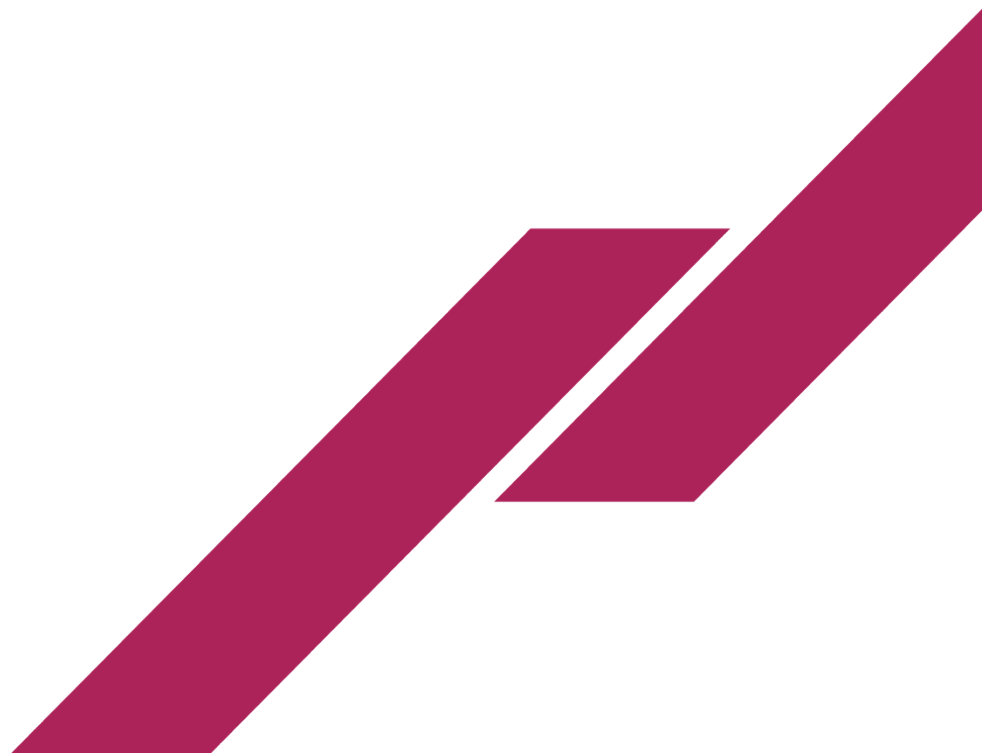


**Unaudited Semi-Annual Financial  
Statements of  
PENDER ALTERNATIVE MUTUAL FUNDS**

Six months ended June 30, 2025



## **NOTICE OF NO AUDITOR REVIEW OF THE SEMI-ANNUAL FINANCIAL STATEMENTS**

PenderFund Capital Management Ltd., the Manager of the Pender Alternative Mutual Funds (the “Funds”), appoints an independent auditor to audit the Funds’ Annual Financial Statements. In accordance with Canadian securities laws (National Instrument 81-106 “Investment Fund Continuous Disclosure”), the Manager must disclose if an auditor has not reviewed the Semi-Annual Financial Statements.

The Funds’ independent auditor has not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

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# Pender Alternative Absolute Return Fund

## Statements of Financial Position (Unaudited)

June 30, 2025 and December 31, 2024

	2025 (\$)	2024 (\$)
<b>Assets</b>		
Cash	88,635,460	47,731,428
Receivable for investments sold	2,760,948	-
Subscriptions receivable	1,965,809	10,137,788
Interest receivable	13,487,448	9,950,756
Derivative assets	4,287,598	-
Investments	1,095,525,556	814,777,924
	<b>1,206,662,819</b>	<b>882,597,896</b>
<b>Liabilities</b>		
Management and administration fees payable (note 4)	797,050	599,636
Payable for investments purchased	10,358,663	-
Redemptions payable to holders of redeemable units	1,109,528	810,383
Distributions payable to holders of redeemable units	1,149,298	-
Payable for interest and dividends on short securities	2,409,476	1,907,097
Performance fees payable (note 4)	-	1,932,144
Derivative liabilities	-	3,500,406
Investments sold short	438,498,826	314,710,999
	<b>454,322,841</b>	<b>323,460,665</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>752,339,978</b>	<b>559,137,231</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	21,006,814	18,790,079
Class AF	7,048,294	7,490,865
Class A (USD)	565,231	432,353
Class E	3,272,977	2,998,177
Class F	104,955,495	89,416,188
Class FF	66,520,831	67,933,203
Class F (USD)	4,034,166	2,679,181
Class H	30,970,113	17,741,317
Class H (USD)	959,552	1,099,666
Class I	472,836,945	327,378,069
Class I (USD)	27,019,333	13,182,825
Class N	5,044,200	4,300,877
Class O	8,106,027	5,694,431
	<b>752,339,978</b>	<b>559,137,231</b>

# Pender Alternative Absolute Return Fund

## Statements of Financial Position (Unaudited) (cont'd)

June 30, 2025 and December 31, 2024

	2025 (\$)	2024 (\$)
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	9.06	9.26
Class AF	9.24	9.44
Class A (USD)	12.43	13.35
Class E	9.00	9.20
Class F	9.06	9.28
Class FF	9.20	9.41
Class F (USD)	12.17	13.07
Class H	9.17	9.37
Class H (USD)	12.45	13.31
Class I	9.03	9.23
Class I (USD)	12.42	13.33
Class N	9.17	9.38
Class O	9.38	9.62

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 (Unaudited)

