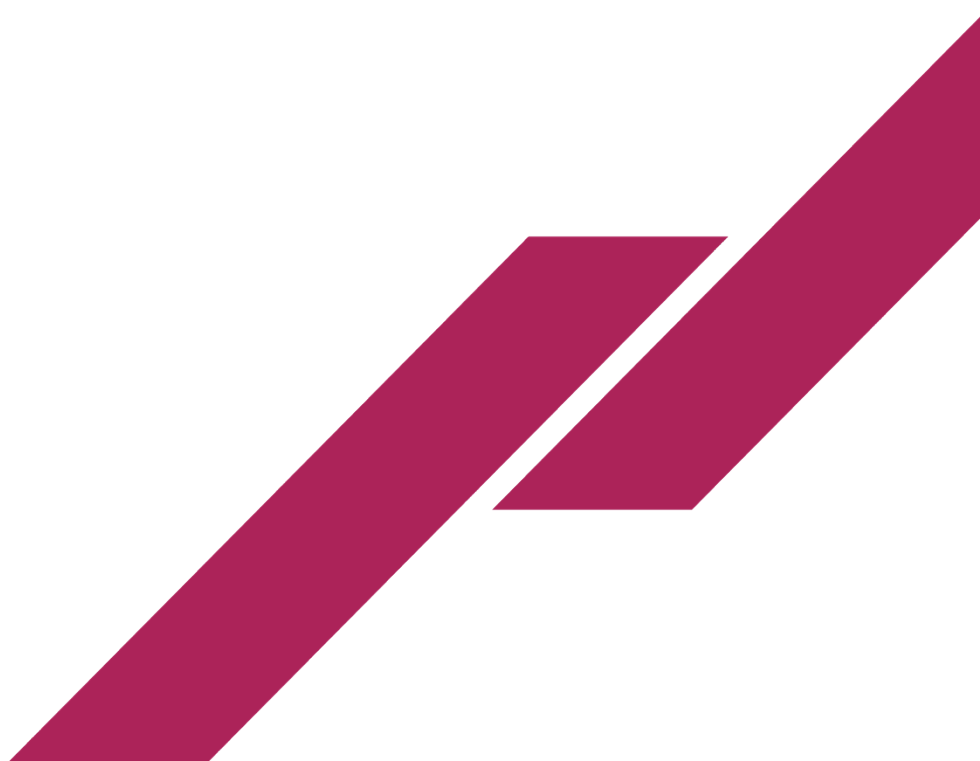


**Annual Financial Statements of  
PENDER ALTERNATIVE MUTUAL FUNDS**

And Independent Auditor's Report thereon  
Years ended December 31, 2024 and 2023



## MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Pender Alternative Mutual Funds (the "Funds") are the responsibility of management. They have been prepared in accordance with IFRS Accounting Standards.

PenderFund Capital Management Ltd. (the "Manager") has developed and maintains a system of internal controls to provide reasonable assurance that all assets are safeguarded and to produce relevant, reliable and timely financial information, including the accompanying financial statements.

The Board of Directors of the Manager is responsible for reviewing and approving the financial statements and for overseeing the Manager's performance of its financial reporting responsibilities. The Board of Directors has approved the accompanying financial statements of the Funds.

These financial statements have been audited by KPMG LLP, Chartered Professional Accountants, on behalf of the unitholders. The auditor's report outlines the scope of their audit and their opinion on the financial statements.

March 28, 2025

*(signed) "David Barr"*

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**David Barr**  
Chief Executive Officer  
PenderFund Capital Management Ltd.

*(signed) "Amanda Patterson"*

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**Amanda Patterson**  
Chief Compliance Officer and Chief Financial  
Officer of Pender Funds  
PenderFund Capital Management Ltd.



**KPMG LLP**

PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
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**INDEPENDENT AUDITOR'S REPORT**

To the Unitholders of Pender Mutual Funds

Pender Alternative Absolute Return Fund  
Pender Alternative Arbitrage Fund  
Pender Alternative Arbitrage Plus Fund  
Pender Alternative Multi-Strategy Income Fund  
Pender Alternative Special Situations Fund  
(collectively, the "Funds")

***Opinion***

We have audited the separate financial statements of the Funds, which comprise:

- the statements of financial position as at December 31, 2024 and December 31, 2023
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to unitholders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2024 and December 31, 2023, their financial performance and their cash flows for the years then ended in accordance with IFRS Accounting Standards.

***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Other Information***

The Manager is responsible for the other information. Other information comprises the information included in Annual Management Report of Fund Performance for each of the Funds filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, included in the Annual Management Report of Fund Performance of each of the Funds filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

### ***Responsibilities of the Manager and Those Charged with Governance for the Financial Statements***

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada  
March 28, 2025

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# Pender Alternative Absolute Return Fund

## Statements of Financial Position

December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Assets</b>		
Cash	47,731,428	42,386,702
Subscriptions receivable	10,137,788	3,527,719
Interest receivable	9,950,756	5,717,470
Derivative assets	-	3,518,384
Investments	814,777,924	669,389,344
	<b>882,597,896</b>	<b>724,539,619</b>
<b>Liabilities</b>		
Management and administration fees payable (note 4)	599,636	428,332
Payable for investments purchased	-	27,891,473
Redemptions payable to holders of redeemable units	810,383	1,861,142
Payable for interest and dividends on short securities	1,907,097	2,057,347
Performance fees payable (note 4)	1,932,144	289,674
Derivative liabilities	3,500,406	-
Investments sold short	314,710,999	273,306,862
	<b>323,460,665</b>	<b>305,834,830</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>559,137,231</b>	<b>418,704,789</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	18,790,079	12,156,961
Class AF	7,490,865	8,698,759
Class A (USD)	432,353	554,907
Class E	2,998,177	2,369,765
Class F	89,416,188	56,833,699
Class FF	67,933,203	73,805,414
Class F (USD)	2,679,181	1,268,550
Class H	17,741,317	9,405,115
Class H (USD)	1,099,666	535,977
Class I	327,378,069	234,010,717
Class I (USD)	13,182,825	10,512,261
Class N	4,300,877	4,795,515
Class O	5,694,431	3,757,149
	<b>559,137,231</b>	<b>418,704,789</b>

# Pender Alternative Absolute Return Fund

## Statements of Financial Position (cont'd)

December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	9.26	9.70
Class AF	9.44	9.85
Class A (USD)	13.35	12.86
Class E	9.20	9.68
Class F	9.28	9.74
Class FF	9.41	9.85
Class F (USD)	13.07	12.68
Class H	9.37	9.80
Class H (USD)	13.31	12.88
Class I	9.23	9.68
Class I (USD)	13.33	12.90
Class N	9.38	9.80
Class O	9.62	10.03

Approved on behalf of the Manager, PenderFund Capital Management Ltd:

*(signed) "David Barr"*

**David Barr**  
Director

*(signed) "Felix Narhi"*

**Felix Narhi**  
Director



# Pender Alternative Absolute Return Fund

## Statements of Comprehensive Income

Years ended December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Revenue</b>		
Interest for distribution purposes	47,945,187	24,796,377
Dividend income	429,632	150,130
Dividend and interest expense on securities sold short	(11,361,985)	(7,238,449)
Foreign exchange gain (loss)	2,804,921	(1,025,221)
<b>Changes in fair value of investments and derivatives:</b>		
Net realized gain (loss)	24,521,575	16,968,950
Net change in unrealized appreciation (depreciation)	(14,234,818)	(5,153,286)
<b>Total revenue</b>	<b>50,104,512</b>	<b>28,498,501</b>
<b>Expenses</b>		
Performance fees (note 4)	5,023,144	3,701,546
Management fees (note 4)	3,442,812	1,724,978
Administration fees (note 4)	3,051,599	1,683,300
Interest and borrow fees expense	1,734,819	1,254,192
Transaction costs	31,174	40,662
Independent review committee fees	8,360	8,481
<b>Total expenses</b>	<b>13,291,908</b>	<b>8,413,159</b>
Less: Expenses absorbed by the Manager (note 4)	(8,360)	(8,481)
<b>Net expenses</b>	<b>13,283,548</b>	<b>8,404,678</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>36,820,964</b>	<b>20,093,823</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	928,192	418,929
Class AF	555,632	650,925
Class A (USD)	53,775	(4,384)
Class E	204,387	41,596
Class F	5,378,620	2,789,542
Class FF	5,543,888	6,228,023
Class F (USD)	322,458	71,405
Class H	863,468	382,185
Class H (USD)	136,932	(14,985)
Class I	20,004,945	8,690,271
Class I (USD)	2,072,592	380,451
Class N	349,604	86,006
Class O	406,471	373,859
	<b>36,820,964</b>	<b>20,093,823</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.56	0.57
Class AF	0.67	0.74
Class A (USD)	2.18	(0.54)
Class E	0.74	0.62
Class F	0.61	0.68
Class FF	0.75	0.83
Class F (USD)	2.08	0.87
Class H	0.58	0.61
Class H (USD)	1.86	(2.10)
Class I	0.66	0.64
Class I (USD)	1.94	0.74
Class N	0.73	0.58
Class O	0.91	1.02

# Pender Alternative Absolute Return Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2024 and 2023

Class A	2024 (\$)	2023 (\$)
Balance, beginning of year	12,156,961	3,751,124
Increase (decrease) in net assets attributable to holders of redeemable units	928,192	418,929
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	16,640,233	11,703,128
Issued on reinvestment of distributions	1,439,988	531,993
Amounts paid on redemption of redeemable units	(10,581,693)	(3,512,141)
	<b>7,498,528</b>	<b>8,722,980</b>
<b>Distributions paid from:</b>		
Net investment income	(1,000,815)	(338,401)
Realized gains on sale of investments	(792,787)	(397,671)
Return of capital	-	-
	<b>(1,793,602)</b>	<b>(736,072)</b>
<b>Balance, end of year</b>	<b>18,790,079</b>	<b>12,156,961</b>
Class AF	2024 (\$)	2023 (\$)
Balance, beginning of year	8,698,759	8,865,080
Increase (decrease) in net assets attributable to holders of redeemable units	555,632	650,925
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	20
Issued on reinvestment of distributions	531,259	455,571
Amounts paid on redemption of redeemable units	(1,425,883)	(473,239)
	<b>(894,624)</b>	<b>(17,648)</b>
<b>Distributions paid from:</b>		
Net investment income	(561,780)	(479,520)
Realized gains on sale of investments	(307,122)	(320,078)
Return of capital	-	-
	<b>(868,902)</b>	<b>(799,598)</b>
<b>Balance, end of year</b>	<b>7,490,865</b>	<b>8,698,759</b>
Class A (USD)	2024 (\$)	2023 (\$)
Balance, beginning of year	554,907	7,071
Increase (decrease) in net assets attributable to holders of redeemable units	53,775	(4,384)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	159,658	651,732
Issued on reinvestment of distributions	34,722	19,617
Amounts paid on redemption of redeemable units	(333,328)	(99,512)
	<b>(138,948)</b>	<b>571,837</b>
<b>Distributions paid from:</b>		
Net investment income	(17,789)	(2,357)
Realized gains on sale of investments	(19,592)	(17,260)
Return of capital	-	-
	<b>(37,381)</b>	<b>(19,617)</b>
<b>Balance, end of year</b>	<b>432,353</b>	<b>554,907</b>

The accompanying notes are an integral part of these financial statements.

# Pender Alternative Absolute Return Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class E	2024 (\$)	2023 (\$)
Balance, beginning of year	2,369,765	166,974
Increase (decrease) in net assets attributable to holders of redeemable units	204,387	41,596
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	804,816	2,248,996
Issued on reinvestment of distributions	350,511	118,384
Amounts paid on redemption of redeemable units	(380,791)	(87,801)
	<b>774,536</b>	<b>2,279,579</b>
<b>Distributions paid from:</b>		
Net investment income	(212,064)	(26,788)
Realized gains on sale of investments	(138,447)	(91,596)
Return of capital	-	-
	<b>(350,511)</b>	<b>(118,384)</b>
<b>Balance, end of year</b>	<b>2,998,177</b>	<b>2,369,765</b>

Class F	2024 (\$)	2023 (\$)
Balance, beginning of year	56,833,699	17,889,465
Increase (decrease) in net assets attributable to holders of redeemable units	5,378,620	2,789,542
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	123,477,905	94,376,104
Issued on reinvestment of distributions	6,371,766	2,485,854
Amounts paid on redemption of redeemable units	(92,496,040)	(56,258,877)
	<b>37,353,631</b>	<b>40,603,081</b>
<b>Distributions paid from:</b>		
Net investment income	(6,206,255)	(2,391,491)
Realized gains on sale of investments	(3,943,507)	(2,056,898)
Return of capital	-	-
	<b>(10,149,762)</b>	<b>(4,448,389)</b>
<b>Balance, end of year</b>	<b>89,416,188</b>	<b>56,833,699</b>

Class FF	2024 (\$)	2023 (\$)
Balance, beginning of year	73,805,414	75,546,678
Increase (decrease) in net assets attributable to holders of redeemable units	5,543,888	6,228,023
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	140,800	49,888
Issued on reinvestment of distributions	6,857,853	5,636,689
Amounts paid on redemption of redeemable units	(9,764,722)	(6,117,363)
	<b>(2,766,069)</b>	<b>(430,786)</b>
<b>Distributions paid from:</b>		
Net investment income	(5,746,704)	(4,736,409)
Realized gains on sale of investments	(2,903,326)	(2,802,092)
Return of capital	-	-
	<b>(8,650,030)</b>	<b>(7,538,501)</b>
<b>Balance, end of year</b>	<b>67,933,203</b>	<b>73,805,414</b>

# Pender Alternative Absolute Return Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class F (USD)	2024 (\$)	2023 (\$)
Balance, beginning of year	1,268,550	106,584
Increase (decrease) in net assets attributable to holders of redeemable units	322,458	71,405
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	2,984,790	3,054,440
Issued on reinvestment of distributions	197,037	99,937
Amounts paid on redemption of redeemable units	(1,829,983)	(1,930,476)
	<b>1,351,844</b>	<b>1,223,901</b>
<b>Distributions paid from:</b>		
Net investment income	(139,598)	(72,145)
Realized gains on sale of investments	(124,073)	(61,195)
Return of capital	-	-
	<b>(263,671)</b>	<b>(133,340)</b>
<b>Balance, end of year</b>	<b>2,679,181</b>	<b>1,268,550</b>

Class H	2024 (\$)	2023 (\$)
Balance, beginning of year	9,405,115	3,778,446
Increase (decrease) in net assets attributable to holders of redeemable units	863,468	382,185
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	13,833,349	7,230,314
Issued on reinvestment of distributions	1,093,612	369,077
Amounts paid on redemption of redeemable units	(5,784,773)	(1,709,474)
	<b>9,142,188</b>	<b>5,889,917</b>
<b>Distributions paid from:</b>		
Net investment income	(915,688)	(305,693)
Realized gains on sale of investments	(753,766)	(339,740)
Return of capital	-	-
	<b>(1,669,454)</b>	<b>(645,433)</b>
<b>Balance, end of year</b>	<b>17,741,317</b>	<b>9,405,115</b>

Class H (USD)	2024 (\$)	2023 (\$)
Balance, beginning of year	535,977	7,076
Increase (decrease) in net assets attributable to holders of redeemable units	136,932	(14,985)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	985,542	548,584
Issued on reinvestment of distributions	108,426	15,602
Amounts paid on redemption of redeemable units	(554,069)	-
	<b>539,899</b>	<b>564,186</b>
<b>Distributions paid from:</b>		
Net investment income	(63,491)	(2,134)
Realized gains on sale of investments	(49,651)	(18,166)
Return of capital	-	-
	<b>(113,142)</b>	<b>(20,300)</b>
<b>Balance, end of year</b>	<b>1,099,666</b>	<b>535,977</b>

# Pender Alternative Absolute Return Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class I	2024 (\$)	2023 (\$)
Balance, beginning of year	234,010,717	52,440,463
Increase (decrease) in net assets attributable to holders of redeemable units	20,004,945	8,690,271
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	241,686,548	215,357,386
Issued on reinvestment of distributions	24,645,085	11,293,392
Amounts paid on redemption of redeemable units	(157,871,869)	(37,506,424)
	<b>108,459,764</b>	<b>189,144,354</b>
<b>Distributions paid from:</b>		
Net investment income	(21,407,668)	(7,497,512)
Realized gains on sale of investments	(13,689,689)	(8,766,859)
Return of capital	-	-
	<b>(35,097,357)</b>	<b>(16,264,371)</b>
<b>Balance, end of year</b>	<b>327,378,069</b>	<b>234,010,717</b>

Class I (USD)	2024 (\$)	2023 (\$)
Balance, beginning of year	10,512,261	957,489
Increase (decrease) in net assets attributable to holders of redeemable units	2,072,592	380,451
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	23,368,115	14,630,695
Issued on reinvestment of distributions	460,651	275,444
Amounts paid on redemption of redeemable units	(21,931,851)	(4,801,144)
	<b>1,896,915</b>	<b>10,104,995</b>
<b>Distributions paid from:</b>		
Net investment income	(1,081,306)	(386,253)
Realized gains on sale of investments	(217,637)	(544,421)
Return of capital	-	-
	<b>(1,298,943)</b>	<b>(930,674)</b>
<b>Balance, end of year</b>	<b>13,182,825</b>	<b>10,512,261</b>

Class N	2024 (\$)	2023 (\$)
Balance, beginning of year	4,795,515	269,572
Increase (decrease) in net assets attributable to holders of redeemable units	349,604	86,006
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	885,660	4,675,197
Issued on reinvestment of distributions	36,470	28,331
Amounts paid on redemption of redeemable units	(1,219,038)	-
	<b>(296,908)</b>	<b>4,703,528</b>
<b>Distributions paid from:</b>		
Net investment income	(365,223)	(81,856)
Realized gains on sale of investments	(182,111)	(181,735)
Return of capital	-	-
	<b>(547,334)</b>	<b>(263,591)</b>
<b>Balance, end of year</b>	<b>4,300,877</b>	<b>4,795,515</b>

# Pender Alternative Absolute Return Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class O	2024 (\$)	2023 (\$)
Balance, beginning of year	3,757,149	3,965,791
Increase (decrease) in net assets attributable to holders of redeemable units	406,471	373,859
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	2,066,270	196,499
Issued on reinvestment of distributions	632,731	416,253
Amounts paid on redemption of redeemable units	(535,459)	(779,000)
	<b>2,163,542</b>	<b>(166,248)</b>
<b>Distributions paid from:</b>		
Net investment income	(401,861)	(303,266)
Realized gains on sale of investments	(230,870)	(112,987)
Return of capital	-	-
	<b>(632,731)</b>	<b>(416,253)</b>
<b>Balance, end of year</b>	<b>5,694,431</b>	<b>3,757,149</b>

Total Fund	2024 (\$)	2023 (\$)
Balance, beginning of year	418,704,789	167,751,813
Increase (decrease) in net assets attributable to holders of redeemable units	36,820,964	20,093,823
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	427,033,686	354,722,983
Issued on reinvestment of distributions	42,760,111	21,746,144
Amounts paid on redemption of redeemable units	(304,709,499)	(113,275,451)
	<b>165,084,298</b>	<b>263,193,676</b>
<b>Distributions paid from:</b>		
Net investment income	(38,120,242)	(16,623,825)
Realized gains on sale of investments	(23,352,578)	(15,710,698)
Return of capital	-	-
	<b>(61,472,820)</b>	<b>(32,334,523)</b>
<b>Balance, end of year</b>	<b>559,137,231</b>	<b>418,704,789</b>

