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PENDER BALANCED

PENDER STRATEGIC GROWTH & INCOME FUND

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This document contains key information you should know about Pender Strategic Growth and Income 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:	PGF610	Fund manager:	PenderFund Capital Management Ltd.
Date class started:	November 24, 2010	Portfolio manager(s):	Felix Narhi, CFA, Geoff Castle, PenderFund Capital Management Ltd.
Total value of the fund on April 30, 2021:	\$19.5 million	Distributions:	Net income quarterly; net capital gains annually. Automatically reinvested in additional units; cash upon request.
Management expense ratio (MER):	1.25%	Minimum investment:	\$5,000 initial, \$100 additional

What does the fund invest in?

The fund invests primarily in a diversified portfolio of Canadian and foreign equities, corporate bonds, Canadian and foreign government bonds, and exchange traded funds which track sector or broad market indices. It is designed to provide both moderate income and portfolio growth over the long-term, while being sufficiently diversified to mitigate volatility.

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. Pender Corporate Bond Fund	38.9%
2. Pender Small Cap Opportunities Fund	7.2%
3. Brookfield Asset Management Inc.	3.9%
4. KKR & Co. Inc.	3.4%
5. Burford Capital Limited	3.1%
6. ARC Resources Ltd.	2.6%
7. Information Services Corporation	2.5%
8. Starwood Property Trust, Inc.	2.5%
9. Onex Corporation	2.4%
10. Baidu, Inc.	2.4%

Total percentage of top 10 Investments

68.9%

Total number of investments

27

Investment mix - (April 30, 2021)

Mutual Funds	46.1%
Diversified Financials	20.0%
Real Estate	6.4%
Energy	6.2%
Communication Services	5.5%
Cash	4.2%
Materials	4.2%
Industrials	3.4%
Consumer Discretionary	1.8%
Consumer Staples	1.4%
Information Technology	0.8%

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 to 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

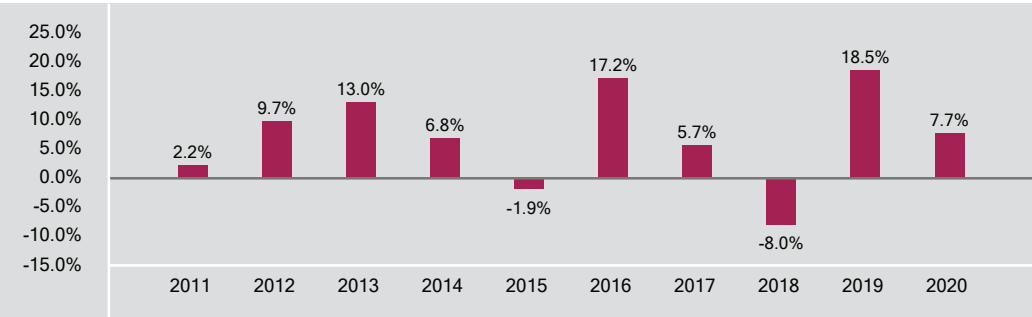
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

How has the fund performed?

This section tells you how Class F units of the fund have performed 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 2 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	19.8%	January 31, 2021	Your investment would rise to \$1,198.
Worst return	-24.8%	March 31, 2020	Your investment would drop to \$752.

AVERAGE RETURN

The annual compounded return of Class F units of the fund was 7.8% over the past 10 years. If you had invested \$1,000 in the fund 10 years ago, your investment would be now worth \$2,119.

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 low-to-medium 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 1.30% of the value of this class. This equals \$13.00 for every \$1,000 invested.

	Annual rate (as a % of the class' value)
Management expense ratio (MER)	1.25%
This is the total of the fund's management fee (including, if applicable, the trailing commission) and administration fee.	
Trading expense ratio (TER)	0.05%
These are the fund's trading costs for this class.	
Fund expenses	1.30%

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.



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December 2021 / CLASS F

Pender Strategic Growth & Income Fund

NET ASSET VALUE	AS OF Dec 31/21
Class F	\$15.66
Current Yield (%)	2.92
Fund Beta	0.76
Active Share (%)	95.34
Total Holdings	28
Total Net Assets of Fund	\$20.75 Million

FUND FACTS

Asset Class	Growth and Income Fund
Fund Inception	November 2010
Valuations	Daily
Eligibility	Canada-wide Registered Plans
Distributions	DRIP Quarterly Cash Optional

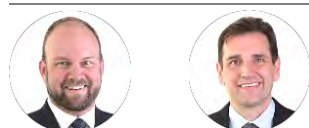
FUND INFO	CODES	MER
Class A	PGF 600	2.20%
Class F	PGF 610	1.20%
Class H	PGF 640	1.90%
Class I	PGF 650	1.05%
Class D	PGF 660	1.20%

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:

Felix Narhi, CFA, Chief Investment Officer & Portfolio Manager

Co-Manager:

Geoff Castle, MBA, Portfolio Manager

The Pender Strategic Growth and Income Fund is a conservatively managed balanced fund. The fixed income strategy of the Fund will be primarily effected through an investment in the Pender Corporate Bond Fund, with weightings generally ranging from 30-60%. The direct equity strategy will be primarily effected through investments in small to mid-sized Canadian and US companies, with an emphasis on businesses that generate stable or growing cash distributions to unitholders. The Fund also provides uncapped access to the Pender Small Cap Opportunities Fund, with weightings ranging from 5-10%.