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
<b>Revenue</b>		
Interest for distribution purposes	27,421,794	22,541,005
Dividend income	317,916	245,036
Dividend and interest expense on securities sold short	(6,776,582)	(5,105,476)
Foreign exchange gain (loss)	(2,475,276)	397,246
<b>Changes in fair value of investments and derivatives:</b>		
Net realized gain (loss)	(3,585,722)	9,816,566
Net change in unrealized appreciation (depreciation)	(5,261,091)	(3,014,821)
<b>Total revenue</b>	<b>9,641,039</b>	<b>24,879,556</b>
<b>Expenses</b>		
Management fees (note 4)	2,331,698	1,540,747
Administration fees (note 4)	2,022,537	1,387,638
Interest and borrow fees expense	1,474,003	773,259
Transaction costs	28,316	19,880
Independent review committee fees	4,015	4,552
Performance fees (note 4)	-	1,240,834
<b>Total expenses</b>	<b>5,860,569</b>	<b>4,966,910</b>
Less: Expenses absorbed by the Manager (note 4)	(4,015)	(4,552)
<b>Net expenses</b>	<b>5,856,554</b>	<b>4,962,358</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>3,784,485</b>	<b>19,917,198</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	50,330	516,733
Class AF	53,505	350,213
Class A (USD)	(24,705)	24,761
Class E	34,471	114,339
Class F	893,044	2,657,992
Class FF	821,852	3,301,165
Class F (USD)	(167,129)	109,163
Class H	35,560	438,344
Class H (USD)	(37,749)	55,625
Class I	3,116,208	11,054,950
Class I (USD)	(1,127,416)	875,740
Class N	41,490	217,780
Class O	95,024	200,393
	<b>3,784,485</b>	<b>19,917,198</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.02	0.34
Class AF	0.07	0.40
Class A (USD)	(0.53)	1.09
Class E	0.11	0.43
Class F	0.08	0.37
Class FF	0.11	0.44
Class F (USD)	(0.69)	0.90
Class H	0.01	0.36
Class H (USD)	(0.57)	0.85
Class I	0.07	0.40
Class I (USD)	(0.58)	0.91
Class N	0.08	0.42
Class O	0.13	0.51

# Pender Alternative Absolute Return Fund

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

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
Class A		
Balance, beginning of period	18,790,079	12,156,961
Increase (decrease) in net assets attributable to holders of redeemable units	50,330	516,733
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	10,883,523	8,489,174
Issued on reinvestment of distributions	403,583	408,809
Amounts paid on redemption of redeemable units	(8,607,414)	(4,459,039)
	<b>2,679,692</b>	<b>4,438,944</b>
<b>Distributions paid from:</b>		
Net investment income	(513,287)	(532,243)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(513,287)</b>	<b>(532,243)</b>
<b>Balance, end of period</b>	<b>21,006,814</b>	<b>16,580,395</b>
Class AF		
Balance, beginning of period	7,490,865	8,698,759
Increase (decrease) in net assets attributable to holders of redeemable units	53,505	350,213
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	131,874	196,895
Amounts paid on redemption of redeemable units	(422,270)	(1,087,324)
	<b>(290,396)</b>	<b>(890,429)</b>
<b>Distributions paid from:</b>		
Net investment income	(205,680)	(336,545)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(205,680)</b>	<b>(336,545)</b>
<b>Balance, end of period</b>	<b>7,048,294</b>	<b>7,821,998</b>
Class A (USD)		
Balance, beginning of period	432,353	554,907
Increase (decrease) in net assets attributable to holders of redeemable units	(24,705)	24,761
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	557,990	44,761
Issued on reinvestment of distributions	13,178	8,296
Amounts paid on redemption of redeemable units	(398,314)	(333,328)
	<b>172,854</b>	<b>(280,271)</b>
<b>Distributions paid from:</b>		
Net investment income	(15,271)	(8,296)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(15,271)</b>	<b>(8,296)</b>
<b>Balance, end of period</b>	<b>565,231</b>	<b>291,101</b>

# Pender Alternative Absolute Return Fund

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

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
Class E		
Balance, beginning of period	2,998,177	2,369,765
Increase (decrease) in net assets attributable to holders of redeemable units	34,471	114,339
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	773,899	309,797
Issued on reinvestment of distributions	104,639	119,697
Amounts paid on redemption of redeemable units	(533,491)	(33,795)
	<b>345,047</b>	<b>395,699</b>
<b>Distributions paid from:</b>		
Net investment income	(104,718)	(119,697)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(104,718)</b>	<b>(119,697)</b>
<b>Balance, end of period</b>	<b>3,272,977</b>	<b>2,760,106</b>
Class F		
Balance, beginning of period	89,416,188	56,833,699
Increase (decrease) in net assets attributable to holders of redeemable units	893,044	2,657,992
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	82,272,951	46,199,531
Issued on reinvestment of distributions	2,583,082	1,673,776
Amounts paid on redemption of redeemable units	(66,752,375)	(23,067,409)
	<b>18,103,658</b>	<b>24,805,898</b>
<b>Distributions paid from:</b>		
Net investment income	(3,457,395)	(2,908,227)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(3,457,395)</b>	<b>(2,908,227)</b>
<b>Balance, end of period</b>	<b>104,955,495</b>	<b>81,389,362</b>
Class FF		
Balance, beginning of period	67,933,203	73,805,414
Increase (decrease) in net assets attributable to holders of redeemable units	821,852	3,301,165
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	31,972	140,800
Issued on reinvestment of distributions	1,909,799	2,538,981
Amounts paid on redemption of redeemable units	(1,899,978)	(3,365,674)
	<b>41,793</b>	<b>(685,893)</b>
<b>Distributions paid from:</b>		
Net investment income	(2,276,017)	(3,303,907)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(2,276,017)</b>	<b>(3,303,907)</b>
<b>Balance, end of period</b>	<b>66,520,831</b>	<b>73,116,779</b>