# Pender Alternative Absolute Return Fund

## Statements of Cash Flows

Years ended December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	36,820,964	20,093,823
<b>Adjustments for:</b>		
Interest for distribution purposes	(47,945,187)	(24,796,377)
Dividend income	(429,632)	(150,130)
Dividend and interest expense on securities sold short	11,361,985	7,238,449
Foreign exchange (gain) loss	(2,804,921)	1,025,221
Net realized (gain) loss on sale of investments	(30,158,625)	(17,375,844)
Net change in unrealized (appreciation) depreciation of investments	7,216,028	8,474,730
Derivative assets and liabilities	7,018,790	(3,321,444)
Performance fees payable	1,642,470	260,974
Management and administration fees payable	171,303	(148,381)
Accrued expenses	-	93,906
	<b>(17,106,825)</b>	<b>(8,605,073)</b>
Proceeds on disposal of investments	2,007,799,780	1,347,953,280
Amounts paid on purchase of investments	(2,116,733,098)	(1,611,619,044)
Dividend and interest expense paid on securities sold short	(11,512,235)	(5,855,978)
Dividends received	429,632	156,610
Interest received	43,711,901	21,660,529
	<b>(93,410,845)</b>	<b>(256,309,676)</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	382,076,335	323,511,068
Amounts paid on redemption of redeemable units	(267,412,976)	(83,482,649)
Distributions paid to unitholders	(18,712,709)	(10,588,379)
	<b>95,950,650</b>	<b>229,440,040</b>
Net increase (decrease) in cash	2,539,805	(26,869,636)
Cash (Bank overdraft), beginning of year	42,386,702	70,281,559
Effect of exchange rate fluctuations on cash	2,804,921	(1,025,221)
<b>Cash (Bank overdraft), end of year</b>	<b>47,731,428</b>	<b>42,386,702</b>

# Pender Alternative Absolute Return Fund

## Schedule of Investment Portfolio

December 31, 2024

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS</b>				
<b>Corporate bonds and loans:</b>				
<b>Canada (73.3%):</b>				
AltaGas Ltd., Variable Rate, Callable, 7.20%, 2054/10/15	USD	1,000,000	1,358,441	1,450,984
Athabasca Oil Corp., Callable, 6.75%, 2029/08/09	CAD	18,000,000	18,038,000	18,330,000
ATS Corp., Callable, 6.50%, 2032/08/21	CAD	27,000,000	27,053,750	27,221,981
Canadian Imperial Bank of Commerce, 2.75%, 2025/03/07	CAD	38,000,000	37,910,699	37,961,820
Capital Power Corporation, Series '3', Variable Rate, Callable, 7.95%, 2082/09/09	CAD	2,000,000	2,007,500	2,196,724
Capital Power Corporation, Variable Rate, Convertible, Callable, 8.13%, 2054/06/05	CAD	14,000,000	14,100,000	15,487,458
Cards II Trust, 4.33%, 2025/05/15	CAD	25,000,000	25,079,000	25,094,404
CES Energy Solutions Corp., 6.88%, 2029/05/24	CAD	6,000,000	6,121,250	6,095,000
Chemtrade Logistics Inc., Callable, 6.38%, 2029/08/28	CAD	12,000,000	12,000,000	12,190,000
Cooper Equipment Rentals Ltd., Callable, 7.45%, 2029/07/04	CAD	7,000,000	7,000,000	7,187,099
Doman Building Materials Group Ltd., Callable, 5.25%, 2026/05/15	CAD	6,910,000	6,840,900	6,971,326
Doman Building Materials Group Ltd., Callable, 7.50%, 2029/09/17	CAD	3,000,000	3,045,000	3,047,775
Empire Communities Corp., Callable, 7.63%, 2029/11/01	CAD	3,000,000	3,000,000	3,024,550
Enbridge Inc., Callable, 5.38%, 2077/09/27	CAD	3,000,000	2,775,000	3,031,212
Enbridge Inc., Callable, 6.63%, 2078/04/12	CAD	1,097,000	1,070,178	1,153,421
Enbridge Inc., Restricted, Callable, 5.00%, 2082/01/19	CAD	3,000,000	2,573,850	2,894,804
Inter Pipeline Ltd., Callable, 5.76%, 2028/02/17	CAD	5,000,000	5,167,700	5,256,890
Keyera Corp., Callable, 6.88%, 2079/06/13	CAD	6,000,000	5,733,750	6,310,534
Keyera Corp., Callable, 5.95%, 2081/03/10	CAD	6,000,000	5,212,260	6,074,601
Kruger Products Inc., Callable, 5.38%, 2029/04/09	CAD	780,000	748,800	754,650
Mattamy Group Corporation, 4.63%, 2028/03/01	CAD	5,906,000	5,229,752	5,728,205
Mattr Corp., Callable, 7.25%, 2031/04/02	CAD	11,000,000	11,034,375	11,252,083
Mattr Corp., Series 'DEC', Callable, 7.25%, 2031/04/02	CAD	5,000,000	5,093,750	5,093,750
Northland Power Inc., Callable, 9.25%, 2083/06/20	CAD	7,000,000	6,930,980	7,619,255
Parkland Corporation, Callable, 3.88%, 2026/06/16	CAD	7,000,000	6,899,300	6,933,106
Parkland Corporation, Callable, 6.00%, 2028/06/23	CAD	4,000,000	4,012,000	4,026,667
Parkland Corporation, Callable, 4.38%, 2029/03/26	CAD	12,000,000	10,752,947	11,603,909
Parkland Corporation, Callable, 6.63%, 2032/08/15	USD	100,000	142,817	142,757
Precision Drilling Corporation, Callable, 7.13%, 2026/01/15	USD	852,000	1,131,945	1,223,826
Saturn Oil & Gas Inc., Callable, 9.63%, 2029/06/15	USD	10,750,000	14,737,855	15,030,268
SECURE Energy Services Inc., 6.75%, 2029/03/22	CAD	10,000,000	10,022,500	10,283,333
Sleep Country Canada Inc., Callable, 6.63%, 2032/11/28	CAD	5,000,000	5,000,000	5,062,265
Strathcona Resources Ltd., Callable, 6.88%, 2026/08/01	USD	5,000,000	7,012,176	7,196,450
Surge Energy Inc., Callable, 8.50%, 2029/09/05	CAD	14,000,000	14,045,000	14,180,833
Tamarack Valley Energy Ltd., Callable, 7.25%, 2027/05/10	CAD	8,000,000	7,841,833	8,113,333
Teine Energy Ltd., Callable, 6.88%, 2029/04/15	USD	7,485,000	9,246,722	10,453,696
Tenaz Energy Corp., Callable, 12.00%, 2029/11/14	CAD	12,000,000	12,000,000	12,000,000
The Toronto-Dominion Bank, 1.94%, 2025/03/13	CAD	22,000,000	21,901,880	21,943,966
The Toronto-Dominion Bank, Variable Rate, Callable, 5.91%, 2085/01/31	CAD	9,000,000	8,974,000	9,004,860
TransCanada Trust, Series '2017-A', Callable, 4.65%, 2077/05/18	CAD	14,000,000	12,415,650	13,906,815
Vermilion Energy Inc., Callable, 5.63%, 2025/03/15	USD	2,138,000	2,852,404	3,067,444

The accompanying notes are an integral part of these financial statements.



# Pender Alternative Absolute Return Fund

## Schedule of Investment Portfolio (cont'd)

December 31, 2024

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS (cont'd)</b>				
<b>Corporate bonds and loans: (cont'd)</b>				
<b>Canada (73.3%):</b>				
Videotron Ltd., Callable, 3.63%, 2028/06/15	CAD	16,000	13,880	15,900
Wolf Midstream Canada L.P., Callable, 6.40%, 2029/07/18	CAD	20,000,000	20,085,465	20,700,000
Wolf Midstream Canada L.P., Callable, 5.95%, 2033/07/18	CAD	14,000,000	14,024,950	13,963,810
			<b>398,238,259</b>	<b>410,281,764</b>
<b>United States (46.4%):</b>				
Blue Racer Midstream LLC, Callable, 6.63%, 2026/07/15	USD	19,466,000	26,592,138	28,102,961
Cable One Inc., Zero Coupon, Convertible, Callable, 2026/03/15	USD	3,175,000	3,950,900	4,258,122
Caesars Entertainment Inc., Term Loan, 6.61%, 2031/02/06	USD	2,977,500	4,021,167	4,294,709
Charter Communications Operating LLC, Term Loan, 6.56%, 2031/12/15	USD	2,000,000	2,788,312	2,874,900
Genesis Energy L.P., Callable, 8.00%, 2033/05/15	USD	1,000,000	1,402,900	1,408,071
Greystar Real Estate Partners, LLC, Term Loan, 7.09%, 2030/08/21	USD	8,146,199	11,083,649	11,812,213
Hilton Domestic Operating Company Inc., Callable, 5.38%, 2025/05/01	USD	19,442,000	26,808,977	27,878,760
Hilton Domestic Operating Company Inc., Callable, 5.88%, 2029/04/01	USD	2,000,000	2,788,055	2,872,125
Hilton Domestic Operating Company Inc., Callable, 6.13%, 2032/04/01	USD	5,825,000	8,250,748	8,354,896
Hilton Domestic Operating Company Inc., Callable, 5.88%, 2033/03/15	USD	14,000,000	19,130,740	19,816,176
Hilton Domestic Operating Company Inc., Term Loan, 6.09%, 2030/11/08	USD	7,686,636	10,446,960	11,118,267
Hilton USA Trust, Class 'D', Series '16-HHV', 4.33%, 2038/11/05	USD	640,000	776,486	889,763
Hilton USA Trust, Class 'E', Series '16-HHV', 4.19%, 2038/11/05	USD	3,745,000	4,664,641	5,171,550
Hilton USA Trust, Class 'F', Series '16-HHV', 4.33%, 2038/11/05	USD	23,444,000	29,319,161	32,103,481
Host Hotels & Resorts L.P., Callable, 5.70%, 2034/07/01	USD	2,500,000	3,480,288	3,590,840
Life Time Inc., 5.75%, 2026/01/15	USD	5,808,000	7,729,610	8,345,283
Macy's Retail Holdings LLC, 6.90%, 2029/04/01	USD	1,000,000	1,238,226	1,444,295
Macy's Retail Holdings LLC, 6.70%, 2034/07/15	USD	5,300,000	5,883,819	6,591,816
Macy's Retail Holdings LLC, 6.38%, 2037/03/15	USD	6,155,000	7,093,787	7,774,200
Neptune Bidco US Inc., Callable, 9.29%, 2029/04/15	USD	3,000,000	4,002,242	4,015,784
Park Intermediate Holdings LLC, Callable, 5.88%, 2028/10/01	USD	8,100,000	11,390,829	11,402,426
RHP Hotel Properties L.P., Term Loan, 6.36%, 2030/05/20	USD	1,770,022	2,411,549	2,548,695
Restaurant Brands International Inc., Term Loan, 6.11%, 2030/09/23	USD	995,000	1,346,788	1,425,200
Rivian Holdings LLC, Variable Rate, 10.50%, 2026/10/15	USD	10,000,000	13,681,619	14,475,639
THOR Industries, Inc., Term Loan, 6.61%, 2030/11/15	USD	455,556	625,886	656,475
TransDigm Inc., Tranche K, Term Loan, 7.08%, 2030/03/22	USD	6,175,831	8,337,872	8,914,867
TransDigm Inc., Tranche J, Term Loan, 6.83%, 2031/02/28	USD	15,073,028	20,499,982	21,728,257

# Pender Alternative Absolute Return Fund

## Schedule of Investment Portfolio (cont'd)

December 31, 2024

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
<b>United States (46.4%): (cont'd)</b>				
XHR L.P., Callable, 4.88%, 2029/06/01	USD	4,000,000	5,215,521	5,429,119
XHR L.P., Callable, 6.63%, 2030/05/15	USD	500,000	722,324	721,982
			<b>245,685,176</b>	<b>260,020,872</b>
<b>Foreign (2.3%):</b>				
Seadrill Finance Limited, Callable, 8.38%, 2030/08/01	USD	2,000,000	2,696,124	2,934,801
Stena International SA, Callable, 7.25%, 2031/01/15	USD	2,500,000	3,356,623	3,682,909
Stena International SA, Callable, 7.63%, 2031/02/15	USD	4,225,000	5,696,834	6,324,925
			<b>11,749,581</b>	<b>12,942,635</b>
<b>Total corporate bonds and loans (122.0%)</b>			<b>655,673,016</b>	<b>683,245,271</b>
<b>Government bonds (1.5%):</b>				
United States Treasury, 4.25%, 2034/11/15	USD	6,000,000	8,421,411	8,403,018
			<b>8,421,411</b>	<b>8,403,018</b>
<b>Short-term investments (20.6%):</b>				
Government of Canada, 3.75%, 2025/02/01	CAD	30,000,000	30,004,500	30,006,023
Government of Canada, 3.31%, 2025/03/12	CAD	50,000,000	49,560,500	49,560,500
United States Treasury, 4.31%, 2025/04/22	CAD	25,000,000	35,553,782	35,450,202
			<b>115,118,782</b>	<b>115,016,725</b>
<b>Preferred shares (1.5%):</b>				
Enbridge Inc., Series 'H', 7.22%	CAD	26,800	423,780	554,760
Enbridge Inc., Series 'N', 7.30%	CAD	15,000	257,850	348,450
Enbridge Inc., Series 'R', 7.40%	CAD	122,500	2,187,017	2,597,000
Enbridge Inc., Series '3', 6.98%	CAD	125,300	1,754,853	2,380,700
Enbridge Inc., Series '7', 7.17%	CAD	22,400	348,096	460,544
The Toronto-Dominion Bank, Series '7', 3.23%	CAD	71,200	1,734,149	1,771,456
			<b>6,705,745</b>	<b>8,112,910</b>
<b>Total long positions (145.6%)</b>			<b>785,918,954</b>	<b>814,777,924</b>
<b>SHORT POSITIONS</b>				
<b>Corporate bonds and loans:</b>				
<b>Canada (-4.7%):</b>				
Parkland Corporation, Callable, 4.50%, 2029/10/01	USD	(5,000,000)	(5,844,028)	(6,667,396)
Parkland Corporation, Callable, 4.63%, 2030/05/01	USD	(5,903,000)	(7,083,791)	(7,795,288)
Precision Drilling Corporation, Callable, 6.88%, 2029/01/15	USD	(2,000,000)	(2,732,668)	(2,851,987)
Rogers Communications Inc., Callable, 2.90%, 2030/12/09	CAD	(8,000,000)	(7,105,130)	(7,498,186)
Superior Plus L.P., Callable, 4.50%, 2029/03/15	USD	(1,259,000)	(1,580,813)	(1,647,334)
			<b>(24,346,430)</b>	<b>(26,460,191)</b>
<b>United States (-18.1%):</b>				
Asbury Automotive Group, Inc., Callable, 4.63%, 2029/11/15	USD	(3,000,000)	(3,549,228)	(4,019,046)
Asbury Automotive Group, Inc., Callable, 4.75%, 2030/03/01	USD	(2,000,000)	(2,484,504)	(2,691,407)
Ball Corporation, Callable, 3.13%, 2031/09/15	USD	(16,696,000)	(18,566,826)	(20,391,914)
CCO Holdings, LLC, Callable, 7.38%, 2031/03/01	USD	(6,380,000)	(8,789,733)	(9,355,344)
Park Intermediate Holdings LLC, Callable, 4.88%, 2029/05/15	USD	(13,131,000)	(17,053,101)	(17,758,078)
RLJ Lodging Trust L.P., Callable, 4.00%, 2029/09/15	USD	(10,913,000)	(12,417,200)	(14,228,233)
Sirius XM Holdings Inc., Callable, 4.13%, 2030/07/01	USD	(2,000,000)	(2,361,835)	(2,512,483)
Sirius XM Holdings Inc., Callable, 3.88%, 2031/09/01	USD	(8,000,000)	(8,848,541)	(9,636,998)

# Pender Alternative Absolute Return Fund

## Schedule of Investment Portfolio (cont'd)

December 31, 2024

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
<b>United States (-18.1%): (cont'd)</b>				
THOR Industries, Inc., Callable, 4.00%, 2029/10/15	USD	(3,787,000)	(4,453,262)	(4,914,990)
TransDigm Inc., Callable, 6.00%, 2033/01/15	USD	(3,000,000)	(4,231,101)	(4,229,771)
Yum! Brands, Inc., Callable, 3.63%, 2031/03/15	USD	(9,157,000)	(10,354,156)	(11,649,230)
			<b>(93,109,487)</b>	<b>(101,387,494)</b>
<b>Total corporate bonds and loans (-22.8%)</b>			<b>(117,455,917)</b>	<b>(127,847,685)</b>
<b>Government bonds (-4.3%):</b>				
United States Treasury, 1.25%, 2031/08/15	USD	(2,600,000)	(3,179,290)	(3,051,133)
United States Treasury, 1.38%, 2031/11/15	USD	(6,000,000)	(7,303,384)	(7,050,692)
United States Treasury, 1.88%, 2032/02/15	USD	(3,000,000)	(3,560,190)	(3,629,451)
United States Treasury, 2.88%, 2032/05/15	USD	(6,000,000)	(7,715,818)	(7,747,912)
United States Treasury, 4.13%, 2032/11/15	USD	(2,000,000)	(2,816,444)	(2,804,712)
			<b>(24,575,126)</b>	<b>(24,283,900)</b>
<b>Exchange-traded fund(s) (-28.6%):</b>				
Invesco QQQ Trust, Series '1'	USD	(36,000)	(17,590,178)	(26,455,232)
iShares iBoxx High Yield Corporate Bond ETF	USD	(275,000)	(28,228,980)	(31,090,247)
iShares Russell 2000 ETF	USD	(85,000)	(22,308,357)	(26,997,611)
SPDR Bloomberg High Yield Bond ETF	USD	(260,000)	(32,683,514)	(35,680,672)
SPDR S&P 500 ETF Trust	USD	(47,000)	(27,187,173)	(39,595,652)
			<b>(127,998,202)</b>	<b>(159,819,414)</b>
<b>Equities (-0.5%):</b>				
Artis Real Estate Investment Trust	CAD	(375,000)	(2,628,157)	(2,760,000)
			<b>(2,628,157)</b>	<b>(2,760,000)</b>
<b>Total short positions (-56.2%)</b>			<b>(272,657,402)</b>	<b>(314,710,999)</b>
Less: Transaction costs included in cost of investments			(12,278)	
<b>Total investments (89.4%)</b>			<b>513,249,274</b>	<b>500,066,925</b>
	Contract rate	Pay	Receive	Unrealized gain (loss)
<b>Derivative liabilities:</b>				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2025/02/20	1.36	USD 45,000,000	CAD 61,069,725	(3,500,406)
<b>Total derivative liabilities (-0.6%):</b>				<b>(3,500,406)</b>
Cash (Bank overdraft) (8.5%)				47,731,428
Other assets less liabilities (2.7%)				14,839,284
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>559,137,231</b>

# Pender Alternative Arbitrage Fund

## Statements of Financial Position

December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Assets</b>		
Cash	1,827,359	11,601,596
Receivable for investments sold	248,124	3,011
Subscriptions receivable	-	203
Dividends receivable	3,155	-
Interest receivable	8,618	-
Derivative assets	-	480,016
Investments	14,084,582	11,867,440
	<b>16,171,838</b>	<b>23,952,266</b>
<b>Liabilities</b>		
Management and administration fees payable (note 4)	11,550	16,536
Payable for investments purchased	-	252,834
Redemptions payable to holders of redeemable units	-	103,346
Payable for interest and dividends on short securities	956	2,350
Performance fees payable (note 4)	12,272	31,728
Derivative liabilities	303,330	-
Investments sold short	1,110,495	1,498,943
	<b>1,438,603</b>	<b>1,905,737</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>14,733,235</b>	<b>22,046,529</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	92,172	131,552
Class AF	1,975,943	2,465,820
Class E	265,846	169,732
Class F	1,017,553	1,679,004
Class FF	6,504,799	10,264,913
Class F (USD)	15,339	13,499
Class H	173,157	176,338
Class I	1,409,539	2,705,799
Class I (USD)	457,452	399,993
Class O	2,821,435	4,039,879
	<b>14,733,235</b>	<b>22,046,529</b>

# Pender Alternative Arbitrage Fund

## Statements of Financial Position (cont'd)

December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	9.66	9.58
Class AF	10.06	10.06
Class E	9.04	9.31
Class F	10.03	9.82
Class FF	10.11	10.06
Class F (USD)	13.81	12.57
Class H	9.71	9.80
Class I	10.16	9.88
Class I (USD)	13.46	12.26
Class O	10.17	10.11

Approved on behalf of the Manager, PenderFund Capital Management Ltd:

*(signed) "David Barr"*

**David Barr**  
Director

*(signed) "Felix Narhi"*

**Felix Narhi**  
Director

# Pender Alternative Arbitrage Fund

## Statements of Comprehensive Income

Years ended December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Revenue</b>		
Interest for distribution purposes	292,692	225,910
Dividend income	299,308	208,876
Dividend and interest expense on securities sold short	(51,026)	(48,266)
Foreign exchange gain (loss)	404,780	(306,832)
<b>Changes in fair value of investments and derivatives:</b>		
Net realized gain (loss)	604,700	1,020,353
Net change in unrealized appreciation (depreciation)	(260,861)	(285,597)
<b>Total revenue</b>	<b>1,289,593</b>	<b>814,444</b>
<b>Expenses</b>		
Performance fees (note 4)	122,272	68,728
Administration fees (note 4)	90,936	123,620
Management fees (note 4)	70,601	89,835
Transaction costs	50,611	69,705
Withholding taxes (note 5)	39,246	99,224
Interest and borrow fees expense	17,652	14,944
Independent review committee fees	186	481
<b>Total expenses</b>	<b>391,504</b>	<b>466,537</b>
Less: Fees waived and expenses absorbed by the Manager (note 4)	(186)	(481)
<b>Net expenses</b>	<b>391,318</b>	<b>466,056</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>898,275</b>	<b>348,388</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	3,223	98
Class AF	76,019	11,638
Class A (USD)	-	(50)
Class E	7,711	2,647
Class F	59,430	13,223
Class FF	395,618	179,921
Class F (USD)	1,840	(27)
Class H	5,555	503
Class H (USD)	-	(40)
Class I	74,209	38,226
Class I (USD)	56,212	(2,444)
Class N	-	(38)
Class O	218,458	104,731
	<b>898,275</b>	<b>348,388</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.28	0.01
Class AF	0.35	0.05
Class A (USD)	-	(0.10)
Class E	0.40	0.15
Class F	0.40	0.07
Class FF	0.46	0.14
Class F (USD)	1.71	(0.03)
Class H	0.32	0.03
Class H (USD)	-	(0.08)
Class I	0.41	0.15
Class I (USD)	1.68	(0.11)
Class N	-	(0.08)
Class O	0.63	0.26

The accompanying notes are an integral part of these financial statements.