PERFORMANCE (%)

1 Mo.	3 Mo.	6 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	SINCE INCEPTION
1.2	2.6	0.7	19.2	15.0	8.1	8.5	7.8

ANNUAL PERFORMANCE (%)

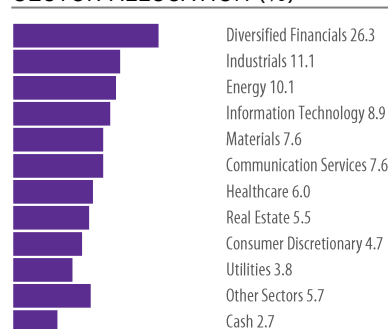
2014	2015	2016	2017	2018	2019	2020	2021	2021 YTD
6.8	-1.9	17.2	5.7	-8.0	18.5	7.7	19.2	19.2

DISTRIBUTION (\$)

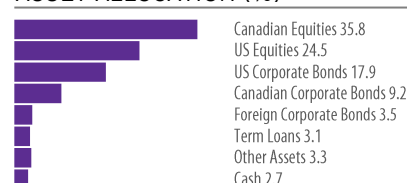
Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21	SINCE INCEPTION
0.07	0.09	0.07	0.08	0.08	0.07	0.43	4.69

Since Inception returns and distributions are from Nov 2010. All returns greater than a year are annual compounded returns.

SECTOR ALLOCATION (%)



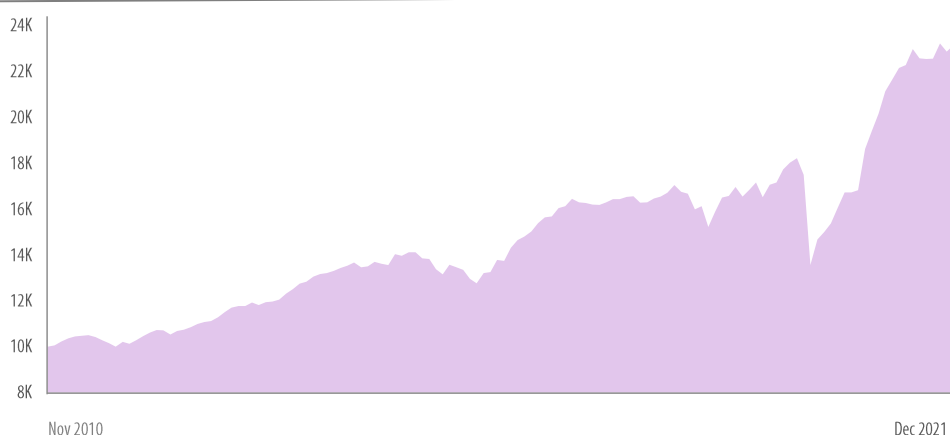
ASSET ALLOCATION (%)



CURRENCY ALLOCATION (%)



GROWTH OF \$10K



penderfund.com



@penderfund



PenderFund Capital Management



info@penderfund.com

TOP 10 HOLDINGS

Pender Corporate Bond Fund PGF 530	The Pender Corporate Bond Fund is an income fund that is both conservatively managed to preserve capital, as well as opportunistic to generate returns.
Pender Small Cap Opportunities Fund PGF 340	The Pender Small Cap Opportunities Fund is an opportunistic, concentrated portfolio. The Fund is focused on undervalued small and microcap companies predominantly in Canada.
Brookfield Asset Management TSX:BAM.A	Brookfield Asset Management is a leading global alternative asset manager and one of the largest investors in real assets.
KKR & Co. Inc. NYSE:KKR	KKR & Co. Inc. is a private equity and real estate investment firm specializing in direct and fund of fund investments.
Onex Corporation TSX:ONEX	Onex Corporation is a private equity firm specializing in acquisitions and platform acquisitions.
ARC Resources Ltd. TSX:ARX	ARC Resources Ltd. explores, develops, and produces crude oil, natural gas, and natural gas liquids in Canada.
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.
Information Services Corporation TSX:ISV	Information Services Corporation, together with its subsidiaries, provides registry and information management services for public data and records in Canada and internationally.
Northrop Grumman Corporation NYSE:NOC	Northrop Grumman Corporation operates as an aerospace and defense company worldwide.
Richards Packaging Income Fund TSX:RPI.UN	Richards Packaging Income Fund, together with its subsidiaries, manufactures and distributes packaging and related products in Canada and the United States.

Source: Capital IQ

PORTFOLIO MANAGER(S)

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.

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.

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.

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

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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	\$14.85
Class F	\$15.66
Class H	\$10.74
Class I	\$11.21

SUPPLEMENTAL INFORMATION

Alpha	-2.41
Beta	1.34
Correlation	0.77
Sharpe	0.60
Standard Deviation	10.17
Up Capture	103
Down Capture	145

Supplemental 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.

Supplemental statistics are calculated using a blended Benchmark: 50% FTSE TMX Canada Bond Universe Index; 35% S&P/TSX; 15% S&P500(CAD).

TOP 10 HOLDINGS

73.0%

Pender Corporate Bond Fund	39.4%
Pender Small Cap Opportunities Fund	7.2%
Brookfield Asset Management Inc.	5.3%
KKR & Co. Inc.	4.7%
Onex Corporation	3.0%
ARC Resources Ltd.	2.8%
Burford Capital Limited	2.8%
Information Services Corporation	2.7%
Northrop Grumman Corporation	2.7%
Richards Packaging Income Fund	2.4%

COUNTRY OF DOMICILE

Mutual Funds	46.6%
Canada	27.4%
United States	17.9%
International	6.7%
Cash	1.4%

OUR INVESTMENT TEAM



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



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



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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
+1 514 835-8423
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
+1 647 291-2377
kchan@penderfund.com



ANNA TALMAN

Sales Co-ordinator
+1 778 317-3170
atalman@penderfund.com



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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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