# Pender Alternative Absolute Return Fund

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

Six months ended June 30, 2025 and 2024

Class F (USD)	2025 (\$)	2024 (\$)
Balance, beginning of period	2,679,181	1,268,550
Increase (decrease) in net assets attributable to holders of redeemable units	(167,129)	109,163
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	3,316,091	1,011,516
Issued on reinvestment of distributions	71,856	47,771
Amounts paid on redemption of redeemable units	(1,771,357)	(468,762)
	<b>1,616,590</b>	<b>590,525</b>
<b>Distributions paid from:</b>		
Net investment income	(94,476)	(63,611)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(94,476)</b>	<b>(63,611)</b>
<b>Balance, end of period</b>	<b>4,034,166</b>	<b>1,904,627</b>
Class H	2025 (\$)	2024 (\$)
Balance, beginning of period	17,741,317	9,405,115
Increase (decrease) in net assets attributable to holders of redeemable units	35,560	438,344
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	16,536,744	5,719,751
Issued on reinvestment of distributions	557,602	262,257
Amounts paid on redemption of redeemable units	(3,183,504)	(1,146,949)
	<b>13,910,842</b>	<b>4,835,059</b>
<b>Distributions paid from:</b>		
Net investment income	(717,606)	(449,172)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(717,606)</b>	<b>(449,172)</b>
<b>Balance, end of period</b>	<b>30,970,113</b>	<b>14,229,346</b>
Class H (USD)	2025 (\$)	2024 (\$)
Balance, beginning of period	1,099,666	535,977
Increase (decrease) in net assets attributable to holders of redeemable units	(37,749)	55,625
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	469,218	365,816
Issued on reinvestment of distributions	19,693	30,804
Amounts paid on redemption of redeemable units	(571,018)	(137,061)
	<b>(82,107)</b>	<b>259,559</b>
<b>Distributions paid from:</b>		
Net investment income	(20,258)	(33,655)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(20,258)</b>	<b>(33,655)</b>
<b>Balance, end of period</b>	<b>959,552</b>	<b>817,506</b>

# Pender Alternative Absolute Return Fund

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

Six months ended June 30, 2025 and 2024

Class I	2025 (\$)	2024 (\$)
Balance, beginning of period	327,378,069	234,010,717
Increase (decrease) in net assets attributable to holders of redeemable units	3,116,208	11,054,950
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	210,503,157	116,576,085
Issued on reinvestment of distributions	8,871,840	8,079,422
Amounts paid on redemption of redeemable units	(63,907,072)	(62,168,532)
	<b>155,467,925</b>	<b>62,486,975</b>
<b>Distributions paid from:</b>		
Net investment income	(13,125,257)	(11,330,046)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(13,125,257)</b>	<b>(11,330,046)</b>
<b>Balance, end of period</b>	<b>472,836,945</b>	<b>296,222,596</b>

Class I (USD)	2025 (\$)	2024 (\$)
Balance, beginning of period	13,182,825	10,512,261
Increase (decrease) in net assets attributable to holders of redeemable units	(1,127,416)	875,740
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	18,787,467	8,328,110
Issued on reinvestment of distributions	466,149	195,575
Amounts paid on redemption of redeemable units	(3,492,805)	(4,698,200)
	<b>15,760,811</b>	<b>3,825,485</b>
<b>Distributions paid from:</b>		
Net investment income	(796,887)	(553,999)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(796,887)</b>	<b>(553,999)</b>
<b>Balance, end of period</b>	<b>27,019,333</b>	<b>14,659,487</b>

Class N	2025 (\$)	2024 (\$)
Balance, beginning of period	4,300,877	4,795,515
Increase (decrease) in net assets attributable to holders of redeemable units	41,490	217,780
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	834,545	611,932
Issued on reinvestment of distributions	24,188	13,329
Amounts paid on redemption of redeemable units	-	(680)
	<b>858,733</b>	<b>624,581</b>
<b>Distributions paid from:</b>		
Net investment income	(156,900)	(225,683)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(156,900)</b>	<b>(225,683)</b>
<b>Balance, end of period</b>	<b>5,044,200</b>	<b>5,412,193</b>

# Pender Alternative Absolute Return Fund

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

Six months ended June 30, 2025 and 2024

Class O	2025 (\$)	2024 (\$)
Balance, beginning of period	5,694,431	3,757,149
Increase (decrease) in net assets attributable to holders of redeemable units	95,024	200,393
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	2,446,383	624,000
Issued on reinvestment of distributions	293,362	195,793
Amounts paid on redemption of redeemable units	(129,811)	(233,000)
	<b>2,609,934</b>	<b>586,793</b>
<b>Distributions paid from:</b>		
Net investment income	(293,362)	(195,793)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(293,362)</b>	<b>(195,793)</b>
<b>Balance, end of period</b>	<b>8,106,027</b>	<b>4,348,542</b>
Total Fund	2025 (\$)	2024 (\$)
Balance, beginning of period	559,137,231	418,704,789
Increase (decrease) in net assets attributable to holders of redeemable units	3,784,485	19,917,198
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	347,413,940	188,421,273
Issued on reinvestment of distributions	15,450,845	13,771,405
Amounts paid on redemption of redeemable units	(151,669,409)	(101,199,753)
	<b>211,195,376</b>	<b>100,992,925</b>
<b>Distributions paid from:</b>		
Net investment income	(21,777,114)	(20,060,874)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(21,777,114)</b>	<b>(20,060,874)</b>
<b>Balance, end of period</b>	<b>752,339,978</b>	<b>519,554,038</b>