# Pender Alternative Arbitrage Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2024 and 2023

	2024	2023
Class A	(\$)	(\$)
Balance, beginning of year	131,552	91,098
Increase (decrease) in net assets attributable to holders of redeemable units	3,223	98
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	40,290	144,547
Issued on reinvestment of distributions	1,688	5,091
Amounts paid on redemption of redeemable units	(82,702)	(101,437)
	<b>(40,724)</b>	<b>48,201</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	(1,879)	(7,845)
Return of capital	-	-
	<b>(1,879)</b>	<b>(7,845)</b>
<b>Balance, end of year</b>	<b>92,172</b>	<b>131,552</b>
Class AF	2024	2023
	(\$)	(\$)
Balance, beginning of year	2,465,820	2,550,845
Increase (decrease) in net assets attributable to holders of redeemable units	76,019	11,638
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	3,253
Issued on reinvestment of distributions	61,434	105,160
Amounts paid on redemption of redeemable units	(561,760)	(89,059)
	<b>(500,326)</b>	<b>19,354</b>
<b>Distributions paid from:</b>		
Net investment income	(6,469)	-
Realized gains on sale of investments	(59,101)	(116,017)
Return of capital	-	-
	<b>(65,570)</b>	<b>(116,017)</b>
<b>Balance, end of year</b>	<b>1,975,943</b>	<b>2,465,820</b>
Class A (USD)	2024	2023
	(\$)	(\$)
Balance, beginning of year	-	6,846
Increase (decrease) in net assets attributable to holders of redeemable units	-	(50)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	9
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(6,805)
	-	<b>(6,796)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	<b>-</b>	<b>-</b>

# Pender Alternative Arbitrage Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class E	2024 (\$)	2023 (\$)
Balance, beginning of year	169,732	83,513
Increase (decrease) in net assets attributable to holders of redeemable units	7,711	2,647
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	97,261	100,076
Issued on reinvestment of distributions	18,967	10,155
Amounts paid on redemption of redeemable units	(8,858)	(16,504)
	<b>107,370</b>	<b>93,727</b>
<b>Distributions paid from:</b>		
Net investment income	(5,235)	(875)
Realized gains on sale of investments	(13,732)	(9,280)
Return of capital	-	-
	<b>(18,967)</b>	<b>(10,155)</b>
<b>Balance, end of year</b>	<b>265,846</b>	<b>169,732</b>

Class F	2024 (\$)	2023 (\$)
Balance, beginning of year	1,679,004	2,579,143
Increase (decrease) in net assets attributable to holders of redeemable units	59,430	13,223
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	240,721	1,012,292
Issued on reinvestment of distributions	13,840	87,290
Amounts paid on redemption of redeemable units	(956,536)	(1,908,052)
	<b>(701,975)</b>	<b>(808,470)</b>
<b>Distributions paid from:</b>		
Net investment income	(446)	-
Realized gains on sale of investments	(18,460)	(104,892)
Return of capital	-	-
	<b>(18,906)</b>	<b>(104,892)</b>
<b>Balance, end of year</b>	<b>1,017,553</b>	<b>1,679,004</b>

Class FF	2024 (\$)	2023 (\$)
Balance, beginning of year	10,264,913	15,012,027
Increase (decrease) in net assets attributable to holders of redeemable units	395,618	179,921
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	27,827	18,828
Issued on reinvestment of distributions	232,804	617,596
Amounts paid on redemption of redeemable units	(4,168,011)	(4,903,948)
	<b>(3,907,380)</b>	<b>(4,267,524)</b>
<b>Distributions paid from:</b>		
Net investment income	(80,955)	(21,498)
Realized gains on sale of investments	(167,397)	(638,013)
Return of capital	-	-
	<b>(248,352)</b>	<b>(659,511)</b>
<b>Balance, end of year</b>	<b>6,504,799</b>	<b>10,264,913</b>



# Pender Alternative Arbitrage Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

	2024	2023
Class F (USD)	(\$)	(\$)
Balance, beginning of year	13,499	6,836
Increase (decrease) in net assets attributable to holders of redeemable units	1,840	(27)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	6,690
Issued on reinvestment of distributions	510	825
Amounts paid on redemption of redeemable units	-	-
	<b>510</b>	<b>7,515</b>
<b>Distributions paid from:</b>		
Net investment income	(141)	-
Realized gains on sale of investments	(369)	(825)
Return of capital	-	-
	<b>(510)</b>	<b>(825)</b>
<b>Balance, end of year</b>	<b>15,339</b>	<b>13,499</b>
	2024	2023
Class H	(\$)	(\$)
Balance, beginning of year	176,338	165,591
Increase (decrease) in net assets attributable to holders of redeemable units	5,555	503
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	5,000	10,244
Issued on reinvestment of distributions	6,967	9,704
Amounts paid on redemption of redeemable units	(13,736)	-
	<b>(1,769)</b>	<b>19,948</b>
<b>Distributions paid from:</b>		
Net investment income	(680)	-
Realized gains on sale of investments	(6,287)	(9,704)
Return of capital	-	-
	<b>(6,967)</b>	<b>(9,704)</b>
<b>Balance, end of year</b>	<b>173,157</b>	<b>176,338</b>
	2024	2023
Class H (USD)	(\$)	(\$)
Balance, beginning of year	-	6,850
Increase (decrease) in net assets attributable to holders of redeemable units	-	(40)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	9
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(6,819)
	<b>-</b>	<b>(6,810)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>-</b>	<b>-</b>
<b>Balance, end of year</b>	<b>-</b>	<b>-</b>

# Pender Alternative Arbitrage Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class I	2024 (\$)	2023 (\$)
Balance, beginning of year	2,705,799	1,236,923
Increase (decrease) in net assets attributable to holders of redeemable units	74,209	38,226
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	279,543	2,835,687
Issued on reinvestment of distributions	13,323	160,754
Amounts paid on redemption of redeemable units	(1,647,171)	(1,391,285)
	<b>(1,354,305)</b>	<b>1,605,156</b>
<b>Distributions paid from:</b>		
Net investment income	(2,435)	(7,778)
Realized gains on sale of investments	(13,729)	(166,728)
Return of capital	-	-
	<b>(16,164)</b>	<b>(174,506)</b>
<b>Balance, end of year</b>	<b>1,409,539</b>	<b>2,705,799</b>

Class I (USD)	2024 (\$)	2023 (\$)
Balance, beginning of year	399,993	6,869
Increase (decrease) in net assets attributable to holders of redeemable units	56,212	(2,444)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	17,077	422,959
Issued on reinvestment of distributions	264	445
Amounts paid on redemption of redeemable units	-	-
	<b>17,341</b>	<b>423,404</b>
<b>Distributions paid from:</b>		
Net investment income	(4,704)	(1,983)
Realized gains on sale of investments	(11,390)	(25,853)
Return of capital	-	-
	<b>(16,094)</b>	<b>(27,836)</b>
<b>Balance, end of year</b>	<b>457,452</b>	<b>399,993</b>

Class N	2024 (\$)	2023 (\$)
Balance, beginning of year	-	5,312
Increase (decrease) in net assets attributable to holders of redeemable units	-	(38)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	7
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(5,281)
	-	<b>(5,274)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	<b>-</b>	<b>-</b>

# Pender Alternative Arbitrage Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class O	2024 (\$)	2023 (\$)
Balance, beginning of year	4,039,879	5,099,999
Increase (decrease) in net assets attributable to holders of redeemable units	218,458	104,731
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	350,415
Issued on reinvestment of distributions	145,294	274,853
Amounts paid on redemption of redeemable units	(1,436,902)	(1,515,266)
	<b>(1,291,608)</b>	<b>(889,998)</b>
<b>Distributions paid from:</b>		
Net investment income	(88,452)	(46,983)
Realized gains on sale of investments	(56,842)	(227,870)
Return of capital	-	-
	<b>(145,294)</b>	<b>(274,853)</b>
<b>Balance, end of year</b>	<b>2,821,435</b>	<b>4,039,879</b>
Total Fund	2024 (\$)	2023 (\$)
Balance, beginning of year	22,046,529	26,851,852
Increase (decrease) in net assets attributable to holders of redeemable units	898,275	348,388
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	707,719	4,905,016
Issued on reinvestment of distributions	495,091	1,271,873
Amounts paid on redemption of redeemable units	(8,875,676)	(9,944,456)
	<b>(7,672,866)</b>	<b>(3,767,567)</b>
<b>Distributions paid from:</b>		
Net investment income	(189,517)	(79,117)
Realized gains on sale of investments	(349,186)	(1,307,027)
Return of capital	-	-
	<b>(538,703)</b>	<b>(1,386,144)</b>
<b>Balance, end of year</b>	<b>14,733,235</b>	<b>22,046,529</b>

# Pender Alternative Arbitrage Fund

## Statements of Cash Flows

Years ended December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	898,275	348,388
<b>Adjustments for:</b>		
Interest for distribution purposes	(292,692)	(225,910)
Dividend income	(299,308)	(208,876)
Dividend and interest expense on securities sold short	51,026	48,266
Foreign exchange (gain) loss	(404,780)	306,832
Net realized (gain) loss on sale of investments	(1,249,541)	(1,103,565)
Net change in unrealized (appreciation) depreciation of investments	(522,484)	724,663
Other receivable	-	5,812
Derivative assets and liabilities	783,345	(439,066)
Performance fees payable	(19,456)	9,506
Management and administration fees payable	(4,986)	(6,845)
Interest and borrow fees expense	-	1,827
	<b>(1,060,601)</b>	<b>(538,968)</b>
Proceeds on disposal of investments	71,019,013	113,489,982
Amounts paid on purchase of investments	(72,350,525)	(101,673,598)
Dividend and interest expense paid on securities sold short	(52,420)	(49,328)
Dividends received	296,153	211,822
Interest received	284,074	225,910
	<b>(1,864,306)</b>	<b>11,665,820</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	160,860	4,327,539
Amounts paid on redemption of redeemable units	(8,431,959)	(9,265,139)
Distributions paid to unitholders	(43,612)	(114,271)
	<b>(8,314,711)</b>	<b>(5,051,871)</b>
Net increase (decrease) in cash	(10,179,017)	6,613,949
Cash (Bank overdraft), beginning of year	11,601,596	5,294,479
Effect of exchange rate fluctuations on cash	404,780	(306,832)
<b>Cash (Bank overdraft), end of year</b>	<b>1,827,359</b>	<b>11,601,596</b>

# Pender Alternative Arbitrage Fund

## Schedule of Investment Portfolio

December 31, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS</b>				
<b>Equities:</b>				
<b>Banks (5.8%)</b>				
Affinity Bancshares Inc.		7,900	224,472	198,727
Canadian Western Bank		1,300	74,708	76,375
Heartland BancCorp.		600	119,221	135,408
Heartland Financial USA Inc.		1,700	161,249	149,809
Premier Financial Corp.		3,900	153,886	143,347
Territorial Bancorp Inc.		8,400	124,746	117,486
Traditions Bancorp Inc.		912	41,863	36,982
			<b>900,145</b>	<b>858,134</b>
<b>Communication services (2.9%):</b>				
Frontier Communications Parent Inc.		1,700	84,209	84,795
Innovid Corp.		61,300	261,065	272,277
SPAR Group Inc.		25,157	82,321	70,154
			<b>427,595</b>	<b>427,226</b>
<b>Consumer discretionary (8.2%):</b>				
Bally's Corp.		14,200	330,615	365,167
Everi Holdings Inc.		16,400	292,415	318,487
Galaxy Gaming Inc.		36,100	139,388	143,533
PlayAGS Inc.		14,400	228,488	238,663
Vacasa Inc., Class 'A'		15,800	110,777	111,287
VOXX International Corp.		3,600	37,877	38,190
			<b>1,139,560</b>	<b>1,215,327</b>
<b>Consumer staples (0.0%):</b>				
Neighbourly Pharmacy Inc.		24,100	1,253	1,253
			<b>1,253</b>	<b>1,253</b>
<b>Energy (5.3%):</b>				
Adams Resources & Energy Inc.		4,398	229,941	238,652
Hess Corp.		700	142,041	133,837
Lucero Energy Corp.		380,800	160,613	161,840
Profire Energy Inc.		68,204	239,641	249,021
			<b>772,236</b>	<b>783,350</b>
<b>Financial services (22.6%):</b>				
Acropolis Infrastructure Acquisition Corp., CVR		15,500	-	-
Aquaron Acquisition Corp.		9,989	150,797	172,304
Arogo Capital Acquisition Corp., Class 'A'		5,000	78,832	92,931
BM Technologies Inc.		13,800	93,804	97,002
Cantor Equity Partners Inc.		4,700	64,430	69,722
CI Financial Corp.		10,000	311,149	309,400
Constellation Acquisition Corp. I, Class 'A'		10,095	156,001	169,779
dMY Squared Technology Group Inc., Class 'A'		6,117	89,453	93,205
DUET Acquisition Corp., Class 'A'		138	2,017	2,260
Graf Global Corp., Class 'A'		4,800	65,372	69,619
HCM II Acquisition Corp., Class 'A'		14,000	190,616	201,645
International Media Acquisition Corp., Class 'A'		4,075	62,873	65,137
Launch One Acquisition Corp.		28,000	380,202	404,096
Mercer Park Opportunities Corp., Rights, 2029/07/15		40,900	-	4,409
Mercer Park Opportunities Corp.		40,900	561,658	582,038
MoneyLion Inc.		2,000	247,385	247,270
Payfare Inc., Class 'A'		19,046	72,851	73,137

The accompanying notes are an integral part of these financial statements.

# Pender Alternative Arbitrage Fund

## Schedule of Investment Portfolio (cont'd)

December 31, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>Financial services (22.6%): (cont'd)</b>				
Quetta Acquisition Corp.		3,008	42,518	45,617
SIM Acquisition Corp. I, Class 'A'		11,849	160,539	171,005
TLGY Acquisition Corp. Class 'A'		80	1,252	1,344
Valuence Merger Corp. I, Class 'A'		14,106	223,797	233,891
Vine Hill Capital Investment Corp., Class 'A'		11,610	156,549	167,722
Voyager Acquisition Corp.		2,400	32,803	34,602
			<b>3,144,898</b>	<b>3,308,135</b>
<b>Health care (6.0%):</b>				
ABIOMED, Inc., Rights		400	565	586
Avid Bioservices Inc.		19,700	333,470	349,724
CinCor Pharma Inc., CVR		6,789	28,479	29,862
Cross Country Healthcare Inc.		10,600	270,290	276,703
Fusion Pharmaceuticals Inc., CVR		18,300	13,779	14,468
Icosavax Inc., CVR		15,482	6,554	6,899
Jounce Therapeutics Inc., CVR		155,970	9,291	9,641
Mirati Therapeutics Inc., CVR		3,630	3,493	3,637
Miromatrix Medical Inc., CVR		33,785	6,477	6,799
Patterson Cos. Inc.		3,300	145,610	146,387
Singular Genomics Systems Inc.		850	23,521	23,752
Zynerba Pharmaceuticals Inc., CVR		45,850	12,190	12,793
			<b>853,719</b>	<b>881,251</b>
<b>Industrials (12.6%):</b>				
Air Transport Services Group Inc.		10,100	310,623	319,111
Barnes Group Inc.		5,600	358,098	380,430
Héroux-Devtek Inc.		10,204	318,333	324,283
Manitex International Inc.		44,600	340,107	371,840
Redishred Capital Corp.		73,400	357,663	359,660
Stratasys Ltd.		7,650	184,746	97,759
			<b>1,869,570</b>	<b>1,853,083</b>
<b>Information technology (15.9%):</b>				
Brightcove Inc.		52,800	318,742	330,154
EMCORE Corp.		38,509	161,312	166,064
HashiCorp Inc., Class 'A'		3,300	150,147	162,278
Juniper Networks Inc.		1,900	96,733	102,282
Micropac Industries Inc.		1,800	49,169	51,748
SecureWorks Corp.		24,405	284,603	296,785
Smartsheet Inc., Class 'A'		4,900	375,630	394,648
WalkMe Ltd.		25,000	473,325	503,108
Zuora Inc., Class 'A'		23,836	326,644	339,890
			<b>2,236,305</b>	<b>2,346,957</b>
<b>Insurance (2.5%):</b>				
Enstar Group Ltd.		800	358,845	370,345
			<b>358,845</b>	<b>370,345</b>
<b>Materials (9.2%):</b>				
Filo Corp.		11,600	366,043	369,228
Pactiv Evergreen Inc.		11,900	294,270	298,836
Sierra Metals Inc.		47,158	38,779	39,613
SilverCrest Metals Inc.		9,500	130,454	124,268

