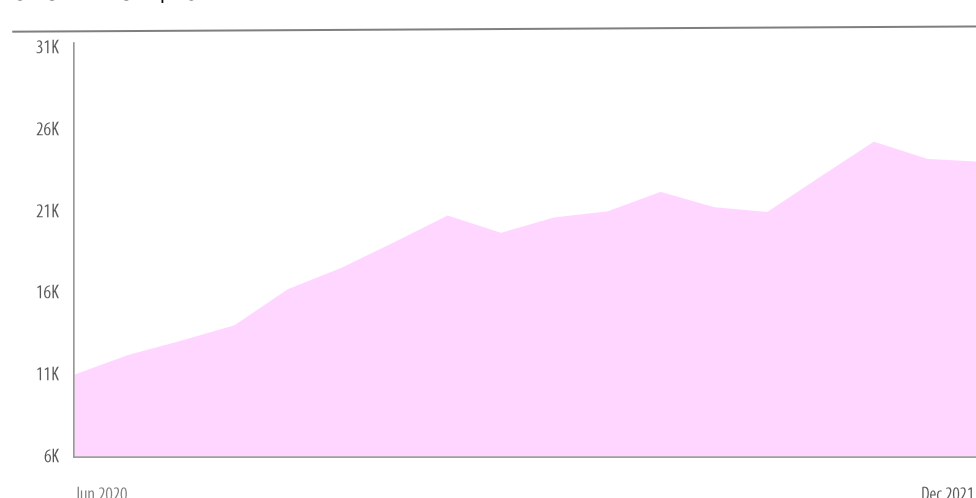
ASSET ALLOCATION (%)



CURRENCY ALLOCATION (%)



GROWTH OF \$10K



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PenderFund Capital Management



info@penderfund.com

TOP 10 HOLDINGS

Burford Capital Limited NYSE: BUR	Burford Capital Limited, together with its subsidiaries, provides investment capital, asset management, financing, and risk solutions for the legal sector in Guernsey and internationally.
Spartan Delta Corp. TSX: SDE	Spartan Delta Corp. engages in the exploration, development, and production of petroleum and natural gas properties in the Western Canada.
Spark Power Group Inc. TSX: SPG	Spark Power Group Inc. provides electrical power services and solutions in North America.
Bausch Health Companies Inc. TSX: BHC	Bausch Health Companies Inc. develops, manufactures, and markets a range of pharmaceutical, medical device, and over-the-counter (OTC) products primarily in the therapeutic areas of eye health, gastroenterology, and dermatology.
Aimia Inc. TSX: AIM	Aimia Inc., an investment holding company, focuses on long-term investments in public and private companies.
Nova Cannabis Inc. TSX: NOVC	Nova Cannabis Inc. engages in the operation of retail cannabis stores with a focus on the recreational-use cannabis market in Canada.
Altius Renewable Royalties Corp. TSX: ARR	Altius Renewable Royalties Corp., a renewable energy royalty company, invests in and acquires and manages portfolio of diversified renewable energy royalties for renewable power developers, operators, and originators.
MEG Energy Corp. TSX: MEG	MEG Energy Corp., an energy company, focuses on sustainable in situ thermal oil production in the southern Athabasca region of Alberta, Canada.
Aerojet Rocketdyne Holdings, Inc. NYSE: AJRD	Aerojet Rocketdyne Holdings, Inc. designs, develops, manufactures, and sells aerospace and defense products and systems in the United States.
Harbor Diversified, Inc. OTCPK: HRBR	Harbor Diversified, Inc., together with its subsidiaries, provides air transportation services in the United States.

Source: Capital IQ

PORTFOLIO MANAGER(S)

AMAR PANDYA, CFA

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.

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.

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PENDER

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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	\$18.75
Class F	\$18.75
Class H	\$10.00
Class I	\$10.00

SUPPLEMENTAL INFORMATION

Alpha	57.60
Beta	0.51
Correlation	0.27
Sharpe	2.91
Standard Deviation	21.06
Up Capture	20
Down Capture	4

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

44.3%

Burford Capital Limited	6.5%
Spartan Delta Corp.	5.9%
Spark Power Group Inc.	4.9%
Bausch Health Companies Inc.	4.5%
Aimia Inc.	4.4%
Nova Cannabis Inc.	4.2%
Altius Renewable Royalties Corp.	3.6%
MEG Energy Corp.	3.5%
Aerojet Rocketdyne Holdings, Inc.	3.4%
Harbor Diversified, Inc.	3.4%

COUNTRY OF DOMICILE

Canada	65.2%
United States	39.2%
International	2.2%
Cash	-6.6%

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



FELIX NARHI, CFA
Chief Investment Officer & Portfolio Manager

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



AMAR PANDYA, CFA
Portfolio Manager

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

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 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 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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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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