# Pender Alternative Absolute Return Fund

## Statements of Cash Flows (Unaudited)

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	3,784,485	19,917,198
<b>Adjustments for:</b>		
Interest for distribution purposes	(27,421,794)	(22,541,005)
Dividend income	(317,916)	(245,036)
Dividend and interest expense on securities sold short	6,776,582	5,105,476
Foreign exchange (gain) loss	2,475,276	(397,246)
Net realized (gain) loss on sale of investments	378,347	(10,871,146)
Net change in unrealized (appreciation) depreciation of investments	13,049,095	(1,590,286)
Derivative assets and liabilities	(7,788,004)	4,605,107
Performance fees payable	(1,932,144)	951,160
Management and administration fees payable	197,414	98,640
Accrued expenses	-	157,482
	<b>(10,798,659)</b>	<b>(4,809,656)</b>
Proceeds on disposal of investments	1,420,332,255	834,434,309
Amounts paid on purchase of investments	(1,583,121,787)	(926,018,714)
Dividend and interest expense paid on securities sold short	(6,274,203)	(5,408,973)
Dividends received	317,916	245,036
Interest received	23,885,102	19,657,815
	<b>(155,659,376)</b>	<b>(81,900,183)</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	303,183,212	173,082,396
Amounts paid on redemption of redeemable units	(98,967,557)	(84,681,702)
Distributions paid to unitholders	(5,176,971)	(6,289,469)
	<b>199,038,684</b>	<b>82,111,225</b>
Net increase (decrease) in cash	43,379,308	211,042
Cash (Bank overdraft), beginning of period	47,731,428	42,386,702
Effect of exchange rate fluctuations on cash	(2,475,276)	397,246
<b>Cash (Bank overdraft), end of period</b>	<b>88,635,460</b>	<b>42,994,990</b>

# Pender Alternative Absolute Return Fund

## Schedule of Investment Portfolio (Unaudited)

June 30, 2025

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS</b>				
<b>Corporate bonds and loans:</b>				
Canada (60.6%):				
AltaGas Ltd., Variable Rate, Callable, 7.20%, 2054/10/15	USD	1,000,000	1,358,441	1,363,983
Athabasca Oil Corp., Callable, 6.75%, 2029/08/09	CAD	15,500,000	15,532,722	15,955,313
ATS Corp., Callable, 6.50%, 2032/08/21	CAD	27,000,000	27,053,750	27,182,601
Capital Power Corporation, Series '3', Variable Rate, Callable, 7.95%, 2082/09/09	CAD	2,000,000	2,007,500	2,181,674
Capital Power Corporation, Variable Rate, Convertible, Callable, 8.13%, 2054/06/05	CAD	14,000,000	14,100,000	15,380,676
Cardinal Energy Ltd., Callable, 7.75%, 2030/03/31	CAD	3,000,000	3,000,000	3,000,000
Cardinal Energy Ltd., Callable, 8.25%, 2030/09/30	CAD	3,000,000	3,000,000	3,027,000
CES Energy Solutions Corp., 6.88%, 2029/05/24	CAD	6,000,000	6,121,250	6,146,250
Chemtrade Logistics Inc., Callable, 6.38%, 2029/08/28	CAD	21,650,000	21,688,339	22,191,250
Cooper Equipment Rentals Ltd., Callable, 7.45%, 2029/07/04	CAD	7,000,000	7,000,000	7,020,417
Doman Building Materials Group Ltd., Callable, 7.50%, 2029/09/17	CAD	3,000,000	3,045,000	3,021,315
Enbridge Inc., Callable, 6.63%, 2078/04/12	CAD	1,097,000	1,070,178	1,150,701
Enbridge Inc., Restricted, Callable, 5.00%, 2082/01/19	CAD	3,000,000	2,573,850	2,938,458
Fiera Capital Corp., Callable, 7.75%, 2030/06/30	CAD	939,000	942,052	962,945
Keyera Corp., Callable, 6.88%, 2079/06/13	CAD	1,000,000	955,625	1,050,729
Keyera Corp., Callable, 5.95%, 2081/03/10	CAD	6,000,000	5,212,260	6,060,176
Kruger Products Inc., Callable, 5.38%, 2029/04/09	CAD	780,000	748,800	775,613
Mattamy Group Corporation, 4.63%, 2028/03/01	CAD	5,906,000	5,229,752	5,838,573
Mattr Corp., Callable, 7.25%, 2031/04/02	CAD	16,000,000	16,128,125	16,420,000
North American Construction Group Ltd., Callable, 7.75%, 2030/05/01	CAD	7,000,000	7,000,000	7,214,655
Northland Power Inc., Callable, 9.25%, 2083/06/20	CAD	7,000,000	6,930,980	7,624,190
Parkland Corporation, Callable, 6.00%, 2028/06/23	CAD	37,000,000	37,031,500	37,132,583
Parkland Corporation, Callable, 4.38%, 2029/03/26	CAD	3,500,000	3,223,960	3,444,583
Parkland Corporation, Callable, 6.63%, 2032/08/15	USD	1,600,000	2,204,962	2,232,900
Precision Drilling Corporation, Callable, 7.13%, 2026/01/15	USD	1,296,000	1,777,804	1,758,828
Rogers Sugar Inc., Convertible, Callable, 6.00%, 2030/06/30	CAD	5,000,000	5,000,000	5,199,500
Royal Bank of Canada, 3.37%, 2025/09/29	CAD	15,000,000	15,018,000	15,017,540
Saturn Oil & Gas Inc., Callable, 9.63%, 2029/06/15	USD	4,698,000	6,429,147	6,312,383
Secure Waste Infrastructure Corp., 6.75%, 2029/03/22	CAD	18,315,000	18,587,344	19,001,813
Sleep Country Canada Inc., Callable, 6.63%, 2032/11/28	CAD	15,000,000	14,967,500	15,025,000
Strathcona Resources Ltd., Callable, 6.88%, 2026/08/01	USD	8,000,000	11,072,319	10,927,227
Surge Energy Inc., Callable, 8.50%, 2029/09/05	CAD	14,000,000	14,045,000	14,210,000
Tamarack Valley Energy Ltd., Callable, 7.25%, 2027/05/10	CAD	25,000,000	25,126,947	25,437,500
Teine Energy Ltd., Callable, 6.88%, 2029/04/15	USD	5,230,000	6,487,889	7,060,415
TELUS Corp., Variable Rate, Convertible, Callable, 6.25%, 2055/07/21	CAD	8,000,000	7,997,200	8,241,160
TELUS Corp., Variable Rate, Convertible, Callable, 6.75%, 2055/07/21	CAD	5,000,000	4,997,950	5,253,650
Tenaz Energy Corp., Callable, 12.00%, 2029/11/14	CAD	12,000,000	12,000,000	12,360,000
The Toronto-Dominion Bank, 2.67%, 2025/09/09	CAD	33,000,000	32,980,200	32,985,524
The Toronto-Dominion Bank, Variable Rate, Callable, 5.91%, 2085/01/31	CAD	6,000,000	5,982,667	5,860,356
TransCanada PipeLines Ltd., Callable, 3.30%, 2025/07/17	CAD	20,000,000	20,003,000	20,004,430