# Pender Alternative Arbitrage Fund

## Schedule of Investment Portfolio (cont'd)

December 31, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>Materials (9.2%): (cont'd)</b>				
Summit Materials Inc., Class 'A'		3,300	234,661	240,025
Universal Stainless & Alloy Products Inc.		4,400	269,477	278,480
			<b>1,333,684</b>	<b>1,350,450</b>
<b>Real estate (2.9%)</b>				
Melcor Real Estate Investment Trust		50,800	265,209	266,700
Retail Opportunity Investments Corp.		6,300	154,925	157,211
			<b>420,134</b>	<b>423,911</b>
<b>Utilities (1.7%)</b>				
Allete Inc.		2,720	237,786	253,359
			<b>237,786</b>	<b>253,359</b>
<b>Total equities (long) (95.7%)</b>			<b>13,695,730</b>	<b>14,072,781</b>
<b>Warrants (0.1%):</b>				
Graf Global Corp., Class 'A', strike price \$11.50, expiry 2029/08/07	USD	2,400	391	500
HCM II Acquisition Corp., Class 'A', strike price \$11.50, expiry 2029/10/10	USD	7,000	953	1,207
Launch One Acquisition Corp., strike price \$11.50, expiry 2029/08/29	USD	14,000	1,522	2,717
Mercer Park Opportunities Corp., strike price \$11.00, expiry 2029/07/15	USD	40,900	-	4,409
Saturn Oil & Gas Inc., strike price \$4.00, expiry 2025/03/10	CAD	32,000	-	480
SIM Acquisition Corp. I, Class 'A', strike price \$11.50, expiry 2029/08/28	USD	5,924	839	937
Vine Hill Capital Investment Corp., Class 'A', strike price \$100.00, expiry 2025/11/27	USD	5,805	924	1,335
Voyager Acquisition Corp., strike price \$11.50, expiry 2031/05/16	USD	1,200	147	216
			<b>4,776</b>	<b>11,801</b>
<b>Total long positions (95.7%)</b>			<b>13,700,506</b>	<b>14,084,582</b>
<b>SHORT POSITIONS</b>				
<b>Equities:</b>				
<b>Banks (-4.5%):</b>				
ACNB Corp.		(665)	(44,054)	(38,074)
German American Bancorp Inc.		(2,340)	(125,572)	(135,285)
Hope Bancorp Inc.		(6,760)	(126,490)	(119,424)
National Bank of Canada		(584)	(77,835)	(76,527)
UMB Financial Corp.		(934)	(163,587)	(151,524)
WesBanco Inc.		(3,120)	(155,631)	(145,937)
			<b>(693,169)</b>	<b>(666,771)</b>
<b>Energy (-2.2%):</b>				
Chevron Corp.		(716)	(153,699)	(149,071)
Vitesse Energy Inc.		(4,717)	(175,133)	(169,511)
			<b>(328,832)</b>	<b>(318,582)</b>
<b>Materials (-0.8%):</b>				
Coeur Mining Inc.		(15,220)	(132,090)	(125,142)
			<b>(132,090)</b>	<b>(125,142)</b>
<b>Total equities (short) (-7.5%)</b>			<b>(1,154,091)</b>	<b>(1,110,495)</b>
<b>Total short positions (-7.5%)</b>			<b>(1,154,091)</b>	<b>(1,110,495)</b>
Less: Transaction costs included in cost of investments			(8,279)	
<b>Total investments (88.2%)</b>			<b>12,538,136</b>	<b>12,974,087</b>

The accompanying notes are an integral part of these financial statements.

# Pender Alternative Arbitrage Fund

## Schedule of Investment Portfolio (cont'd)

December 31, 2024

	Contract rate	Pay	Receive	Unrealized gain (loss)
<b>Derivative liabilities:</b>				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2025/03/05	1.40	USD 8,653,900	CAD 12,108,345	(303,330)
<b>Total derivative liabilities (-2.2%)</b>				<b>(303,330)</b>
Cash (Bank overdraft) (12.4%)				1,827,359
Other assets less liabilities (1.6%)				235,119
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>14,733,235</b>



# Pender Alternative Arbitrage Plus Fund

## Statements of Financial Position

December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Assets</b>		
Cash	-	4,159,723
Receivable for investments sold	338,676	4,046
Subscriptions receivable	-	5,692
Dividends receivable	4,413	-
Derivative assets	-	289,607
Investments	18,592,349	14,543,971
	<b>18,935,438</b>	<b>19,003,039</b>
<b>Liabilities</b>		
Bank overdraft	4,685,092	-
Management and administration fees payable (note 4)	10,518	14,989
Payable for investments purchased	-	344,989
Redemptions payable to holders of redeemable units	109,482	438,913
Payable for interest and dividends on short securities	16,641	659
Performance fees payable (note 4)	5,675	16,975
Derivative liabilities	369,462	-
Investments sold short	1,463,058	1,811,817
	<b>6,659,928</b>	<b>2,628,342</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>12,275,510</b>	<b>16,374,697</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	44,465	40,502
Class E	163,513	152,422
Class F	1,119,838	1,208,283
Class F (USD)	104,299	6,694
Class I	8,376,795	12,768,298
Class I (USD)	-	6,802
Class O	2,466,600	2,191,696
	<b>12,275,510</b>	<b>16,374,697</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	10.34	10.05
Class E	10.50	10.21
Class F	10.50	10.15
Class F (USD)	15.33	13.55
Class I	10.69	10.24
Class I (USD)	-	13.57
Class O	10.58	10.27

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

*(signed) "David Barr"*

**David Barr**  
Director

*(signed) "Felix Narhi"*

**Felix Narhi**  
Director

# Pender Alternative Arbitrage Plus Fund

## Statements of Comprehensive Income

Years ended December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Revenue</b>		
Interest for distribution purposes	22,522	115,405
Dividend income	364,283	201,850
Dividend and interest expense on securities sold short	(61,902)	(52,652)
Foreign exchange gain (loss)	163,855	112,920
<b>Changes in fair value of investments and derivatives:</b>		
Net realized gain (loss)	693,083	357,963
Net change in unrealized appreciation (depreciation)	(9,636)	88,040
<b>Total revenue</b>	<b>1,172,205</b>	<b>823,526</b>
<b>Expenses</b>		
Interest and borrow fees expense	235,366	381,535
Performance fees (note 4)	87,675	16,975
Management fees (note 4)	72,976	92,470
Administration fees (note 4)	62,554	77,673
Transaction costs	61,195	78,649
Withholding taxes (note 5)	48,226	110,204
Independent review committee fees	147	344
<b>Total expenses</b>	<b>568,139</b>	<b>757,850</b>
Less: Fees waived and expenses absorbed by the Manager (note 4)	(147)	(344)
<b>Net expenses</b>	<b>567,992</b>	<b>757,506</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>604,213</b>	<b>66,020</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	1,465	(990)
Class A (USD)	-	(119)
Class E	7,705	1,744
Class F	48,332	(3,073)
Class F (USD)	8,940	(1,785)
Class H	-	(125)
Class H (USD)	-	(112)
Class I	397,110	45,902
Class I (USD)	373	(80)
Class N	-	(102)
Class O	140,288	24,760
	<b>604,213</b>	<b>66,020</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.33	(0.16)
Class A (USD)	-	(0.24)
Class E	0.50	0.13
Class F	0.43	(0.02)
Class F (USD)	2.24	(0.72)
Class H	-	(0.25)
Class H (USD)	-	(0.22)
Class I	0.43	0.04
Class I (USD)	0.74	(0.16)
Class N	-	(0.20)
Class O	0.66	0.11

# Pender Alternative Arbitrage Plus Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2024 and 2023

Class A	2024 (\$)	2023 (\$)
Balance, beginning of year	40,502	56,506
Increase (decrease) in net assets attributable to holders of redeemable units	1,465	(990)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	7,000	13,423
Issued on reinvestment of distributions	144	-
Amounts paid on redemption of redeemable units	(4,502)	(28,437)
	<b>2,642</b>	<b>(15,014)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	(144)	-
Return of capital	-	-
	<b>(144)</b>	<b>-</b>
<b>Balance, end of year</b>	<b>44,465</b>	<b>40,502</b>
Class A (USD)	2024 (\$)	2023 (\$)
Balance, beginning of year	-	6,865
Increase (decrease) in net assets attributable to holders of redeemable units	-	(119)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	15
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(6,761)
	<b>-</b>	<b>(6,746)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>-</b>	<b>-</b>
<b>Balance, end of year</b>	<b>-</b>	<b>-</b>
Class E	2024 (\$)	2023 (\$)
Balance, beginning of year	152,422	64,080
Increase (decrease) in net assets attributable to holders of redeemable units	7,705	1,744
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	8,497	229,343
Issued on reinvestment of distributions	3,427	-
Amounts paid on redemption of redeemable units	(5,111)	(142,745)
	<b>6,813</b>	<b>86,598</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	(3,427)	-
Return of capital	-	-
	<b>(3,427)</b>	<b>-</b>
<b>Balance, end of year</b>	<b>163,513</b>	<b>152,422</b>

# Pender Alternative Arbitrage Plus Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class F	2024 (\$)	2023 (\$)
Balance, beginning of year	1,208,283	1,009,893
Increase (decrease) in net assets attributable to holders of redeemable units	48,332	(3,073)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	84,001	611,014
Issued on reinvestment of distributions	8,282	-
Amounts paid on redemption of redeemable units	(220,055)	(409,551)
	<b>(127,772)</b>	<b>201,463</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	(9,005)	-
Return of capital	-	-
	<b>(9,005)</b>	<b>-</b>
<b>Balance, end of year</b>	<b>1,119,838</b>	<b>1,208,283</b>

Class F (USD)	2024 (\$)	2023 (\$)
Balance, beginning of year	6,694	70,523
Increase (decrease) in net assets attributable to holders of redeemable units	8,940	(1,785)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	88,665	76,552
Issued on reinvestment of distributions	841	-
Amounts paid on redemption of redeemable units	-	(138,596)
	<b>89,506</b>	<b>(62,044)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	(841)	-
Return of capital	-	-
	<b>(841)</b>	<b>-</b>
<b>Balance, end of year</b>	<b>104,299</b>	<b>6,694</b>

Class H	2024 (\$)	2023 (\$)
Balance, beginning of year	-	5,076
Increase (decrease) in net assets attributable to holders of redeemable units	-	(125)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	11
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(4,962)
	<b>-</b>	<b>(4,951)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>-</b>	<b>-</b>
<b>Balance, end of year</b>	<b>-</b>	<b>-</b>

# Pender Alternative Arbitrage Plus Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class H (USD)	2024 (\$)	2023 (\$)
Balance, beginning of year	-	6,866
Increase (decrease) in net assets attributable to holders of redeemable units	-	(112)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	15
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(6,769)
	-	<b>(6,754)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	-	-

Class I	2024 (\$)	2023 (\$)
Balance, beginning of year	12,768,298	3,721,095
Increase (decrease) in net assets attributable to holders of redeemable units	397,110	45,902
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	464,420	10,035,833
Issued on reinvestment of distributions	3,732	-
Amounts paid on redemption of redeemable units	(5,253,033)	(1,034,532)
	<b>(4,784,881)</b>	<b>9,001,301</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	(3,732)	-
Return of capital	-	-
	<b>(3,732)</b>	-
<b>Balance, end of year</b>	<b>8,376,795</b>	<b>12,768,298</b>

Class I (USD)	2024 (\$)	2023 (\$)
Balance, beginning of year	6,802	6,867
Increase (decrease) in net assets attributable to holders of redeemable units	373	(80)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	15
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(7,175)	-
	<b>(7,175)</b>	<b>15</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	-	<b>6,802</b>

# Pender Alternative Arbitrage Plus Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class N	2024 (\$)	2023 (\$)
Balance, beginning of year	-	5,077
Increase (decrease) in net assets attributable to holders of redeemable units	-	(102)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	11
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(4,986)
	-	<b>(4,975)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	-	-

Class O	2024 (\$)	2023 (\$)
Balance, beginning of year	2,191,696	1,017,412
Increase (decrease) in net assets attributable to holders of redeemable units	140,288	24,760
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	538,789	1,765,124
Issued on reinvestment of distributions	82,086	-
Amounts paid on redemption of redeemable units	(404,173)	(615,600)
	<b>216,702</b>	<b>1,149,524</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	(82,086)	-
Return of capital	-	-
	<b>(82,086)</b>	-
<b>Balance, end of year</b>	<b>2,466,600</b>	<b>2,191,696</b>

Total Fund	2024 (\$)	2023 (\$)
Balance, beginning of year	16,374,697	5,970,260
Increase (decrease) in net assets attributable to holders of redeemable units	604,213	66,020
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	1,191,372	12,731,356
Issued on reinvestment of distributions	98,512	-
Amounts paid on redemption of redeemable units	(5,894,049)	(2,392,939)
	<b>(4,604,165)</b>	<b>10,338,417</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	(99,235)	-
Return of capital	-	-
	<b>(99,235)</b>	-
<b>Balance, end of year</b>	<b>12,275,510</b>	<b>16,374,697</b>

# Pender Alternative Arbitrage Plus Fund

## Statements of Cash Flows

Years ended December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	604,213	66,020
<b>Adjustments for:</b>		
Interest for distribution purposes	(22,522)	(115,405)
Dividend income	(364,283)	(201,850)
Dividend and interest expense on securities sold short	61,902	52,652
Foreign exchange (gain) loss	(163,855)	(112,920)
Net realized (gain) loss on sale of investments	(1,469,586)	(618,054)
Net change in unrealized (appreciation) depreciation of investments	(649,433)	191,206
Derivative assets and liabilities	659,069	(279,246)
Performance fees payable	(11,300)	16,975
Management and administration fees payable	(4,471)	14,989
	<b>(1,360,266)</b>	<b>(985,633)</b>
Proceeds on disposal of investments	84,703,465	113,597,886
Amounts paid on purchase of investments	(87,661,203)	(118,715,031)
Dividend and interest expense paid on securities sold short	(45,920)	(51,993)
Dividends received	359,870	202,950
Interest received	22,522	115,405
	<b>(3,981,532)</b>	<b>(5,836,416)</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	1,197,067	12,586,828
Amounts paid on redemption of redeemable units	(6,223,482)	(1,813,300)
Distributions paid to unitholders	(723)	-
	<b>(5,027,138)</b>	<b>10,773,528</b>
Net increase (decrease) in cash	(9,008,670)	4,937,112
Cash (Bank overdraft), beginning of year	4,159,723	(890,309)
Effect of exchange rate fluctuations on cash	163,855	112,920
<b>Cash (Bank overdraft), end of year</b>	<b>(4,685,092)</b>	<b>4,159,723</b>

# Pender Alternative Arbitrage Plus Fund

## Schedule of Investment Portfolio

December 31, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS</b>				
<b>Equities:</b>				
<b>Banks (9.2%):</b>				
Affinity Bancshares Inc.		9,300	264,830	233,945
Canadian Western Bank		1,900	109,188	111,625
Heartland BancCorp		700	139,513	157,976
Heartland Financial USA Inc.		2,300	218,160	202,683
Premier Financial Corp.		5,600	220,964	205,831
Territorial Bancorp Inc.		11,900	176,724	166,438
Traditions Bancorp Inc.		1,238	56,827	50,201
			<b>1,186,206</b>	<b>1,128,699</b>
<b>Communication services (4.9%)</b>				
Frontier Communications Parent Inc.		2,300	113,930	114,723
Innovid Corp.		86,700	369,386	385,097
SPAR Group Inc.		35,743	117,186	99,675
			<b>600,502</b>	<b>599,495</b>
<b>Consumer discretionary (13.0%)</b>				
Bally's Corp.		16,400	381,848	421,742
Everi Holdings Inc.		23,200	413,681	450,543
Galaxy Gaming Inc.		40,900	157,926	162,618
PlayAGS Inc.		20,500	327,474	339,763
Vacasa Inc., Class 'A'		23,000	161,258	162,001
VOXX International Corp.		5,200	54,711	55,164
			<b>1,496,898</b>	<b>1,591,831</b>
<b>Consumer staples (0.0%)</b>				
Neighbourly Pharmacy Inc., CVR		31,400	1,633	1,633
			<b>1,633</b>	<b>1,633</b>
<b>Energy (8.5%)</b>				
Adams Resources & Energy Inc.		6,098	318,892	330,900
Hess Corp.		800	161,740	152,956
Lucero Energy Corp.		527,200	222,361	224,060
Profire Energy Inc.		93,532	328,616	341,497
			<b>1,031,609</b>	<b>1,049,413</b>
<b>Financial services (32.9%)</b>				
Acropolis Infrastructure Acquisition Corp., CVR		18,900	-	-
Aquaron Acquisition Corp.		11,912	179,828	205,475
Arogo Capital Acquisition Corp., Class 'A'		7,200	113,518	133,821
BM Technologies Inc.		19,600	133,229	137,771
Cantor Equity Partners Inc.		5,300	72,655	78,623
CI Financial Corp.		14,000	435,566	433,160
Constellation Acquisition Corp. I, Class 'A'		11,205	173,154	188,448
dMY Squared Technology Group Inc., Class 'A'		7,147	104,527	108,899
DUET Acquisition Corp., Class 'A'		167	2,440	2,735
Graf Global Corp., Class 'A'		5,200	70,819	75,420
HCM II Acquisition Corp., Class 'A'		16,000	217,847	230,452
International Media Acquisition Corp., Class 'A'		4,906	75,615	78,420
Launch One Acquisition Corp.		32,000	434,517	461,824
Mercer Park Opportunities Corp., Rights, 2029/07/15		46,500	-	5,013
Mercer Park Opportunities Corp.		46,500	638,560	661,730
MoneyLion Inc.		2,800	346,223	346,178
Payfare Inc., Class 'A'		27,954	106,924	107,343

The accompanying notes are an integral part of these financial statements.



