

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

<b>Fund code:</b>	PGF511	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 30, 2013	<b>Portfolio manager(s):</b>	Geoff Castle, PenderFund Capital Management Ltd.
<b>Total value of the fund on April 30, 2018:</b>	\$263.8 million	<b>Distributions:</b>	Net income monthly; net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	1.15%	<b>Minimum investment:</b>	\$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 companies in Canada and US. The companies may be of any size and from any industry. A small portion of the fund's portfolio may be invested in preferred shares, closed-end funds, equities, government-issued securities and other securities.

The charts below give you a snapshot of the fund's investments on April 30, 2018. The fund's investments will change.

#### Top 10 investments - (April 30, 2018)

1. Just Energy Grp, 6.500%, 29-Jul-19	3.4%
2. Verisign, 4.625%, 01-May-23	3.4%
3. Canadian National Rail, 2.750%, 18-Feb-21	3.1%
4. W&T Offshore Inc, 9.000%, 15-May-20	2.9%
5. Primero Mining, 5.750%, 28-Feb-20	2.8%
6. National Grid Elec, 2.900%, 26-Nov-19	2.7%
7. McDonalds Corp, 3.125%, 04-Mar-25	2.6%
8. Pepsico Inc, 2.150%, 06-May-24	2.5%
9. Sunpower Corp, 4.000%, 15-Jan-23	2.4%
10. Aimia Inc 5.600% Step	2.4%

**Total percentage of top 10 Investments** 28.2%  
**Total number of investments** 87

#### Investment mix - (April 30, 2018)

Information Technology	18.4%
Energy	12.2%
Materials	10.7%
Consumer Discretionary	9.9%
Industrials	9.0%
Consumer Staples	7.1%
Closed End Funds	6.7%
Utilities	6.6%
Healthcare	5.5%
Diversified Financials	4.9%
Cash	3.5%
Telecommunication Services	2.1%
Real Estate	1.3%
Government Bonds	1.2%
Other sectors	0.6%
Banks	0.3%

### 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 this 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.



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

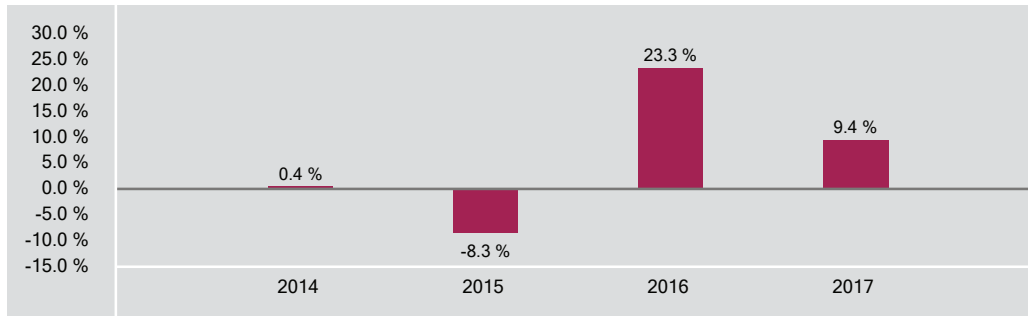
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

## How has the fund performed?

This section tells you how Class F (US\$) units of the fund have performed over the past 4 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 (US\$) units of the fund have performed in each of the past 4 calendar years. The fund dropped in value in 1 of the 4 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 (US\$) units of the fund in a 3-month period over the past 4 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
<b>Best return</b>	10.1%	May 31, 2016	Your investment would rise to \$1,101.
<b>Worst return</b>	-5.4%	January 31, 2016	Your investment would drop to \$946.

### AVERAGE RETURN

The annual compounded return of Class F (US\$) units of the fund was 5.9% since inception. If you had invested \$1,000 in the fund since inception, your investment would be now worth \$1,305.

### Who is this fund for?

You should consider investing in the fund if: You are an income-oriented investor; You are looking to enhance current returns with exposure to corporate fixed income securities; You are willing to accept low to medium investment risk and You want to add investment security with an asset based higher up the corporate structure.

### 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 (US\$) units of the fund. The fees and expenses – including any commissions – can vary among class 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 (US\$) 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, 2017, the expenses of Class F (US\$) were 1.22% of the value of this class. This equals \$12.20 for every \$1,000 invested.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	1.15%
<b>Trading expense ratio (TER)</b>	0.07%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	1.22%

### More about the trailing commission

No trailing commission is paid by Pender to your representative's firm in respect of Class F (US\$) 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).

PenderFund Capital Management Ltd.  
1066 W. Hastings St., Suite 1640  
Vancouver, BC V6E 3X1  
Toll Free: 1-866-377-4743  
Fax: 604-563-3199  
Email: [info@penderfund.com](mailto:info@penderfund.com)  
[www.penderfund.com](http://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](http://www.securities-administrators.ca).