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

# Pender Alternative Absolute Return Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2025

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS (cont'd)</b>				
<b>Corporate bonds and loans: (cont'd)</b>				
Canada (60.6%): (cont'd)				
Vermilion Energy Inc., Callable, 7.25%, 2033/02/15	USD	10,202,000	12,939,322	13,003,866
Videotron Ltd., Callable, 3.63%, 2028/06/15	CAD	16,000	13,880	16,019
Wolf Midstream Canada L.P., Callable, 6.40%, 2029/07/18	CAD	20,000,000	20,085,465	20,725,000
Wolf Midstream Canada L.P., Callable, 5.95%, 2033/07/18	CAD	18,500,000	18,598,075	18,747,769
			<b>447,268,755</b>	<b>456,464,565</b>
United States (31.5%):				
Blue Racer Midstream LLC, Callable, 6.63%, 2026/07/15	USD	18,321,000	25,068,874	24,972,198
Caesars Entertainment Inc., Term Loan, 6.58%, 2031/02/06	USD	2,970,000	4,011,038	4,046,945
Charter Communications Operating LLC, Term Loan, 6.56%, 2031/12/15	USD	1,750	2,493	2,389
CTR Partnership L.P., Callable, 3.88%, 2028/06/30	USD	10,000,000	12,934,474	13,025,361
Encino Acquisition Partners Holdings LLC, Callable, 8.75%, 2031/05/01	USD	27,048,000	40,655,590	40,701,216
Greystar Real Estate Partners, LLC, Term Loan, 7.05%, 2030/08/21	USD	2,125,731	2,892,251	2,905,569
Hewlett Packard Enterprise Co., Callable, 5.60%, 2054/10/15	USD	5,000,000	6,504,787	6,312,630
Hilton Domestic Operating Company Inc., Callable, 6.13%, 2032/04/01	USD	9,125,000	12,870,351	12,731,921
Hilton Domestic Operating Company Inc., Callable, 5.88%, 2033/03/15	USD	9,000,000	12,367,115	12,494,417
Hilton USA Trust, Class 'A', Series '16-HHV', 3.72%, 2038/11/05	USD	5,000,000	6,764,962	6,696,423
Hilton USA Trust, Class 'D', Series '16-HHV', 4.33%, 2038/11/05	USD	640,000	776,486	854,167
Hilton USA Trust, Class 'E', Series '16-HHV', 4.19%, 2038/11/05	USD	3,745,000	4,664,641	4,967,238
Hilton USA Trust, Class 'F', Series '16-HHV', 4.33%, 2038/11/05	USD	30,444,000	38,897,139	39,956,755
Hudson Yards, Class 'F', Series '25-SPRL', 7.40%, 2040/01/13	USD	600,000	861,570	847,240
JH North America Holdings Inc., Callable, 5.88%, 2031/01/31	USD	1,000,000	1,372,100	1,373,965
Macy's Retail Holdings LLC, 6.90%, 2029/04/01	USD	1,000,000	1,238,226	1,358,373
Macy's Retail Holdings LLC, 6.70%, 2034/07/15	USD	5,300,000	5,883,819	6,076,178
Macy's Retail Holdings LLC, 6.38%, 2037/03/15	USD	6,155,000	7,093,787	6,867,714
Merlin Entertainments Group U.S. Holdings Inc., Callable, 7.38%, 2031/02/15	USD	1,790,000	2,341,189	2,179,676
New Flyer Holdings Inc., Callable, 9.25%, 2030/07/01	USD	9,000,000	12,560,602	12,931,219
Restaurant Brands International Inc., Term Loan, 6.08%, 2030/09/23	USD	992,500	1,343,404	1,347,455
RHP Hotel Properties L.P., Term Loan, 6.33%, 2030/05/20	USD	1,761,150	2,399,461	2,401,256
Rivian Holdings LLC, Callable, 10.00%, 2031/01/15	USD	6,000,000	8,014,377	8,045,308
THOR Industries, Inc., Term Loan, 6.58%, 2030/11/15	USD	222,222	305,310	302,989
Tidewater Inc., Callable, 9.13%, 2030/07/15	USD	5,500,000	7,695,716	7,711,223