# Pender Alternative Arbitrage Plus Fund

## Schedule of Investment Portfolio (cont'd)

December 31, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>Financial services (32.9%) (cont'd)</b>				
Quetta Acquisition Corp.		3,187	45,048	48,331
SIM Acquisition Corp. I, Class 'A'		13,151	178,179	189,795
TLGY Acquisition Corp. Class 'A'		97	1,518	1,629
Valuence Merger Corp. I, Class 'A'		19,329	308,656	320,494
Vine Hill Capital Investment Corp., Class 'A'		13,390	180,550	193,437
Voyager Acquisition Corp.		2,600	35,537	37,486
			<b>3,854,910</b>	<b>4,046,484</b>
<b>Health care (10.0%)</b>				
ABIOMED, Inc., Rights		140	198	205
Avid Bioservices Inc.		27,500	465,408	488,194
CinCor Pharma Inc., CVR		6,011	25,215	26,440
Cross Country Healthcare Inc.		15,100	385,067	394,172
Fusion Pharmaceuticals Inc., CVR		21,100	15,865	16,682
Icosavax Inc., CVR		19,106	8,088	8,514
Jounce Therapeutics Inc., CVR		164,200	9,781	10,149
Mirati Therapeutics Inc., CVR		4,840	4,658	4,849
Miromatrix Medical Inc., CVR		39,648	7,601	7,979
Patterson Cos. Inc.		4,900	216,241	217,363
Singular Genomics Systems Inc.		1,255	34,729	35,070
Zynerba Pharmaceuticals Inc., CVR		52,594	13,983	14,674
			<b>1,186,834</b>	<b>1,224,291</b>
<b>Industrials (20.3%)</b>				
Air Transport Services Group Inc.		14,200	436,769	448,651
Barnes Group Inc.		7,800	500,163	529,884
Héroux-Devtek Inc.		14,096	442,135	447,971
Manitex International Inc.		51,600	393,516	430,200
Redishred Capital Corp.		103,200	502,870	505,680
Stratasys Ltd.		10,500	251,186	134,179
			<b>2,526,639</b>	<b>2,496,565</b>
<b>Information technology (25.8%)</b>				
Brightcove Inc.		74,100	447,278	463,340
EMCORE Corp.		52,788	221,127	227,640
HashiCorp Inc., Class 'A'		4,600	209,239	226,206
Juniper Networks Inc.		2,700	137,373	145,348
Micropac Industries Inc.		2,500	68,290	71,873
SecureWorks Corp.		33,995	396,473	413,407
Smartsheet Inc., Class 'A'		7,000	538,271	563,782
WalkMe Ltd.		28,900	547,052	581,592
Zuora Inc., Class 'A'		32,960	451,692	469,993
			<b>3,016,795</b>	<b>3,163,181</b>
<b>Insurance (3.8%)</b>				
Enstar Group Ltd.		1,000	447,252	462,931
			<b>447,252</b>	<b>462,931</b>
<b>Materials (15.5%)</b>				
Filo Corp.		16,100	508,268	512,463
Pactiv Evergreen Inc.		17,300	427,854	434,442
Sierra Metals Inc.		65,342	53,732	54,887
SilverCrest Metals Inc.		11,600	159,441	151,737

# Pender Alternative Arbitrage Plus Fund

## Schedule of Investment Portfolio (cont'd)

December 31, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>Materials (15.5%) (cont'd)</b>				
Summit Materials Inc., Class 'A'		4,700	334,274	341,854
Universal Stainless & Alloy Products Inc.		6,500	398,808	411,391
			<b>1,882,377</b>	<b>1,906,774</b>
<b>Real estate (4.7%)</b>				
Melcor Real Estate Investment Trust		68,000	354,991	357,000
Retail Opportunity Investments Corp.		8,800	216,453	219,596
			<b>571,444</b>	<b>576,596</b>
<b>Utilities (2.7%)</b>				
Allete Inc.		3,560	312,275	331,602
			<b>312,275</b>	<b>331,602</b>
<b>Total equities (long) (151.3%)</b>			<b>18,115,374</b>	<b>18,579,495</b>
<b>Warrants (0.1%):</b>				
Graf Global Corp., Class 'A', strike price \$11.50, expiry 2029/08/07	USD	2,600	423	542
HCM II Acquisition Corp., Class 'A', strike price \$11.50, expiry 2029/10/10	USD	8,000	1,089	1,380
Launch One Acquisition Corp., strike price \$11.50, expiry 2029/08/29	USD	16,000	1,739	3,105
Mercer Park Opportunities Corp., strike price \$11.00, expiry 2029/07/15	USD	46,500	-	5,013
SIM Acquisition Corp. I, Class 'A', strike price \$11.50, expiry 2029/08/28	USD	6,576	931	1,040
Vine Hill Capital Investment Corp., Class 'A', strike price \$100.00, expiry 2025/11/27	USD	6,695	1,065	1,540
Voyager Acquisition Corp., strike price \$11.50, expiry 2031/05/16	USD	1,300	160	234
			<b>5,407</b>	<b>12,854</b>
<b>Total long positions (151.4%)</b>			<b>18,120,781</b>	<b>18,592,349</b>
<b>SHORT POSITIONS</b>				
<b>Equities:</b>				
<b>Banks (-7.4%):</b>				
ACNB Corp.		(903)	(59,821)	(51,700)
German American Bancorp Inc.		(2,730)	(147,090)	(157,833)
Hope Bancorp Inc.		(9,577)	(179,200)	(169,190)
National Bank of Canada		(854)	(113,820)	(111,908)
UMB Financial Corp.		(1,264)	(221,386)	(205,059)
WesBanco Inc.		(4,480)	(223,470)	(209,550)
			<b>(944,787)</b>	<b>(905,240)</b>
<b>Energy (-3.3%):</b>				
Chevron Corp.		(818)	(175,181)	(170,308)
Vitesse Energy Inc.		(6,531)	(242,483)	(234,700)
			<b>(417,664)</b>	<b>(405,008)</b>
<b>Materials (-1.2%):</b>				
Coeur Mining Inc.		(18,585)	(161,452)	(152,810)
			<b>(161,452)</b>	<b>(152,810)</b>
<b>Total equities (short) (-11.9%)</b>			<b>(1,523,903)</b>	<b>(1,463,058)</b>
<b>Total short positions (-11.9%)</b>			<b>(1,523,903)</b>	<b>(1,463,058)</b>
Less: Transaction costs included in cost of investments			(10,921)	
<b>Total investments (139.5%)</b>			<b>16,585,957</b>	<b>17,129,291</b>

# Pender Alternative Arbitrage Plus Fund

## Schedule of Investment Portfolio (cont'd)

December 31, 2024

	Contract rate	Pay	Receive	Unrealized gain (loss)
<b>Derivative liabilities:</b>				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2025/03/05	1.40	USD 11,787,600	CAD 16,536,657	(369,462)
<b>Total derivative liabilities (-3.0%)</b>				<b>(369,462)</b>
Cash (Bank overdraft) (-38.2%)				(4,685,092)
Other assets less liabilities (1.7%)				200,773
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>12,275,510</b>

# Pender Alternative Multi-Strategy Income Fund

## Statements of Financial Position

December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Assets</b>		
Cash	46,737	17,365
Investments	3,274,747	4,044,713
	<b>3,321,484</b>	<b>4,062,078</b>
<b>Liabilities</b>		
Management and administration fees payable (note 4)	5,216	6,006
Redemptions payable to holders of redeemable units	3,223	37,687
Accrued expenses	95	242
Performance fees payable (note 4)	33,284	23,626
	<b>41,818</b>	<b>67,561</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>3,279,666</b>	<b>3,994,517</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	1,379,927	2,119,623
Class F	1,300,500	1,530,094
Class I	593,919	340,100
Class O	5,320	4,700
	<b>3,279,666</b>	<b>3,994,517</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	12.90	11.99
Class F	14.23	13.11
Class I	9.65	8.89
Class O	10.46	9.40

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

*(signed) "David Barr"*

**David Barr**  
Director

*(signed) "Felix Narhi"*

**Felix Narhi**  
Director

# Pender Alternative Multi-Strategy Income Fund

## Statements of Comprehensive Income

Years ended December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Revenue</b>		
Distributions from underlying funds	174,281	226,817
Dividend income	-	7,184
<b>Changes in fair value of investments:</b>		
Net realized gain (loss)	(99,380)	101,481
Net change in unrealized appreciation (depreciation)	303,132	(7,619)
<b>Total revenue</b>	<b>378,033</b>	<b>327,863</b>
<b>Expenses</b>		
Management fees (note 4)	44,865	66,175
Performance fees (note 4)	33,284	23,626
Administration fees (note 4)	23,257	32,370
Transaction costs	1,034	1,112
Interest and borrow fees expense	192	813
Independent review committee	49	87
<b>Total expenses</b>	<b>102,681</b>	<b>124,183</b>
Less: Expenses absorbed by the Manager (note 4)	(49)	(87)
<b>Net expenses</b>	<b>102,632</b>	<b>124,096</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>275,401</b>	<b>203,767</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	126,886	99,040
Class E	-	57
Class F	112,817	83,203
Class H	-	38
Class I	35,115	21,058
Class N	-	52
Class O	583	319
	<b>275,401</b>	<b>203,767</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.92	0.44
Class E	-	0.11
Class F	1.12	0.59
Class H	-	0.08
Class I	0.75	0.40
Class N	-	0.10
Class O	1.07	0.64

# Pender Alternative Multi-Strategy Income Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2024 and 2023

	2024	2023
Class A	(\$)	(\$)
Balance, beginning of year	2,119,623	3,288,034
Increase (decrease) in net assets attributable to holders of redeemable units	126,886	99,040
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	8,100	850
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(874,682)	(1,268,301)
	<b>(866,582)</b>	<b>(1,267,451)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	<b>1,379,927</b>	<b>2,119,623</b>
	2024	2023
Class E	(\$)	(\$)
Balance, beginning of year	-	4,325
Increase (decrease) in net assets attributable to holders of redeemable units	-	57
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(4,382)
	-	<b>(4,382)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	-	-
	2024	2023
Class F	(\$)	(\$)
Balance, beginning of year	1,530,094	1,972,805
Increase (decrease) in net assets attributable to holders of redeemable units	112,817	83,203
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	26,120	42,710
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(368,531)	(568,624)
	<b>(342,411)</b>	<b>(525,914)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	<b>1,300,500</b>	<b>1,530,094</b>

# Pender Alternative Multi-Strategy Income Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class H	2024 (\$)	2023 (\$)
Balance, beginning of year	-	5,073
Increase (decrease) in net assets attributable to holders of redeemable units	-	38
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(5,111)
	-	<b>(5,111)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	-	-

Class I	2024 (\$)	2023 (\$)
Balance, beginning of year	340,100	635,529
Increase (decrease) in net assets attributable to holders of redeemable units	35,115	21,058
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	257,206	60,547
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(38,502)	(377,034)
	<b>218,704</b>	<b>(316,487)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	<b>593,919</b>	<b>340,100</b>

Class N	2024 (\$)	2023 (\$)
Balance, beginning of year	-	4,280
Increase (decrease) in net assets attributable to holders of redeemable units	-	52
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(4,332)
	-	<b>(4,332)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	-	-

# Pender Alternative Multi-Strategy Income Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class O	2024 (\$)	2023 (\$)
Balance, beginning of year	4,700	4,381
Increase (decrease) in net assets attributable to holders of redeemable units	583	319
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	5,000	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(4,963)	-
	<b>37</b>	<b>-</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	<b>5,320</b>	<b>4,700</b>
Total Fund	2024 (\$)	2023 (\$)
Balance, beginning of year	3,994,517	5,914,427
Increase (decrease) in net assets attributable to holders of redeemable units	275,401	203,767
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	296,426	104,107
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(1,286,678)	(2,227,784)
	<b>(990,252)</b>	<b>(2,123,677)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	<b>3,279,666</b>	<b>3,994,517</b>



# Pender Alternative Multi-Strategy Income Fund

## Statements of Cash Flows

Years ended December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	275,401	203,767
<b>Adjustments for:</b>		
Distributions from underlying funds	(174,281)	(226,817)
Dividend income	-	(7,184)
Net realized (gain) loss on sale of investments	99,380	(101,481)
Net change in unrealized (appreciation) depreciation of investments	(303,132)	7,619
Performance fees payable	9,658	23,626
Management and administration fees payable	(790)	(4,565)
Accrued expenses	(147)	(41)
	<b>(93,911)</b>	<b>(105,076)</b>
Proceeds on disposal of investments	2,209,488	2,233,730
Amounts paid on purchase of investments	(1,235,770)	(313,430)
Dividends received	-	7,184
Distributions from underlying funds	174,281	226,817
	<b>1,054,088</b>	<b>2,049,225</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	208,401	84,338
Amounts paid on redemption of redeemable units	(1,233,117)	(2,180,538)
	<b>(1,024,716)</b>	<b>(2,096,200)</b>
Net increase (decrease) in cash	29,372	(46,975)
Cash (Bank overdraft), beginning of year	17,365	64,340
Effect of exchange rate fluctuations on cash	-	-
<b>Cash (Bank overdraft), end of year</b>	<b>46,737</b>	<b>17,365</b>

# Pender Alternative Multi-Strategy Income Fund

## Schedule of Investment Portfolio

December 31, 2024

	Number of shares / units	Cost (\$)	Fair value (\$)
<b>Mutual funds:</b>			
Pender Alternative Absolute Return Fund, Class 'O'	117,995	1,173,851	1,135,632
Pender Alternative Arbitrage Plus Fund, Class 'O'	92,862	968,612	982,891
Pender Corporate Bond Fund, Class 'O'	99,046	1,033,809	1,154,421
<b>Total mutual funds (99.8%)</b>		<b>3,176,272</b>	<b>3,272,944</b>
<b>Equities:</b>			
<b>Financial services (0.1%):</b>			
Stage Capital Corp.	360,677	180,339	1,803
		<b>180,339</b>	<b>1,803</b>
<b>Total equities (0.1%)</b>		<b>180,339</b>	<b>1,803</b>
Less: Transaction costs included in cost of investments		-	
<b>Total investments (99.9%)</b>		<b>3,356,611</b>	<b>3,274,747</b>
Cash (Bank overdraft) (1.4%)			46,737
Other assets less liabilities (-1.3%)			(41,818)
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>			<b>3,279,666</b>

# Pender Alternative Special Situations Fund

## Statements of Financial Position

December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Assets</b>		
Due from manager	-	2,013
Receivable for investments sold	127,068	-
Subscriptions receivable	21,000	-
Dividends receivable	690	4,619
Other receivable	-	60
Investments	3,212,879	1,960,865
	<b>3,361,637</b>	<b>1,967,557</b>
<b>Liabilities</b>		
Bank overdraft	323,618	261,416
Redemptions payable to holders of redeemable units	-	547
Distributions payable to holders of redeemable units	495	-
Accrued expenses	2,193	-
Investments sold short	13,335	-
	<b>339,641</b>	<b>261,963</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>3,021,996</b>	<b>1,705,594</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	410,585	314,038
Class E	301,303	294,135
Class F	1,287,512	283,184
Class H	-	314,960
Class I	1,015,528	493,644
Class O	7,068	5,633
	<b>3,021,996</b>	<b>1,705,594</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	23.58	18.89
Class E	12.57	10.05
Class F	23.58	18.97
Class H	-	10.05
Class I	12.56	10.01
Class O	12.57	10.04

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

*(signed) "David Barr"*

**David Barr**  
Director

*(signed) "Felix Narhi"*

**Felix Narhi**  
Director

# Pender Alternative Special Situations Fund

## Statements of Comprehensive Income

Years ended December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Revenue</b>		
Interest for distribution purposes	-	3,154
Dividend income	21,549	78,575
Dividend and interest expense on securities sold short	(348)	-
Foreign exchange gain (loss)	8,337	(4,563)
<b>Changes in fair value of investments:</b>		
Net realized gain (loss)	117,308	149,307
Net change in unrealized appreciation (depreciation)	388,744	131,553
<b>Total revenue</b>	<b>535,590</b>	<b>358,026</b>
<b>Expenses</b>		
Performance fees (note 4)	101,849	39,249
Management fees (note 4)	27,299	16,300
Administration fees (note 4)	17,794	9,663
Interest and borrow fees expense	16,594	31,184
Transaction costs	10,898	6,059
Independent review committee fees	44	33
Withholding taxes (note 5)	5	-
<b>Total expenses</b>	<b>174,483</b>	<b>102,488</b>
Less: Fees waived and expenses absorbed by the Manager (note 4)	(146,986)	(65,304)
<b>Net expenses</b>	<b>27,497</b>	<b>37,184</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>508,093</b>	<b>320,842</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	76,466	70,212
Class E	74,868	56,002
Class F	172,885	69,494
Class H	24,669	61,929
Class I	157,770	61,641
Class N	-	451
Class O	1,435	1,113
	<b>508,093</b>	<b>320,842</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	4.71	3.68
Class E	2.52	1.95
Class F	4.18	3.56
Class H	2.49	2.03
Class I	2.27	2.10
Class N	-	0.95
Class O	2.56	2.03

# Pender Alternative Special Situations Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2024 and 2023

	2024	2023
Class A	(\$)	(\$)
Balance, beginning of year	314,038	309,657
Increase (decrease) in net assets attributable to holders of redeemable units	76,466	70,212
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	70,842	83
Issued on reinvestment of distributions	1,082	6,372
Amounts paid on redemption of redeemable units	(50,675)	(65,367)
	<b>21,249</b>	<b>(58,912)</b>
<b>Distributions paid from:</b>		
Net investment income	(1,168)	(6,919)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(1,168)</b>	<b>(6,919)</b>
<b>Balance, end of year</b>	<b>410,585</b>	<b>314,038</b>
Class E	2024	2023
	(\$)	(\$)
Balance, beginning of year	294,135	184,791
Increase (decrease) in net assets attributable to holders of redeemable units	74,868	56,002
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	48,733	69,565
Issued on reinvestment of distributions	858	6,580
Amounts paid on redemption of redeemable units	(116,433)	(16,223)
	<b>(66,842)</b>	<b>59,922</b>
<b>Distributions paid from:</b>		
Net investment income	(858)	(6,580)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(858)</b>	<b>(6,580)</b>
<b>Balance, end of year</b>	<b>301,303</b>	<b>294,135</b>
Class F	2024	2023
	(\$)	(\$)
Balance, beginning of year	283,184	281,002
Increase (decrease) in net assets attributable to holders of redeemable units	172,885	69,494
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	1,324,334	88,592
Issued on reinvestment of distributions	3,206	6,137
Amounts paid on redemption of redeemable units	(492,482)	(155,904)
	<b>835,058</b>	<b>(61,175)</b>
<b>Distributions paid from:</b>		
Net investment income	(3,615)	(6,137)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(3,615)</b>	<b>(6,137)</b>
<b>Balance, end of year</b>	<b>1,287,512</b>	<b>283,184</b>

# Pender Alternative Special Situations Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class H	2024 (\$)	2023 (\$)
Balance, beginning of year	314,960	247,939
Increase (decrease) in net assets attributable to holders of redeemable units	24,669	61,929
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	5,092
Issued on reinvestment of distributions	-	7,084
Amounts paid on redemption of redeemable units	(339,629)	-
	<b>(339,629)</b>	<b>12,176</b>
<b>Distributions paid from:</b>		
Net investment income	-	(7,084)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	<b>(7,084)</b>
<b>Balance, end of year</b>	<b>-</b>	<b>314,960</b>

Class I	2024 (\$)	2023 (\$)
Balance, beginning of year	493,644	207,127
Increase (decrease) in net assets attributable to holders of redeemable units	157,770	61,641
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	364,114	224,876
Issued on reinvestment of distributions	2,891	11,586
Amounts paid on redemption of redeemable units	-	-
	<b>367,005</b>	<b>236,462</b>
<b>Distributions paid from:</b>		
Net investment income	(2,891)	(11,586)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(2,891)</b>	<b>(11,586)</b>
<b>Balance, end of year</b>	<b>1,015,528</b>	<b>493,644</b>

Class N	2024 (\$)	2023 (\$)
Balance, beginning of year	-	4,519
Increase (decrease) in net assets attributable to holders of redeemable units	-	451
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(4,970)
	-	<b>(4,970)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of year</b>	<b>-</b>	<b>-</b>

## Pender Alternative Special Situations Fund

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2024 and 2023

Class O	2024 (\$)	2023 (\$)
Balance, beginning of year	5,633	4,519
Increase (decrease) in net assets attributable to holders of redeemable units	1,435	1,113
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	1
Issued on reinvestment of distributions	20	127
Amounts paid on redemption of redeemable units	-	-
	<b>20</b>	<b>128</b>
<b>Distributions paid from:</b>		
Net investment income	(20)	(127)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(20)</b>	<b>(127)</b>
<b>Balance, end of year</b>	<b>7,068</b>	<b>5,633</b>
Total Fund	2024 (\$)	2023 (\$)
Balance, beginning of year	1,705,594	1,239,554
Increase (decrease) in net assets attributable to holders of redeemable units	508,093	320,842
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	1,808,023	388,209
Issued on reinvestment of distributions	8,057	37,886
Amounts paid on redemption of redeemable units	(999,219)	(242,464)
	<b>816,861</b>	<b>183,631</b>
<b>Distributions paid from:</b>		
Net investment income	(8,552)	(38,433)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(8,552)</b>	<b>(38,433)</b>
<b>Balance, end of year</b>	<b>3,021,996</b>	<b>1,705,594</b>

# Pender Alternative Special Situations Fund

## Statements of Cash Flows

Years ended December 31, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	508,093	320,842
<b>Adjustments for:</b>		
Interest for distribution purposes	-	(78,575)
Dividend income	(21,549)	(3,154)
Dividend and interest expense on securities sold short	348	-
Foreign exchange (gain) loss	(8,337)	4,563
Net realized (gain) loss on sale of investments	(117,308)	(149,307)
Net change in unrealized (appreciation) depreciation of investments	(388,744)	(131,553)
Due from manager	2,013	(2,013)
Other receivable	60	(60)
Accrued expenses	2,191	(59)
	<b>(23,233)</b>	<b>(39,316)</b>
Proceeds on disposal of investments	2,722,394	2,236,057
Amounts paid on purchase of investments	(3,582,087)	(2,051,756)
Dividend and interest expense paid on securities sold short	(348)	-
Dividends received	25,478	80,868
Interest received	-	3,154
	<b>(857,796)</b>	<b>229,007</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	1,787,023	388,209
Amounts paid on redemption of redeemable units	(999,766)	(241,917)
Distributions paid to unitholders	-	(547)
	<b>787,257</b>	<b>145,745</b>
Net increase (decrease) in cash	(70,539)	374,752
Cash (Bank overdraft), beginning of year	(261,416)	(631,605)
Effect of exchange rate fluctuations on cash	8,337	(4,563)
<b>Cash (Bank overdraft), end of year</b>	<b>(323,618)</b>	<b>(261,416)</b>