# Pender Alternative Absolute Return Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2025

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS (cont'd)</b>				
<b>Corporate bonds and loans: (cont'd)</b>				
United States (31.5%): (cont'd)				
Under Armour Inc., Callable, 7.25%, 2030/07/15	USD	5,500,000	7,535,427	7,604,261
ZF North America Capital Inc., Callable, 6.88%, 2028/04/14	USD	5,950,000	8,278,580	8,133,226
			<b>235,333,769</b>	<b>236,847,312</b>
Foreign (3.9%):				
Motion Finco SARL, Callable, 8.38%, 2032/02/15	USD	15,814,000	22,182,166	19,741,396
Stena International SA, Callable, 7.25%, 2031/01/15	USD	2,500,000	3,356,623	3,417,911
Stena International SA, Callable, 7.63%, 2031/02/15	USD	4,225,000	5,696,834	5,913,240
			<b>31,235,623</b>	<b>29,072,547</b>
<b>Total corporate bonds and loans (96.0%)</b>			<b>713,838,147</b>	<b>722,384,424</b>
<b>Government bonds (2.4%):</b>				
United States Treasury, 4.63%, 2035/02/15	USD	3,000,000	4,311,400	4,217,382
United States Treasury, 4.25%, 2035/05/15	USD	10,000,000	13,617,246	13,644,097
			<b>17,928,646</b>	<b>17,861,479</b>
<b>Short-term investments (45.4%):</b>				
Enbridge Inc., Discount Note, 3.24%, 2025/07/15	CAD	50,000,000	49,827,500	49,827,500
Enbridge Inc., Discount Note, 2.96%, 2025/07/22	CAD	43,000,000	42,913,140	42,913,140
Government of Canada, 2.23%, 2025/07/30	CAD	60,000,000	59,646,000	59,646,000
Government of Canada, 3.50%, 2025/08/01	CAD	48,000,000	48,148,319	48,040,232
United States Treasury, 4.35% 2025/08/14	USD	25,000,000	34,583,022	33,682,674
United States Treasury, 4.27% 2025/08/19	USD	50,000,000	68,356,975	67,168,243
United States Treasury, 4.30% 2025/09/02	USD	30,000,000	40,855,717	40,283,305
			<b>344,330,673</b>	<b>341,561,094</b>
<b>Equities (0.9%):</b>				
Juniper Networks Inc.	USD	15,000	740,087	815,620
Keyera Corp.	CAD	142,500	5,578,874	6,217,275
			<b>6,318,961</b>	<b>7,032,895</b>
<b>Preferred shares (0.9%):</b>				
Enbridge Inc., Series 'H', 7.22%	CAD	26,800	423,780	574,324
Enbridge Inc., Series 'N', 7.30%	CAD	15,000	257,850	358,950
Enbridge Inc., Series 'R', 7.40%	CAD	122,500	2,187,017	2,682,750
Enbridge Inc., Series '3', 6.98%	CAD	125,300	1,754,853	2,459,639
Enbridge Inc., Series '7', 7.17%	CAD	22,400	348,096	481,376
			<b>4,971,596</b>	<b>6,557,039</b>
<b>Warrants (0.0%):</b>				
Cardinal Energy Ltd., strike price \$7.00, expiry 2028/01/03	CAD	175,000	-	128,625
			-	<b>128,625</b>
<b>Total long positions (145.6%)</b>			<b>1,087,388,023</b>	<b>1,095,525,556</b>
<b>SHORT POSITIONS</b>				
<b>Corporate bonds and loans:</b>				
Canada (-3.7%):				
Allied Properties REIT, Callable, 3.10%, 2032/02/06	CAD	(6,000,000)	(5,208,740)	(5,307,026)
Parkland Corporation, Callable, 4.50%, 2029/10/01	USD	(3,000,000)	(3,506,417)	(3,927,702)

# Pender Alternative Absolute Return Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2025

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
<b>SHORT POSITIONS (cont'd)</b>				
<b>Corporate bonds and loans: (cont'd)</b>				
Canada (-3.7%): (cont'd)				
Rogers Communications Inc., Callable, 2.90%, 2030/12/09	CAD	(8,000,000)	(7,105,130)	(7,660,962)
Rogers Communications Inc., Variable Rate, Convertible, Callable, 5.63%, 2055/04/15	CAD	(2,000,000)	(1,960,000)	(2,008,669)
Superior Plus L.P., Callable, 4.50%, 2029/03/15	USD	(2,726,000)	(3,506,637)	(3,573,557)
Vermilion Energy Inc., Callable, 6.88%, 2030/05/01	USD	(4,000,000)	(5,696,080)	(5,285,061)
			<b>(26,983,004)</b>	<b>(27,762,977)</b>
United States (-19.5%):				
Asbury Automotive Group, Inc., Callable, 4.63%, 2029/11/15	USD	(5,000,000)	(6,255,885)	(6,575,710)
Asbury Automotive Group, Inc., Callable, 4.75%, 2030/03/01	USD	(2,000,000)	(2,484,504)	(2,638,621)
Ball Corporation, Callable, 3.13%, 2031/09/15	USD	(16,696,000)	(18,566,825)	(20,418,123)
CCO Holdings, LLC, Callable, 7.38%, 2031/03/01	USD	(3,380,000)	(4,656,630)	(4,805,396)
Celanese US Holdings LLC, Callable, 6.75%, 2033/04/15	USD	(1,300,000)	(1,713,422)	(1,790,095)
Celanese US Holdings LLC, Callable, 6.70%, 2033/11/15	USD	(3,792,000)	(5,761,387)	(5,484,611)
Park Intermediate Holdings LLC, Callable, 4.88%, 2029/05/15	USD	(18,631,000)	(24,348,077)	(24,601,396)
RLJ Lodging Trust L.P., Callable, 4.00%, 2029/09/15	USD	(20,913,000)	(25,341,042)	(26,589,621)
Sirius XM Holdings Inc., Callable, 4.13%, 2030/07/01	USD	(2,000,000)	(2,361,835)	(2,510,243)
Sirius XM Holdings Inc., Callable, 3.88%, 2031/09/01	USD	(10,000,000)	(11,305,303)	(12,109,896)
THOR Industries, Inc., Callable, 4.00%, 2029/10/15	USD	(4,787,000)	(5,714,166)	(6,115,608)
TransDigm Inc., Callable, 6.00%, 2033/01/15	USD	(3,000,000)	(4,231,101)	(4,105,628)
WESCO Distribution Inc., Callable, 6.38%, 2033/03/15	USD	(4,400,000)	(6,113,654)	(6,199,270)
XHR L.P., Callable, 4.88%, 2029/06/01	USD	(3,000,000)	(3,906,942)	(3,961,185)
Yum! Brands, Inc., Callable, 3.63%, 2031/03/15	USD	(15,180,000)	(18,138,548)	(19,104,505)
			<b>(140,899,321)</b>	<b>(147,009,908)</b>
<b>Total corporate bonds and loans (-23.2%)</b>			<b>(167,882,325)</b>	<b>(174,772,885)</b>
<b>Government bonds (-3.2%):</b>				
United States Treasury, 1.25%, 2031/08/15	USD	(2,600,000)	(3,179,290)	(3,023,046)
United States Treasury, 1.38%, 2031/11/15	USD	(6,000,000)	(7,303,384)	(6,991,521)
United States Treasury, 1.88%, 2032/02/15	USD	(3,000,000)	(3,560,190)	(3,587,997)
United States Treasury, 2.88%, 2032/05/15	USD	(6,000,000)	(7,715,818)	(7,624,736)
United States Treasury, 4.13%, 2032/11/15	USD	(2,000,000)	(2,816,444)	(2,742,862)
			<b>(24,575,126)</b>	<b>(23,970,162)</b>
<b>Exchange-traded fund(s) (-30.9%):</b>				
Invesco QQQ Trust, Series '1'	USD	(52,000)	(28,969,111)	(39,062,180)
iShares Broad USD High Yield Corporate Bond ETF	USD	(710,000)	(36,329,946)	(36,266,262)
iShares iBoxx High Yield Corporate Bond ETF	USD	(325,000)	(33,927,612)	(35,693,170)
iShares Russell 2000 ETF	USD	(118,000)	(31,490,330)	(34,674,540)
SPDR Bloomberg High Yield Bond ETF	USD	(260,000)	(33,191,341)	(34,438,930)
SPDR S&P 500 ETF Trust	USD	(62,000)	(40,581,160)	(52,164,148)
			<b>(204,489,500)</b>	<b>(232,299,230)</b>