# Pender Alternative Special Situations Fund

## Schedule of Investment Portfolio

December 31, 2024

	Number of shares	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS</b>			
<b>Equities:</b>			
<b>Communication services (2.9%):</b>			
Anterix Inc.	2,000	138,595	88,173
		<b>138,595</b>	<b>88,173</b>
<b>Consumer discretionary (5.5%):</b>			
ATD New Holdings Inc.	190	11,036	-
D2L Inc.	8,500	95,285	164,815
		<b>106,321</b>	<b>164,815</b>
<b>Consumer staples (2.4%):</b>			
Glass House Brands Inc.	8,710	35,025	72,617
		<b>35,025</b>	<b>72,617</b>
<b>Energy (18.2%):</b>			
ARC Resources Ltd.	3,120	32,763	81,338
Athabasca Oil Corp.	15,300	22,065	81,549
Logan Energy Corp.	230,000	167,900	161,000
NexGen Energy Ltd.	8,000	57,479	75,840
Saturn Oil & Gas Inc.	46,100	108,335	99,576
Spartan Delta Corp.	15,100	62,351	52,095
		<b>450,893</b>	<b>551,398</b>
<b>Financial services (14.4%):</b>			
Burford Capital Ltd.	7,700	104,718	141,122
Mercer Park Opportunities Corp., Rights, 2029/07/15	7,700	-	830
Mercer Park Opportunities Corp.	7,700	105,740	109,577
Partners Value Investments L.P.	900	57,317	140,400
Sprott Physical Uranium Trust	1,750	33,784	43,505
		<b>301,559</b>	<b>435,434</b>
<b>Health care (17.7%):</b>			
dentalcorp Holdings Ltd.	31,965	269,637	264,990
Profound Medical Corp.	9,400	104,163	101,520
Well Health Technologies Corp.	24,400	109,458	167,384
		<b>483,258</b>	<b>533,894</b>
<b>Industrials (11.4%):</b>			
GH Group, Inc., Preferred, Series 'C', 20.00%	120	163,843	216,820
Hammond Power Solutions Inc.	500	57,968	64,025
Omni-Lite Industries Canada Inc.	5,000	7,769	6,950
Stratasys Ltd.	4,320	70,889	55,205
		<b>300,469</b>	<b>343,000</b>
<b>Information technology (24.3%):</b>			
Aviat Networks Inc.	3,700	107,919	96,319
Dye & Durham Ltd.	800	14,388	14,064
Gitlab Inc., Class 'A'	900	61,954	72,900
JFrog Ltd.	1,500	60,742	63,413
Kinaxis Inc.	300	46,287	51,942
Kraken Robotics Inc.	40,489	64,782	111,345
Lightspeed Commerce Inc.	3,700	68,090	81,104
Quorum Information Technologies Inc.	2,000	1,347	1,900
Sangoma Technologies Corp.	7,900	59,629	79,000

# Pender Alternative Special Situations Fund

## Schedule of Investment Portfolio (cont'd)

December 31, 2024

	Number of shares	Cost (\$)	Fair value (\$)	
<b>Information technology (24.3%): (cont'd)</b>				
Sylogist Ltd.	8,460	47,672	75,040	
Thinkific Labs Inc.	29,849	73,409	89,249	
		<b>606,219</b>	<b>736,276</b>	
<b>Materials (6.0%):</b>				
5N Plus Inc.	18,000	68,246	132,840	
Montage Gold Corp.	23,300	44,418	48,464	
		<b>112,664</b>	<b>181,304</b>	
<b>Utilities (2.6%):</b>				
Polaris Renewable Energy Inc.	5,800	75,458	77,314	
		<b>75,458</b>	<b>77,314</b>	
<b>Total equities (105.4%)</b>		<b>2,610,461</b>	<b>3,184,225</b>	
<b>Warrants:</b>				
Glass House Brands Inc., strike price \$5.00, expiry 2027/08/31	USD	24,000	-	27,254
Mercer Park Opportunities Corp., strike price \$11.00, expiry 2029/07/15	USD	7,700	-	830
Saturn Oil & Gas Inc., strike price \$4.00, expiry 2025/03/10	CAD	38,000	-	570
<b>Total warrants (0.9%)</b>			-	<b>28,654</b>
<b>Total long positions (106.3%)</b>		<b>2,610,461</b>		<b>3,212,879</b>
<b>SHORT POSITIONS</b>				
<b>Exchange-traded fund(s):</b>				
VanEck Vectors Junior Gold Miners ETF	(217)	(14,708)		(13,335)
<b>Total exchange-traded funds (-0.4%)</b>		<b>(14,708)</b>		<b>(13,335)</b>
<b>Total short positions (-0.4%)</b>		<b>(14,708)</b>		<b>(13,335)</b>
Less: Transaction costs included in cost of investments			(2,685)	
<b>Total investments (105.9%)</b>		<b>2,593,068</b>		<b>3,199,544</b>
Cash (Bank overdraft) (-10.7%)				(323,618)
Other assets less liabilities (4.8%)				146,070
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>3,021,996</b>

# PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements

Year ended December 31, 2024

## 1. The Funds:

The Pender Alternative Mutual Funds (individually a “Fund” and collectively the “Funds”) include the following:

	Commencement of operations	Classes
Alternative Absolute Return Fund	September 1, 2021	A, AF, A (USD), E, F, FF, F (USD), H, H (USD), I, I (USD), N, O
Alternative Arbitrage Fund	September 8, 2021	A, AF, E, F, FF, F (USD), H, I, I (USD), O
Alternative Arbitrage Plus Fund	September 1, 2022	A, E, F, F (USD), I, O
Alternative Multi-Strategy Income Fund	September 21, 2009	A, F, I, O
Alternative Special Situations Fund	July 10, 2020	A, E, F, I, O

Effective May 26, 2023, Class A (USD), Class H (USD) and Class N units of the Pender Alternative Arbitrage Fund were closed. Effective May 26, 2023, Class A (USD), Class H, Class H (USD) and Class N units of the Pender Alternative Arbitrage Plus Fund were closed. Effective May 26, 2023, Class E, Class H and Class N units of the Pender Alternative Multi-Strategy Income Fund were closed. Effective May 26, 2023, Class N units of the Pender Alternative Special Situations Fund were closed. Effective June 28, 2024, Class I (USD) units of the Pender Alternative Arbitrage Plus Fund were closed. Effective June 28, 2024, Class H units of the Pender Alternative Special Situations Fund were closed.

Each of the Funds is an open-end investment trust governed under the laws of the Province of British Columbia pursuant to the Twenty-Second Amended and Restated Mutual Fund Trust Agreement dated November 1, 2024 (previously the Twenty-First Amended and Restated Mutual Fund Trust Agreement dated June 18, 2024).

The Funds’ registered office is located at 1830 - 1066 West Hastings Street, Vancouver, BC, V6E 3X2.

The Manager and Trustee of the Funds is PenderFund Capital Management Ltd. CIBC Mellon Trust Company is the custodian of Pender Alternative Multi-Strategy Income Fund and The Bank of Nova Scotia is the custodian of the other Funds. The Toronto-Dominion Bank provides prime brokerage services to the Pender Alternative Absolute Return Fund.

## 2. Basis of preparation:

### (a) Statement of compliance:

The financial statements of the Funds are prepared under IFRS Accounting Standards. These financial statements were authorized for issue by the Manager on March 28, 2025.

### (b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments, investments sold short and derivatives, which are measured at fair value.

### (c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, the Funds’ functional currency.

### (d) Use of estimates and judgment:

The preparation of these financial statements in conformity with IFRS Accounting Standards requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

The Funds may hold financial instruments that are not quoted in an active market, including derivatives.

The determination of the fair value of these investments is the area with the Manager’s most significant accounting judgements and estimates in preparing these financial statements. Further discussion in connection with fair value measurements is provided in Note 9.

## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

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### 3. Material accounting policy information:

The material accounting policy information set out below has been applied consistently to all periods presented in these financial statements.

(a) Financial instruments:

(i) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL for which transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the particular Fund becomes a party to the contractual provisions of the instrument. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position only when the Funds have a legal right to offset the amounts and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and/or interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is both to hold assets to collect contractual cash flows and to potentially sell financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and/or interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Funds may irrevocably elect to measure financial assets that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets are not reclassified subsequent to their initial recognition, unless the Funds change their business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Funds may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

(ii) Amortized cost:

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Funds classify cash, receivable for investments sold, subscriptions receivable, dividends receivable, interest receivable, other receivable, due from manager, bank overdraft, distributions payable to holders of redeemable units, management and administration fees payable, payable for investments purchased, redemptions payable to holders of redeemable units, accrued expenses, payable for interest and dividends on short securities, and performance fees payable as amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

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### (iii) Derivative transactions:

The Funds may use derivative contracts to manage risks associated with the investments. The derivatives are classified as FVTPL and, as a result, the contracts are measured at fair value on the valuation date and the resulting gains and losses, both realized and unrealized, are recognized in the Statements of Comprehensive Income. Gains and losses arising from changes in fair value of derivatives are shown in the Statements of Comprehensive Income as "Net change in unrealized appreciation (depreciation)" and as "Net realized gain (loss)" when positions are closed out or have expired, where applicable.

### (iv) Short sales

The Funds may sell securities short by selling a borrowed security in anticipation of a decline in the market value of that security. Short sales are held for trading and are consequently classified as financial liabilities at FVTPL. Interest and dividends on investments sold short are accrued as incurred and are reported as a liability in the Statements of Financial Position in "Payable for interest and dividends on short securities" and in the Statements of Comprehensive Income in "Dividend and interest expense on securities sold short".

### (v) Fair value through profit and loss:

Financial assets and liabilities classified as FVTPL are recognized initially at fair value at each reporting period with changes in fair value recognized in the Statements of Comprehensive Income in the period in which they occur. The Funds' derivative assets and derivative liabilities, investments in securities, and investments sold short are classified as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) is based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities. In circumstances where there is no closing price, the average of the closing bid and the closing ask price on the valuation date is used. The Funds each have a policy of recognizing transfers in and out of the fair value hierarchy levels described in Note 9(a) as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative instruments, is determined using valuation techniques. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other methods commonly used by market participants that make the maximum use of observable inputs. Where the value of a financial asset or liability is not readily available or where the Manager is of the opinion that the value available is inaccurate or unreliable, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

### (vi) Fair value through other comprehensive income:

The Funds have not classified any of their financial assets or liabilities as FVOCI.

### (b) Redeemable units

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Funds have designated redeemable units as financial liabilities at FVTPL because they are managed and their performance is evaluated, on a fair value basis. The redeemable units provide investors with the right to require redemptions for cash, subject to available liquidity at a unit price based on the Funds' valuation policies at each redemption date.

## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

### (c) Per unit amounts:

Net assets attributable to holders of redeemable units is calculated based on the number of units outstanding at the end of the period. The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the period.

### (d) Foreign exchange:

The financial statements of the Funds are denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the Statements of Comprehensive Income.

### (e) Income recognition:

Distributions from underlying funds and interest for distribution purposes shown on the Statements of Comprehensive Income is recognized on an accrual basis. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments.

### (f) Income taxes:

The Funds qualify as unit trusts under the Income Tax Act (Canada). All of the Funds' net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Funds. As a result, the Funds do not record income taxes.

### (g) New standards and interpretations not yet adopted:

The International Accounting Standards Board issued IFRS 18, "Presentation and Disclosure in Financial Statements" on April 9, 2024, which will replace IAS 1, "Presentation of Financial Statements". This new standard, effective for annual periods beginning on or after January 1, 2027, aims to improve financial statement comparability and transparency by introducing a more structured statement of comprehensive income. Key changes include new categories for revenue and expenses (operating, investing, and financing), defined subtotals like operating profit, and requirements for management-defined performance measures. It is anticipated the Funds' classification of revenue and expenses, particularly within the operating category, will be impacted. The Funds' increase (decrease) in net assets attributable to holders of redeemable units is not expected to change as a result of applying IFRS 18. The Manager is currently assessing the implications of IFRS 18 and its impact on the Funds' financial statements and disclosures.

## 4. Related party transactions:

### (a) Management fees:

Each Fund pays management fees calculated as a percentage of the net asset value of each respective class. Management fees are subject to applicable taxes such as GST or HST. The fees are calculated at the close of business on each valuation day and are paid monthly. The management fees charged to the Fund by the Manager are intended to cover, among other things, investment management costs, including any portfolio advisory fees, as well as distribution, marketing and promotion of the Fund. The management fees for Class E and Class O units are negotiable and paid directly by the investors and not by the Funds. The annual management fee percentages before applicable taxes such as GST or HST of the remaining classes as at December 31, 2024 and 2023 are as follows:

2024	Class A/A (USD) (%)	Class AF (%)	Class F/F (USD) (%)	Class FF (%)
Alternative Absolute Return Fund	1.80	1.15	0.80	0.15
Alternative Arbitrage Fund	1.80	1.15	0.80	0.15
Alternative Arbitrage Plus Fund	1.80	-	0.80	-
Alternative Multi-Strategy Income Fund	1.80	-	0.80	-
Alternative Special Situations Fund*	1.95	-	0.95	-

## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

2024 (cont'd)	Class H/H (USD) (%)	Class I/I (USD) (%)	Class N (%)
Alternative Absolute Return Fund	1.50	0.65	0.30
Alternative Arbitrage Fund	1.50	0.65	-
Alternative Arbitrage Plus Fund	-	0.65	-
Alternative Multi-Strategy Income Fund	-	0.65	-
Alternative Special Situations Fund*	-	0.80	-

2023	Class A/A (USD) (%)	Class AF (%)	Class F/F (USD) (%)	Class FF (%)
Alternative Absolute Return Fund	1.80	1.15	0.80	0.15
Alternative Arbitrage Fund	1.80	1.15	0.80	0.15
Alternative Arbitrage Plus Fund	1.80	-	0.80	-
Alternative Multi-Strategy Income Fund	1.80	-	0.80	-
Alternative Special Situations Fund*	1.95	-	0.95	-

2023 (cont'd)	Class H/H (USD) (%)	Class I/I (USD) (%)	Class N (%)
Alternative Absolute Return Fund	1.50	0.65	0.30
Alternative Arbitrage Fund	1.50	0.65	-
Alternative Arbitrage Plus Fund	-	0.65	-
Alternative Multi-Strategy Income Fund	-	0.65	-
Alternative Special Situations Fund*	1.65	0.80	-

The Management Expense Ratio ("MER") before applicable taxes such as GST or HST for each class does not exceed certain levels as set out in the Fund's offering documents. Please refer to the tables in note 4 (b) below.

### (b) Administration fees and other expenses:

Each Fund pays an administration fee calculated as a percentage of the net asset value of each respective class equal to 0.50%. Administration fees are subject to applicable taxes such as GST or HST. The fees are calculated at the close of business on each valuation day and are paid monthly. In exchange for the fee, the Manager pays the operating costs of each Fund (including administrative and operating expenses, registrar and transfer agency fees, custody fees, unitholder servicing costs, costs of prospectus and reports, regulatory fees, and audit and legal fees for example) other than taxes, brokerage commissions, transaction costs and Independent Review Committee ("IRC") fees. The administration fees for Class O units are negotiable and paid directly by the investors and not by the Funds.

The Manager has agreed to cap the management fees, administration fees and other expenses before applicable taxes such as GST or HST charged to each Fund class so that the management expense ratio ("MER") before applicable taxes such as GST or HST as at December 31, 2024 and 2023 for each class does not exceed the percentage of average NAV set out in the Fund's offering documents, as follows:

2024	Class A/A (USD) (%)	Class AF (%)	Class E (%)	Class F/F (USD) (%)
Alternative Absolute Return Fund	2.30	1.65	0.50	1.30
Alternative Arbitrage Fund	2.30	1.65	0.50	1.30
Alternative Arbitrage Plus Fund	2.30	-	0.50	1.30
Alternative Multi-Strategy Income Fund	2.30	-	-	1.30
Alternative Special Situations Fund*	2.45	-	0.50	1.45

2024 (cont'd)	Class FF (%)	Class H/H (USD) (%)	Class I/I (USD) (%)	Class N (%)
Alternative Absolute Return Fund	0.65	2.00	1.15	0.80
Alternative Arbitrage Fund	0.65	2.00	1.15	-
Alternative Arbitrage Plus Fund	-	-	1.15	-
Alternative Multi-Strategy Income Fund	-	-	1.15	-
Alternative Special Situations Fund*	-	-	1.30	-

## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

2023	Class A/A (USD) (%)	Class AF (%)	Class E (%)	Class F/F (USD) (%)
Alternative Absolute Return Fund	2.30	1.65	0.50	1.30
Alternative Arbitrage Fund	2.30	1.65	0.50	1.30
Alternative Arbitrage Plus Fund	2.30	-	0.50	1.30
Alternative Multi-Strategy Income Fund	2.30	-	-	1.30
Alternative Special Situations Fund*	2.45	-	0.50	1.45

2023 (cont'd)	Class FF (%)	Class H/H (USD) (%)	Class I/I (USD) (%)	Class N (%)
Alternative Absolute Return Fund	0.65	2.00	1.15	0.80
Alternative Arbitrage Fund	0.65	2.00	1.15	-
Alternative Arbitrage Plus Fund	-	-	1.15	-
Alternative Multi-Strategy Income Fund	-	-	1.15	-
Alternative Special Situations Fund*	-	2.15	1.30	-

\*The Manager may, at its discretion, reduce or waive management fees, administration fees, and reimburse the Funds for any expenses. The Manager has waived all management fees, administration fees and custody related transaction costs for the Pender Alternative Special Situations Fund since commencement of operations of the Fund.

### (c) Performance fees:

The Manager is also entitled to a performance fee plus applicable taxes such as GST or HST in all classes of units of the Funds. For Class O units, this fee is or will be charged directly to Unitholders, as applicable. For the Pender Alternative Absolute Return Fund, the performance fee is equal to 15% of the amount by which the total return of the class of units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in periods where no performance fee is paid, provided that the total return of the relevant class of units for such period exceeds the previous high-water mark (as described below). For the Pender Alternative Arbitrage Fund and Pender Alternative Arbitrage Plus Fund, the performance fee is equal to 15% of the amount by which the total return of the class of units exceeds the previous high-water mark (as described below) for each applicable class of units for the period since the performance fee was last paid. Effective as of September 1, 2022, for the Pender Alternative Multi-Strategy Income Fund and Pender Alternative Special Situations Fund, the performance fee is equal to 15% of the amount by which the total return of the class of units exceeds a 3% and 6% hurdle rate, respectively, for the period since the performance fee was last paid, subject to accumulation in periods where no performance fee is paid, provided that the total return of the relevant class of units for such period exceeds the previous high-water mark (as described below).

Performance fees are calculated and accrued daily and the accrued fees are paid by the Funds at the end of each year. The Manager has reserved the right to change the period for which any performance fee may be paid by a Fund. The Manager may, at its discretion, reduce or waive performance fees.