# Pender Alternative Absolute Return Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2025

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
<b>Equities (-1.0%):</b>				
Artis Real Estate Investment Trust	CAD	(437,300)	(3,082,678)	(3,336,599)
Keyera Corp.	CAD	(92,500)	(4,073,219)	(4,119,950)
			<b>(7,155,897)</b>	<b>(7,456,549)</b>
<b>Total short positions (-58.3%)</b>			<b>(404,102,848)</b>	<b>(438,498,826)</b>
Less: Transaction costs included in cost of investments			(27,001)	
<b>Total investments (87.3%)</b>			<b>683,258,174</b>	<b>657,026,730</b>
	Contract rate	Pay	Receive	Unrealized gain (loss)
<b>Derivative assets:</b>				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2025/09/22	1.42	USD 70,000,000	CAD 99,216,425	4,287,598
<b>Total derivative assets (0.6%):</b>				<b>4,287,598</b>
Cash (Bank overdraft) (11.8%)				88,635,460
Other assets less liabilities (0.3%)				2,390,190
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>752,339,978</b>

# Pender Alternative Arbitrage Fund

## Statements of Financial Position (Unaudited)

June 30, 2025 and December 31, 2024

	2025 (\$)	2024 (\$)
<b>Assets</b>		
Cash	465,802	1,827,359
Receivable for investments sold	-	248,124
Dividends receivable	1,783	3,155
Interest receivable	2,682	8,618
Derivative assets	27,504	-
Investments	12,694,342	14,084,582
	<b>13,192,113</b>	<b>16,171,838</b>
<b>Liabilities</b>		
Management and administration fees payable (note 4)	8,788	11,550
Payable for interest and dividends on short securities	988	956
Performance fees payable (note 4)	87,772	12,272
Derivative liabilities	-	303,330
Investments sold short	558,200	1,110,495
	<b>655,748</b>	<b>1,438,603</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>12,536,365</b>	<b>14,733,235</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	75,428	92,172
Class AF	1,861,287	1,975,943
Class E	175,680	265,846
Class F	530,359	1,017,553
Class FF	5,823,491	6,504,799
Class F (USD)	15,231	15,339
Class H	135,509	173,157
Class I	1,493,782	1,409,539
Class I (USD)	7,704	457,452
Class O	2,417,894	2,821,435
	<b>12,536,365</b>	<b>14,733,235</b>

# Pender Alternative Arbitrage Fund

## Statements of Financial Position (Unaudited) (cont'd)

June 30, 2025 and December 31, 2024

	2025 (\$)	2024 (\$)
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	10.02	9.66
Class AF	10.47	10.06
Class E	9.46	9.04
Class F	10.44	10.03
Class FF	10.55	10.11
Class F (USD)	13.71	13.81
Class H	10.09	9.71
Class I	10.58	10.16
Class I (USD)	13.37	13.46
Class O	10.75	10.17

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 (Unaudited)

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
<b>Revenue</b>		
Interest for distribution purposes	44,945	202,773
Dividend income	63,083	225,625
Dividend and interest expense on securities sold short	(17,064)	(40,536)
Foreign exchange gain (loss)	(158,269)	358,402
<b>Changes in fair value of investments and derivatives:</b>		
Net realized gain (loss)	782,995	493,570
Net change in unrealized appreciation (depreciation)	37,078	(530,937)
<b>Total revenue</b>	<b>752,768</b>	<b>708,897</b>
<b>Expenses</b>		
Performance fees (note 4)	87,772	66,247
Administration fees (note 4)	31,258	38,260
Management fees (note 4)	25,113	48,947
Transaction costs	17,689	25,614
Interest and borrow fees expense	5,379	7,123
Withholding taxes (note 5)	3,576	35,437
Independent review committee fees	55	173
<b>Total expenses</b>	<b>170,842</b>	<b>221,801</b>
Less: Fees waived and expenses absorbed by the Manager (note 4)	(55)	(173)
<b>Net expenses</b>	<b>170,787</b>	<b>221,628</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>581,981</b>	<b>487,269</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	2,935	1,864
Class AF	73,320	43,033
Class E	10,089	4,114
Class F	27,957	31,932
Class FF	262,639	215,005
Class F (USD)	(108)	801
Class H	5,352	2,985
Class I	59,061	45,754
Class I (USD)	3,777	24,022
Class O	136,959	117,759
	<b>581,981</b>	<b>487,269</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.34	0.14
Class AF	0.39	0.18
Class E	0.40	0.22
Class F	0.38	0.19
Class FF	0.44	0.23
Class F (USD)	(0.10)	0.75
Class H	0.37	0.17
Class I	0.43	0.21
Class I (USD)	0.66	0.73
Class O	0.58	0.31