The high-water mark ("HWM") of a class of units is the net asset value of the class as at the most recent determination date on which a performance fee was payable. The HWM for each of the Funds as at December 31, 2024 and 2023, are as follows:

2024	Class A (\$)	Class A (USD) (\$)	Class AF (\$)	Class E (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.26	9.29	9.44	9.20
<b>Alternative Arbitrage Fund</b>				
HWM	9.66	-	10.06	9.04
<b>Alternative Arbitrage Plus Fund</b>				
HWM	10.34	-	-	10.50
<b>Alternative Multi-Strategy Income Fund</b>				
HWM	12.90	-	-	-
<b>Alternative Special Situations Fund</b>				
HWM	23.58	-	-	12.57



PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

2024 (cont'd)	Class F (\$)	Class F (USD) (\$)	Class FF (\$)	Class H (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.28	9.04	9.41	9.37
<b>Alternative Arbitrage Fund</b>				
HWM	10.03	9.61	10.11	9.71
<b>Alternative Arbitrage Plus Fund</b>				
HWM	10.50	10.66	-	-
<b>Alternative Multi-Strategy Income Fund</b>				
HWM	14.23	-	-	-
<b>Alternative Special Situations Fund</b>				
HWM	23.58	-	-	-

2024 (cont'd)	Class H (USD) (\$)	Class I (\$)	Class I (USD) (\$)	Class N (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.26	9.23	9.24	9.38
<b>Alternative Arbitrage Fund</b>				
HWM	-	10.16	9.37	-
<b>Alternative Arbitrage Plus Fund</b>				
HWM	-	10.69	-	-
<b>Alternative Multi-Strategy Income Fund</b>				
HWM	-	9.65	-	-
<b>Alternative Special Situations Fund</b>				
HWM	-	12.56	-	-

2023	Class A (\$)	Class A (USD) (\$)	Class AF (\$)	Class E (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.70	9.71	9.86	9.68
<b>Alternative Arbitrage Fund</b>				
HWM	9.60	-	10.08	9.33
<b>Alternative Arbitrage Plus Fund</b>				
HWM	10.05	-	-	10.22
<b>Alternative Multi-Strategy Income Fund</b>				
HWM	11.99	-	-	-
<b>Alternative Special Situations Fund</b>				
HWM	18.94	-	-	10.10

2023 (cont'd)	Class F (\$)	Class F (USD) (\$)	Class FF (\$)	Class H (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.74	9.57	9.85	9.80
<b>Alternative Arbitrage Fund</b>				
HWM	9.84	9.51	10.08	9.82
<b>Alternative Arbitrage Plus Fund</b>				
HWM	10.16	10.23	-	-
<b>Alternative Multi-Strategy Income Fund</b>				
HWM	13.11	-	-	-
<b>Alternative Special Situations Fund</b>				
HWM	18.94	-	-	10.11

PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

2023 (cont'd)	Class H (USD) (\$)	Class I (\$)	Class I (USD) (\$)	Class N (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.72	9.68	9.74	9.80
<b>Alternative Arbitrage Fund</b>				
HWM	-	9.90	9.27	-
<b>Alternative Arbitrage Plus Fund</b>				
HWM	-	10.24	10.25	-
<b>Alternative Multi-Strategy Income Fund</b>				
HWM	-	8.89	-	-
<b>Alternative Special Situations Fund</b>				
HWM	-	10.10	-	-

As at December 31, 2024 and 2023, the Funds incurred the following performance fees:

	2024 (\$)	2023 (\$)
Alternative Absolute Return Fund	5,023,144	3,701,546
Alternative Arbitrage Fund	122,272	68,728
Alternative Arbitrage Plus Fund	87,675	16,975
Alternative Multi-Strategy Income Fund	33,284	23,626
Alternative Special Situations Fund	101,849	39,249

For the year ended December 31, 2024, the Manager waived all performance fees of \$101,849 (December 31, 2023 – \$39,249) for the Pender Alternative Special Situations Fund.

(d) Amounts payable to the Manager:

As at December 31, 2024 and 2023, the Funds had the following amounts payable to the Manager relating to management fees, administration fees, performance fees (as applicable) and their related taxes and other expenses incurred by the Manager on behalf of the Funds:

	2024 (\$)	2023 (\$)
Alternative Absolute Return Fund	2,531,780	718,006
Alternative Arbitrage Fund	23,822	48,264
Alternative Arbitrage Plus Fund	16,193	31,964
Alternative Multi-Strategy Income Fund	38,500	29,632

The Pender Alternative Special Situations Fund did not have any amounts payable to the Manager for the year ended December 31, 2024 (December 31, 2023 – \$nil).

From time to time the Manager may reduce the effective fees payable by some unitholders by reducing the fees it charges to the Funds and direct the Funds to make distributions to these unitholders in amounts equal to the fee reduction.

(e) Related party holdings:

As at December 31, 2024 and 2023, parties related to the Manager held the following percentages of each Fund's outstanding units directly or indirectly. Subscriptions and redemptions of related parties are subject to the same terms and conditions as those of arm's length investors in the Funds.

## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

	2024 (%)	2023 (%)
Alternative Absolute Return Fund	1	1
Alternative Arbitrage Fund	2	2
Alternative Arbitrage Plus Fund	1	1
Alternative Multi-Strategy Income Fund	<1	<1
Alternative Special Situations Fund	11	18

As at December 31, 2024 and 2023, funds also managed by the Manager held the following percentages of each Fund's outstanding units directly or indirectly. Subscriptions and redemptions of related parties are subject to the same terms and conditions as those of arm's length investors in the Funds. The remaining Funds did not have related party mutual fund investments.

	2024 (%)	2023 (%)
Alternative Absolute Return Fund	1	1
Alternative Arbitrage Fund	19	17
Alternative Arbitrage Plus Fund	20	13

### 5. Withholding tax expense:

Certain dividend and interest income received by the Funds is subject to withholding tax imposed in the country of origin. During the year, withholding tax rates were between 0% and 35% (2023 - between 0% and 35%).

### 6. Redeemable units:

The Funds are authorized to issue an unlimited number of redeemable units in an unlimited number of classes. The redeemable unit transactions for the Funds during the years ended December 31, 2024 and 2023 were as follows:

2024	Outstanding units, beginning of year	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of year
<b>Alternative Absolute Return Fund:</b>					
Class A	1,253,692	1,715,178	151,812	(1,092,136)	2,028,546
Class AF	882,806	-	54,856	(144,165)	793,497
Class A (USD)	43,160	12,028	2,605	(25,407)	32,386
Class E	244,889	83,535	37,053	(39,505)	325,972
Class F	5,836,592	12,687,888	670,602	(9,556,428)	9,638,654
Class FF	7,493,720	14,098	709,388	(995,476)	7,221,730
Class F (USD)	100,052	228,723	15,094	(138,873)	204,996
Class H	960,154	1,414,233	114,346	(595,621)	1,893,112
Class H (USD)	41,603	74,180	8,173	(41,350)	82,606
Class I	24,179,105	25,049,879	2,599,720	(16,368,146)	35,460,558
Class I (USD)	814,592	1,756,509	34,731	(1,617,120)	988,712
Class N	489,296	90,139	3,789	(124,530)	458,694
Class O	374,488	206,374	64,246	(53,442)	591,666

PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

2024	Outstanding units, beginning of year	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of year
<b>Alternative Arbitrage Fund:</b>					
Class A	13,735	4,112	175	(8,479)	9,543
Class AF	245,161	-	6,110	(54,947)	196,324
Class E	18,227	9,983	2,100	(909)	29,401
Class F	170,895	24,137	1,382	(94,973)	101,441
Class FF	1,020,587	2,720	23,065	(402,724)	643,648
Class F (USD)	1,074	-	37	-	1,111
Class H	17,989	494	718	(1,375)	17,826
Class I	273,860	27,381	1,314	(163,758)	138,797
Class I (USD)	32,619	1,336	20	-	33,975
Class O	399,614	-	14,314	(136,526)	277,402
<b>Alternative Arbitrage Plus Fund:</b>					
Class A	4,032	689	14	(436)	4,299
Class E	14,923	823	327	(494)	15,579
Class F	119,055	8,188	791	(21,373)	106,661
Class F (USD)	494	6,255	55	-	6,804
Class I	1,247,137	44,830	350	(508,842)	783,475
Class I (USD)	501	-	-	(501)	-
Class O	213,367	49,518	7,781	(37,624)	233,042
<b>Alternative Multi-Strategy Income Fund:</b>					
Class A	176,827	662	-	(70,490)	106,999
Class F	116,721	1,958	-	(27,319)	91,360
Class I	38,271	27,447	-	(4,145)	61,573
Class O	500	509	-	(500)	509
<b>Alternative Special Situations Fund:</b>					
Class A	16,622	3,255	46	(2,514)	17,409
Class E	29,267	4,314	68	(9,683)	23,966
Class F	14,929	62,059	136	(22,532)	54,592
Class H	31,325	-	-	(31,325)	-
Class I	49,308	31,319	230	-	80,857
Class O	561	-	1	-	562

2023	Outstanding units, beginning of year	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of year
<b>Alternative Absolute Return Fund:</b>					
Class A	379,277	1,171,377	54,089	(351,051)	1,253,692
Class AF	884,052	-	45,454	(46,700)	882,806
Class A (USD)	530	48,372	1,506	(7,248)	43,160
Class E	16,829	224,723	12,117	(8,780)	244,889
Class F	1,795,857	9,359,988	250,340	(5,569,593)	5,836,592
Class FF	7,530,069	4,930	562,036	(603,315)	7,493,720
Class F (USD)	7,952	226,512	7,599	(142,011)	100,052
Class H	378,047	713,419	37,081	(168,393)	960,154
Class H (USD)	531	39,874	1,198	-	41,603
Class I	5,298,794	21,476,414	1,149,133	(3,745,236)	24,179,105
Class I (USD)	70,730	1,078,261	20,719	(355,118)	814,592
Class N	26,961	459,497	2,838	-	489,296
Class O	389,478	19,630	40,829	(75,449)	374,488

PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

2023	Outstanding units, beginning of year	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of year
<b>Alternative Arbitrage Fund:</b>					
Class A	8,983	14,266	531	(10,045)	13,735
Class AF	243,197	-	10,446	(8,482)	245,161
Class A (USD)	519	-	-	(519)	-
Class E	8,589	10,240	1,090	(1,692)	18,227
Class F	249,224	97,536	8,878	(184,743)	170,895
Class FF	1,420,719	-	61,356	(461,488)	1,020,587
Class F (USD)	507	502	65	-	1,074
Class H	16,031	969	989	-	17,989
Class H (USD)	519	-	-	(519)	-
Class I	119,853	274,196	16,263	(136,452)	273,860
Class I (USD)	521	32,062	36	-	32,619
Class N	506	-	-	(506)	-
Class O	482,623	32,445	27,184	(142,638)	399,614
<b>Alternative Arbitrage Plus Fund:</b>					
Class A	5,593	1,318	-	(2,879)	4,032
Class A (USD)	501	-	-	(501)	-
Class E	6,326	22,705	-	(14,108)	14,923
Class F	99,878	60,127	-	(40,950)	119,055
Class F (USD)	5,145	5,587	-	(10,238)	494
Class H	501	-	-	(501)	-
Class H (USD)	501	-	-	(501)	-
Class I	365,502	982,981	-	(101,346)	1,247,137
Class I (USD)	501	-	-	-	501
Class N	501	-	-	(501)	-
Class O	100,589	173,821	-	(61,043)	213,367
<b>Alternative Multi-Strategy Income Fund:</b>					
Class A	285,161	73	-	(108,407)	176,827
Class E	500	-	-	(500)	-
Class F	157,795	3,344	-	(44,418)	116,721
Class H	500	-	-	(500)	-
Class I	75,095	7,065	-	(43,889)	38,271
Class N	500	-	-	(500)	-
Class O	500	-	-	-	500
<b>Alternative Special Situations Fund:</b>					
Class A	20,022	-	343	(3,743)	16,622
Class E	22,395	7,954	664	(1,746)	29,267
Class F	18,172	5,182	330	(8,755)	14,929
Class H	30,046	565	714	-	31,325
Class I	25,113	23,025	1,170	-	49,308
Class N	548	-	-	(548)	-
Class O	548	-	13	-	561

**7. Capital management:**

The capital of each Fund is represented by its redeemable units issued. The Funds are not subject to any internally or externally imposed restrictions on their capital. Each Fund's objective in managing capital is to ensure a stable base to maximize returns to all unitholders and to manage liquidity risk arising from unitholder redemptions.

## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

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### 8. Financial risk management:

The Funds are exposed to various financial risks associated with their respective investment objectives and strategies, financial instruments and the markets in which they invest. These include credit risk, liquidity risk, market risk, which consists of currency risk, interest rate risk and other price/market risk and leverage risk.

The Manager manages the potential impact of these financial risks by employing professional and experienced portfolio advisors who regularly monitor their Funds' positions and global and market events and diversify investment portfolios within the constraints of the investment guidelines. Each Fund maintains positions in a variety of financial instruments in accordance with its investment objectives and strategies.

#### **Pender Alternative Absolute Return Fund:**

The objective of the Pender Alternative Absolute Return Fund is to maximize absolute returns over a complete market cycle by providing long-term capital growth and income, with low volatility of returns. The Fund will invest primarily in a portfolio of North American fixed income securities but may also invest in foreign and other securities.

#### **Pender Alternative Arbitrage Fund:**

The objective of the Pender Alternative Arbitrage Fund is to generate consistent, positive returns, with low volatility and low correlation to equity markets by investing primarily in North American securities. The Fund may also invest in foreign and other securities.

#### **Pender Alternative Arbitrage Plus Fund**

The objective of the Pender Alternative Arbitrage Plus Fund is to generate consistent, positive returns, with low volatility and low correlation to equity markets by investing primarily in North American securities. The Fund may also invest in foreign and other securities.

#### **Pender Alternative Multi-Strategy Income Fund**

The objective of the Pender Alternative Multi-Strategy Income Fund is to preserve capital and to generate returns through current income and capital appreciation, while being sufficiently diversified to mitigate volatility. The Fund will invest primarily in North American securities and may also invest in foreign securities.

#### **Pender Alternative Special Situations Fund**

The objective of the Pender Alternative Special Situations Fund is to achieve long-term capital appreciation by investing primarily in Canadian and US equities 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.

A Fund's exposure to financial risks is concentrated in its investment holdings. The Schedule of Investment Portfolio for each Fund groups securities by asset type, geographic region, and/or market segment. Funds that invest in units of other open or closed-ended funds have indirect exposure to various financial risks through those holdings of those funds. The Pender Alternative Multi-Strategy Income Fund carries out part of its investment strategy by investing in Class O units of the Pender Alternative Absolute Return Fund, Pender Alternative Arbitrage Plus Fund and Pender Corporate Bond Fund. The Pender Alternative Multi-Strategy Income Fund has indirect exposure to various financial risks through its holdings of underlying mutual funds. The financial risks associated with the Pender Alternative Multi-Strategy Income Fund's investment strategy are disclosed based on its direct holdings. The Manager's risk management practices include the monitoring of compliance with investment objectives and strategies.

The nature of the Funds' investing activities exposes it to various risks, including but not limited to broad economic conditions, inflation, central bank measures, geopolitical risks and other global events, as well as factors that are beyond the Funds' control.

Future developments in these areas could impact the Funds' results with the full extent of that impact remaining unknown. Applying analytical judgement in developing estimates is complex and as a result, actual results may differ from those estimates and assumptions.

## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

### (a) Credit risk:

Credit risk is the risk that a loss could arise due to a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The determination of fair value of debt securities includes a consideration of the creditworthiness of the debt issuer. The credit exposure of other assets is represented by their carrying amounts. Credit risk is managed by the portfolio advisor of each Fund through a careful selection of securities and diversification within each respective Fund. Each Fund's portfolio advisor monitors the portfolio holdings of the Fund, and positions are maintained within established ranges.

The following table summarizes the maximum exposure to credit risk for the Pender Alternative Absolute Return Fund as at December 31, 2024 and 2023, categorized by credit ratings. The remaining Funds did not have exposure to any material credit risk.

	2024 (\$)	2023 (\$)
<b>Long positions:</b>		
AAA	113,063,945	73,147,232
AA	35,450,202	182,114,310
A	68,910,647	-
BBB	44,732,812	97,070,888
Below BBB	518,031,769	313,009,082
Unrated	26,475,639	-
	<b>806,665,014</b>	<b>665,341,512</b>
<b>Short positions:</b>		
AAA	(24,283,899)	(46,271,775)
BBB	(7,498,186)	(1,369,736)
Below BBB	(120,349,500)	(105,970,185)
	<b>(152,131,585)</b>	<b>(153,611,696)</b>
	<b>654,533,429</b>	<b>511,729,816</b>

### (b) Liquidity risk

Liquidity risk is the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price.

Each Fund is exposed to liquidity risk through unitholder redemptions of its units. The redeemable units of each Fund are issued and redeemed on demand at the option of the unitholder based on the then current NAV per class of unit.

Each Fund is also exposed to liquidity risk through its investments. This risk is managed by investing the majority of each Fund's assets in investments that are traded in an active market and that can be disposed of readily. In the case where the Funds hold thinly traded investments, timely disposition of such investments and the realized price may be significantly different from their carrying values.

The Funds' remaining non-derivative liabilities other than redeemable units are due within one month of the reporting date of the respective Fund. The following table presents the contractual maturities of derivative assets (liabilities) of the Pender Alternative Absolute Return Fund, Pender Alternative Arbitrage Fund and Pender Alternative Arbitrage Plus Fund as at December 31, 2024 and 2023 that were due within six months of the financial reporting date. The amounts are gross and undiscounted. The remaining Funds did not hold any derivative instruments as at December 31, 2024 and 2023.

	2024 (\$)		2023 (\$)	
	Nominal value (\$)	Unrealized gain (loss) (\$)	Nominal value (\$)	Unrealized gain (loss) (\$)
Derivative instruments inflows (outflows)				
Alternative Absolute Return Fund	61,069,725	(3,500,406)	155,676,500	3,518,384
Alternative Arbitrage Fund	12,108,345	(303,330)	20,135,856	480,016
Alternative Arbitrage Plus Fund	16,536,657	(369,462)	13,628,846	289,607

## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

### (c) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Funds' income or the fair value of their holdings of financial instruments. These changes present the risk that markets as a whole may go down in value, including the possibility that markets may go down sharply and unpredictably at times. The value of most investments, and in particular equity securities, is affected by changes in general market conditions. These changes may be caused by corporate developments, general market sentiment, changes in interest rates, changes in the level of inflation, political and economic changes both domestic and foreign, catastrophic events, natural disasters including those exacerbated by climate change, war, acts of aggression or terrorist events, and other unforeseen events that may cause changes to markets.

### (i) Interest rate risk:

Interest rate risk is the risk that the market value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. A Fund's exposure to interest rate risk is concentrated in its investment in debt securities. Other assets and liabilities are short-term in nature and/or non-interest bearing, which reduce interest rate risk.

Interest rate risk is managed by the portfolio advisor of each Fund through a careful selection of securities and diversification within each respective Fund. Where applicable, the Fund's portfolio advisor monitors the Fund's overall duration and positions are maintained within established ranges.

The following table summarizes the exposure to interest rate risk for the Pender Alternative Absolute Return Fund as at December 31, 2024 and 2023, categorized by the earlier of contractual re-pricing or maturity dates. The remaining Funds did not have exposure to any material interest rate risk.

	2024 (\$)	2023 (\$)
<b>Long position:</b>		
Less than 1 year	230,963,120	258,124,205
1 to 3 years	89,914,755	42,818,901
3 to 5 years	187,947,423	45,369,266
More than 5 years	297,839,716	319,015,663
	<b>806,665,014</b>	<b>665,328,035</b>
<b>Short position:</b>		
3 to 5 years	(52,087,064)	-
More than 5 years	(100,044,521)	(153,608,583)
	<b>(152,131,585)</b>	<b>(153,608,583)</b>
	<b>654,533,429</b>	<b>511,719,452</b>

As at December 31, 2024 and 2023, if the prevailing interest rates had been increased or decreased by 1%, assuming a parallel shift in the yield curve and all other factors remaining constant, the net assets of the Pender Alternative Absolute Return Fund with exposure to interest rate risk would have decreased or increased by \$27,007,280 and \$20,237,421 respectively.

Interest rate sensitivity was determined based on portfolio-weighted, modified duration. Actual results may differ from this sensitivity analysis and the difference could be material.

### (ii) Currency risk:

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies other than the Canadian dollar will fluctuate due to changes in foreign exchange rates. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted to Canadian dollars at the valuation date.

Currency risk is managed by the portfolio advisor of each Fund in accordance with the policies and procedures in place, through a careful selection of securities and diversification within each respective Fund. Each Fund's portfolio advisor monitors the portfolio holdings of the Fund on a daily basis and positions are maintained within established ranges.

The Funds, with the exception of the Pender Alternative Multi-Strategy Income Fund and Pender Alternative Special Situations Fund, enter into certain forward foreign currency contracts for all classes to mitigate their foreign currency exposure.



## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

The net currency exposure for each of the Funds as at December 31, 2024 and 2023 was as follows:

	Canadian dollar (\$)	US dollar (\$)	Total (\$)
<b>2024</b>			
Alternative Absolute Return Fund	540,682,881	18,454,350	559,137,231
Alternative Arbitrage Fund	14,240,756	492,479	14,733,235
Alternative Arbitrage Plus Fund	12,107,545	167,965	12,275,510
Alternative Multi-Strategy Income Fund	3,279,666	-	3,279,666
Alternative Special Situations Fund	2,112,505	924,491	3,036,996

	Canadian dollar (\$)	US dollar (\$)	Total (\$)
<b>2023</b>			
Alternative Absolute Return Fund	379,125,474	39,579,315	418,704,789
Alternative Arbitrage Fund	21,401,986	644,543	22,046,529
Alternative Arbitrage Plus Fund	16,052,734	321,963	16,374,697
Alternative Multi-Strategy Income Fund	3,994,517	-	3,994,517
Alternative Special Situations Fund	787,908	917,686	1,705,594

As at December 31, 2024 and 2023, if the Canadian dollar had strengthened or weakened by 10% in relation to all foreign currencies, with all other factors remaining constant, the net assets of the Funds would have decreased or increased respectively by the following amounts:

	2024 (\$)	2023 (\$)
Alternative Absolute Return Fund	1,845,435	3,957,932
Alternative Arbitrage Fund	49,248	64,454
Alternative Arbitrage Plus Fund	16,797	32,196
Alternative Multi-Strategy Income Fund	-	-
Alternative Special Situations Fund	92,449	89,406

### (iii) Other price risk:

Other price risk is the risk that the fair value of a security will fluctuate as a result of changes in market prices (other than those changes arising from interest rate risk or currency risk), whether caused by factors specific to the security or its issuer, or by factors affecting all similar securities traded in a market. All investments are exposed to other price risk.

Other price risk is managed by the portfolio advisor of each Fund through a careful selection of securities within specified limits and the Funds' price risk is managed through diversification within each respective Fund. Each Fund's portfolio advisor monitors the portfolio holdings of the Fund and maintains positions within established ranges. The Schedule of Investment Portfolio summarizes each Fund's exposure to other price risk as at December 31, 2024, by providing the market and geography sector breakdown of investments, as applicable. Potential losses from securities sold short can be unlimited.

## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

The following table summarizes the exposure to other price risk for each of the Funds as at December 31, 2024 and 2023:

	2024 (\$)	2023 (\$)
<b>Long position</b>		
Alternative Absolute Return Fund	8,112,910	4,061,309
Alternative Arbitrage Fund	14,084,582	11,867,440
Alternative Arbitrage Plus Fund	18,592,349	14,543,959
Alternative Multi-Strategy Income Fund	3,274,747	4,044,713
Alternative Special Situations Fund	3,199,544	1,960,865
<b>Short position</b>		
Alternative Absolute Return Fund	(162,579,414)	(119,698,279)
Alternative Arbitrage Fund	(1,110,495)	(1,498,943)
Alternative Arbitrage Plus Fund	(1,463,058)	(1,811,817)

As at December 31, 2024 and 2023, if equity prices had increased or decreased by 10% with all other factors remaining constant, the net assets of the Funds would have increased or decreased by the following amounts:

	2024 (\$)	2023 (\$)
Alternative Absolute Return Fund	39,136	(486,781)
Alternative Arbitrage Fund	1,067,071	644,785
Alternative Arbitrage Plus Fund	1,466,488	780,110
Alternative Multi-Strategy Income Fund	118,294	53,643
Alternative Special Situations Fund	281,053	185,139

Price sensitivity was determined based on portfolio-weighted beta. Actual results may differ from this sensitivity analysis and the difference could be material.

### (d) Leverage risk:

When a Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Funds' aggregate gross exposure to underlying assets is greater than the amount invested. Leverage may increase volatility, may impair the Funds' liquidity and may necessitate that the Funds liquidate positions at unfavourable times.

The aggregate gross exposure of the Funds, calculated as the sum of the following, must not exceed three times the Funds' net asset value: (i) the aggregate value of the Funds' outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Funds' specified derivatives positions excluding any specified derivatives used for hedging purposes. The Pender Alternative Multi-Strategy Income Fund was not directly exposed to leverage risk as at the year end date. The following table summarizes for the remaining Funds the lowest and highest aggregate gross exposure of the Funds' net asset value during the years ended December 31, 2024 and 2023:

2024	Lowest aggregate (%)	Highest aggregate (%)
Alternative Absolute Return Fund	46.6	68.0
Alternative Arbitrage Fund	2.7	12.7
Alternative Arbitrage Plus Fund	3.9	23.2
Alternative Multi-Strategy Income Fund	-	2.1
Alternative Special Situations Fund	0.1	36.3

## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

2023	Lowest aggregate (%)	Highest aggregate (%)
Alternative Absolute Return Fund	50.5	72.3
Alternative Arbitrage Fund	2.1	8.4
Alternative Arbitrage Plus Fund	1.1	68.2
Alternative Special Situations Fund	12.7	52.5

The primary sources of leverage were cash borrowing, short sales, and derivative contracts. The low and high end of the range are as a result of the Fund's investing activities and timing of subscriptions and/or redemptions.

The Manager monitors to ensure that the Fund's aggregate gross exposure is less than three times the Fund's net asset value.

### 9. Fair value of financial instruments:

(a) Valuation models:

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Funds determine fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Funds can access at the measurement date.
- Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., as derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Funds use widely recognized valuation models for determining the fair value of common and relatively simple financial instruments, such as debt securities, mutual fund units and warrants that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as forward foreign currency contracts. The availability of observable market prices and model inputs reduces the need for management judgment and estimation, and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets. Valuation techniques may include discounted cash flow calculations for debt securities and for forward foreign currency contracts, option pricing matrices for warrants and net asset value as published by underlying fund managers for mutual fund units.

For more complex instruments, the Funds use recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, may be derived from market prices or rates or may be estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value.

In determining fair value for these types of instruments, the Manager considers the history and nature of the business; operating results and financial conditions; general economic, industry and market conditions; capital market and transaction market conditions; independent valuations of the business; contractual rights relating to the investment; comparable company trading and transaction multiples, where applicable, and other relevant considerations. Adjustments to the carrying value of the investments may also be determined to be appropriate by the Manager when there is pervasive and objective evidence of a decline in the value of the investment, as indicated by an assessment of the financial condition of the investment based on operational results, forecasts, or other developments since acquisition.

The table below presents the fair value of financial instruments as at December 31, 2024 and 2023 by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statements of Financial Position. All fair value measurements below are recurring.

PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

2024	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<b>Alternative Absolute Return Fund:</b>				
Bonds and loans - Long	708,997,837	12,656,475	-	721,654,312
Bonds and loans - Short	(152,131,585)	-	-	(152,131,585)
Exchange-traded funds - Short	(159,819,414)	-	-	(159,819,414)
Equities - Short	(2,760,000)	-	-	(2,760,000)
Forward foreign currency contracts	-	(3,500,406)	-	(3,500,406)
Preferred shares	8,112,910	-	-	8,112,910
Short-term investments	85,010,702	-	-	85,010,702
	<b>487,410,450</b>	<b>9,156,069</b>	<b>-</b>	<b>496,566,519</b>
<b>Alternative Arbitrage Fund:</b>				
Equities - Long	13,984,583	-	88,198	14,072,781
Equities - Short	(1,110,495)	-	-	(1,110,495)
Forward foreign currency contracts	-	(303,330)	-	(303,330)
Warrants	11,801	-	-	11,801
	<b>12,885,889</b>	<b>(303,330)</b>	<b>88,198</b>	<b>12,670,757</b>
<b>Alternative Arbitrage Plus Fund:</b>				
Equities - Long	18,485,635	-	93,860	18,579,495
Equities - Short	(1,463,058)	-	-	(1,463,058)
Forward foreign currency contracts	-	(369,462)	-	(369,462)
Warrants	12,854	-	-	12,854
	<b>17,035,431</b>	<b>(369,462)</b>	<b>93,860</b>	<b>16,759,829</b>
<b>Alternative Multi-Strategy Income Fund:</b>				
Equities	-	-	1,803	1,803
Mutual funds	3,272,944	-	-	3,272,944
	<b>3,272,944</b>	<b>-</b>	<b>1,803</b>	<b>3,274,747</b>
<b>Alternative Special Situations Fund:</b>				
Equities	2,967,405	-	216,820	3,184,225
Exchange-traded funds	(13,335)	-	-	(13,335)
Warrants	1,400	27,254	-	28,654
	<b>2,955,470</b>	<b>27,254</b>	<b>216,820</b>	<b>3,199,544</b>
<b>2023</b>				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<b>Alternative Absolute Return Fund:</b>				
Bonds and loans - Long	351,056,043	59,015,619	-	410,071,662
Bonds and loans - Short	(153,608,583)	-	-	(153,608,583)
Exchange-traded funds - Short	(115,290,877)	-	-	(115,290,877)
Equities - Short	(4,407,402)	-	-	(4,407,402)
Forward foreign currency contracts	-	3,518,384	-	3,518,384
Preferred shares	4,061,309	-	-	4,061,309
Short-term investments	255,256,373	-	-	255,256,373
	<b>337,066,863</b>	<b>62,534,003</b>	<b>-</b>	<b>399,600,866</b>
<b>Alternative Arbitrage Fund:</b>				
Equities - Long	11,848,220	9,591	-	11,857,811
Equities - Short	(1,498,943)	-	-	(1,498,943)
Forward foreign currency contracts	-	480,016	-	480,016
Warrants	-	9,629	-	9,629
	<b>10,349,277</b>	<b>499,236</b>	<b>-</b>	<b>10,848,513</b>

PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

2023	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<b>Alternative Arbitrage Plus Fund:</b>				
Equities - Long	14,539,849	4,110	-	14,543,959
Equities - Short	(1,811,817)	-	-	(1,811,817)
Forward foreign currency contracts	-	289,607	-	289,607
Warrants	-	12	-	12
	<b>12,728,032</b>	<b>293,729</b>	<b>-</b>	<b>13,021,761</b>
<b>Alternative Multi-Strategy Income Fund:</b>				
Equities	-	-	1,803	1,803
Mutual funds	4,042,910	-	-	4,042,910
	<b>4,042,910</b>	<b>-</b>	<b>1,803</b>	<b>4,044,713</b>
<b>Alternative Special Situations Fund:</b>				
Equities	1,670,816	102,000	176,649	1,949,465
Warrants	11,400	-	-	11,400
	<b>1,682,216</b>	<b>102,000</b>	<b>176,649</b>	<b>1,960,865</b>

The carrying amount of the Funds' net assets attributable to holders of redeemable units also approximates fair value as it is measured at the redemption amount and classified as Level 2 in the fair value hierarchy.

The following table summarizes the transfers between levels as the fair value of the investments valued using unobservable inputs changed during the years ended December 31, 2024 and 2023.

2024	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Transfers between Levels 1 and 2</b>			
Alternative Absolute Return Fund	44,658,737	(44,658,737)	-
Alternative Arbitrage Fund	480	(480)	-
Alternative Special Situations Fund	140,400	(140,400)	-
<b>Transfers between Levels 1 and 3</b>			
Alternative Arbitrage Fund	(13,383)	-	13,383
Alternative Arbitrage Plus Fund	(16,098)	-	16,098
2023	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Transfers between Levels 1 and 2</b>			
Alternative Absolute Return Fund	(59,015,620)	59,015,620	-
Alternative Arbitrage Fund	(19,219)	19,219	-
Alternative Special Situations Fund	(102,000)	102,000	-

Transfers between level 1 & level 2 for 2024 in the table above includes a reconsideration of the definition of an active market.

The following table shows a reconciliation of the movement in fair value of all financial instruments categorized within Level 3 for the years ended December 31, 2024 and 2023. The remaining Funds did not hold any financial instruments categorized as Level 3.

PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

	2024 (\$)	2023 (\$)
<b>Pender Alternative Arbitrage Fund:</b>		
Opening balance	-	-
Purchase of investments	187,864	-
Sales of investments	(112,510)	-
Net transfers in (out)	3,270	-
Total gain (loss) recognized in comprehensive income	5,475	-
Change in unrealized appreciation (depreciation)	4,099	-
<b>Ending Balance</b>	<b>88,198</b>	<b>-</b>
<b>Pender Alternative Arbitrage Plus Fund:</b>		
Opening balance	-	-
Purchase of investments	85,389	-
Net transfers in (out)	4,073	-
Change in unrealized appreciation (depreciation)	4,398	-
<b>Ending Balance</b>	<b>93,860</b>	<b>-</b>
<b>Alternative Multi-Strategy Income Fund:</b>		
Opening balance	1,803	1,803
<b>Ending Balance</b>	<b>1,803</b>	<b>1,803</b>
<b>Alternative Special Situations Fund:</b>		
Opening balance	176,649	162,480
Purchase of investments	-	17,643
Change in unrealized appreciation (depreciation)	40,171	(3,474)
<b>Ending Balance</b>	<b>216,820</b>	<b>176,649</b>

## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

(b) Significant unobservable inputs used in measuring fair value:

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy, as at December 31, 2024 and 2023, for the Pender Alternative Arbitrage Fund, Pender Alternative Arbitrage Plus Fund, Pender Alternative Multi-Strategy Income Fund and Pender Alternative Special Situations Fund. The remaining Fund did not hold any financial instruments categorized as Level 3.

2024	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
<b>Alternative Arbitrage Fund:</b>				
Unlisted private investments	88,198	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<b>Alternative Arbitrage Plus Fund:</b>				
Unlisted private investments	93,860	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<b>Alternative Multi-Strategy Income Fund:</b>				
Unlisted private investments	1,803	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<b>Alternative Special Situations Fund:</b>				
Unlisted private investments	216,820	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<hr/>				
2023	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
<b>Alternative Multi-Strategy Income Fund:</b>				
Unlisted private investments	1,803	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<b>Alternative Special Situations Fund:</b>				
Unlisted private investments	176,649	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased

Enterprise value represents the estimate of the amount that market participants would pay when purchasing the investee company.

(c) Effects of unobservable input on fair value measurement:

## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

The Pender Alternative Arbitrage Fund, Pender Alternative Arbitrage Plus Fund, Pender Alternative Multi-Strategy Income Fund and Pender Alternative Special Situations Fund believe that their estimates of fair value are appropriate, however the use of different methodologies or assumptions could lead to different measurements of fair value. Changing one or more of the assumptions used for fair value measurements in Level 3 to alternative reasonably possible assumptions would have the following effects on the net assets attributable to holders of redeemable units as at December 31, 2024 and 2023. The remaining Fund did not hold any financial instruments categorized as Level 3.

Entity	2024	2023
<b>Alternative Arbitrage Fund:</b>		
Favourable	8,820	-
Unfavourable	(8,820)	-
<b>Alternative Arbitrage Plus Fund:</b>		
Favourable	9,386	-
Unfavourable	(9,386)	-
<b>Alternative Multi-Strategy Income Fund:</b>		
Favourable	180	180
Unfavourable	(180)	(180)
<b>Alternative Special Situations Fund:</b>		
Favourable	21,682	17,665
Unfavourable	(21,682)	(17,665)

The favourable and unfavourable effects of using alternative reasonably possible assumptions for the valuation of unlisted private equity investments have been calculated by recalibrating the model values using unobservable inputs based on averages of the upper and lower quartiles, respectively of the above noted Funds' ranges of possible estimates. The recalibrated model considers the impact of a 10% increase or decrease in enterprise value. Actual results may differ from this sensitivity analysis and the difference could be material.

(d) Short selling:

If a Fund sells a security short, it will borrow that security from a broker to complete the sale. The Fund will incur a loss as a result of a short sale if the price of the borrowed security increases between the date of the short sale and the date on which the Fund closes out its short position by buying that security. There can be no assurance that a Fund will be able to close out a short position at an acceptable time or price. Until the Fund replaces a borrowed security, it will maintain adequate margin with the broker consisting of cash and liquid securities.

The following table summarizes the exposure to short positions for the Pender Alternative Absolute Return Fund, Pender Alternative Arbitrage Fund, Pender Alternative Arbitrage Plus Fund and Pender Alternative Special Situations Fund as at December 31, 2024 and 2023. The remaining Fund did not have exposure to short positions.

	2024 (\$)	2023 (\$)
Alternative Absolute Return Fund	(314,710,999)	(273,306,862)
Alternative Arbitrage Fund	(1,110,495)	(1,498,943)
Alternative Arbitrage Plus Fund	(1,463,058)	(1,811,817)
Alternative Special Situations Fund	(13,335)	-

### 10. Involvement with structured entities:

The table below describes the type of structured entities in which the Pender Alternative Multi-Strategy Income Fund holds an interest but which it does not consolidate. The remaining Funds did not hold an interest in structured entities as at December 31, 2024 and 2023.

Entity	Nature and purpose	Interest held by the respective fund
Investment funds	To manage assets on behalf of third-party investors and generate fees for the investment manager. These vehicles are financed through the issue of units to investors	Investment in units issued by the underlying funds



## PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year ended December 31, 2024

The table below sets out interests held by the Pender Alternative Multi-Strategy Income Fund in unconsolidated structured entities as at December 31, 2024 and 2023. The maximum exposure to loss is the carrying amount of the investment in the underlying funds held.

	Number of investee funds held	Total net assets of investee funds (\$)	Carrying amount included in investments (\$)
<b>Alternative Multi-Strategy Income Fund:</b>			
2024	3	2,834,696,614	3,272,944
2023	4	1,911,744,681	4,042,910

During the years ended December 31, 2024 and 2023, the Pender Alternative Multi-Strategy Income Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support. The Pender Alternative Multi-Strategy Income Fund can sell or redeem their units in the above investment funds at any time.

### 11. Income taxes:

The taxation year-end of the Pender Alternative Special Situations Fund is December 31 and for the remaining Funds is December 15. As at the end of their 2024 and/or 2023 tax year-ends, the following Funds had accumulated capital losses available for utilization against realized capital gains in future years. Capital losses have no expiry date.

	2024 (\$)	2023 (\$)
Alternative Arbitrage Plus Fund	-	6,201
Alternative Multi-Strategy Income Fund	73,097,347	73,214,615
Alternative Special Situations Fund	307,228	387,315

As at the end of the tax year-end, the following Funds had accumulated non-capital losses available for carry forward.

	2024 (\$)	2023 (\$)	Expiration Dates
Alternative Arbitrage Plus Fund	-	55,180	2043
Alternative Multi-Strategy Income Fund	1,759,265	1,841,484	2038-2042

The remaining Funds had no accumulated capital losses or non-capital losses as at the end of the 2024 and 2023 tax year-ends.



**Annual Financial Statements of  
PENDER ALTERNATIVE MUTUAL FUNDS**

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