# Pender Alternative Arbitrage Fund

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

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
Class A		
Balance, beginning of period	92,172	131,552
Increase (decrease) in net assets attributable to holders of redeemable units	2,935	1,864
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	11,940
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(19,679)	(26,570)
	<b>(19,679)</b>	<b>(14,630)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>75,428</b>	<b>118,786</b>
Class AF		
Balance, beginning of period	1,975,943	2,465,820
Increase (decrease) in net assets attributable to holders of redeemable units	73,320	43,033
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(187,976)	(373,227)
	<b>(187,976)</b>	<b>(373,227)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>1,861,287</b>	<b>2,135,626</b>
Class E		
Balance, beginning of period	265,846	169,732
Increase (decrease) in net assets attributable to holders of redeemable units	10,089	4,114
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	859
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(100,255)	-
	<b>(100,255)</b>	<b>859</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>175,680</b>	<b>174,705</b>

# Pender Alternative Arbitrage Fund

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

Six months ended June 30, 2025 and 2024

Class F	2025 (\$)	2024 (\$)
Balance, beginning of period	1,017,553	1,679,004
Increase (decrease) in net assets attributable to holders of redeemable units	27,957	31,932
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	1,901	162,033
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(517,052)	(220,528)
	<b>(515,151)</b>	<b>(58,495)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>530,359</b>	<b>1,652,441</b>
Class FF	2025 (\$)	2024 (\$)
Balance, beginning of period	6,504,799	10,264,913
Increase (decrease) in net assets attributable to holders of redeemable units	262,639	215,005
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	27,827
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(943,947)	(1,499,705)
	<b>(943,947)</b>	<b>(1,471,878)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>5,823,491</b>	<b>9,008,040</b>
Class F (USD)	2025 (\$)	2024 (\$)
Balance, beginning of period	15,339	13,499
Increase (decrease) in net assets attributable to holders of redeemable units	(108)	801
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	523	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(523)	-
	-	-
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>15,231</b>	<b>14,300</b>

# Pender Alternative Arbitrage Fund

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

Six months ended June 30, 2025 and 2024

Class H	2025 (\$)	2024 (\$)
Balance, beginning of period	173,157	176,338
Increase (decrease) in net assets attributable to holders of redeemable units	5,352	2,985
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(43,000)	(8,274)
	<b>(43,000)</b>	<b>(8,274)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>135,509</b>	<b>171,049</b>
Class I	2025 (\$)	2024 (\$)
Balance, beginning of period	1,409,539	2,705,799
Increase (decrease) in net assets attributable to holders of redeemable units	59,061	45,754
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	282,462	55,000
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(257,280)	(1,249,810)
	<b>25,182</b>	<b>(1,194,810)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>1,493,782</b>	<b>1,556,743</b>
Class I (USD)	2025 (\$)	2024 (\$)
Balance, beginning of period	457,452	399,993
Increase (decrease) in net assets attributable to holders of redeemable units	3,777	24,022
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	17,078
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(453,525)	-
	<b>(453,525)</b>	<b>17,078</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>7,704</b>	<b>441,093</b>

# Pender Alternative Arbitrage Fund

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

Six months ended June 30, 2025 and 2024

Class O	2025 (\$)	2024 (\$)
Balance, beginning of period	2,821,435	4,039,879
Increase (decrease) in net assets attributable to holders of redeemable units	136,959	117,759
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(540,500)	(372,000)
	<b>(540,500)</b>	<b>(372,000)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>2,417,894</b>	<b>3,785,638</b>
Total Fund	2025 (\$)	2024 (\$)
Balance, beginning of period	14,733,235	22,046,529
Increase (decrease) in net assets attributable to holders of redeemable units	581,981	487,269
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	284,886	274,737
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(3,063,737)	(3,750,114)
	<b>(2,778,851)</b>	<b>(3,475,377)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>12,536,365</b>	<b>19,058,421</b>



# Pender Alternative Arbitrage Fund

## Statements of Cash Flows (Unaudited)

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	581,981	487,269
<b>Adjustments for:</b>		
Interest for distribution purposes	(44,945)	(202,773)
Dividend income	(63,083)	(225,624)
Dividend and interest expense on securities sold short	17,064	40,536
Foreign exchange (gain) loss	158,269	(358,402)
Net realized (gain) loss on sale of investments	(452,140)	(706,628)
Net change in unrealized (appreciation) depreciation of investments	293,756	(29,825)
Derivative assets and liabilities	(330,834)	560,762
Performance fees payable	75,500	34,519
Management and administration fees payable	(2,762)	(3,231)
Interest and borrow fees expense	-	1,204
	<b>232,806</b>	<b>(402,193)</b>
Proceeds on disposal of investments	23,082,714	37,546,528
Amounts paid on purchase of investments	(21,838,261)	(40,577,616)
Dividend and interest expense paid on securities sold short	(17,032)	(41,654)
Dividends received	64,455	225,625
Interest received	50,881	202,773
	<b>1,575,563</b>	<b>(3,046,537)</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	46,644	172,309
Amounts paid on redemption of redeemable units	(2,825,495)	(3,750,829)
	<b>(2,778,851)</b>	<b>(3,578,520)</b>
Net increase (decrease) in cash	(1,203,288)	(6,625,057)
Cash (Bank overdraft), beginning of period	1,827,359	11,601,596
Effect of exchange rate fluctuations on cash	(158,269)	358,402
<b>Cash (Bank overdraft), end of period</b>	<b>465,802</b>	<b>5,334,941</b>

# Pender Alternative Arbitrage Fund

## Schedule of Investment Portfolio (Unaudited)

June 30, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS</b>				
<b>Exchange-traded fund(s) (13.9%):</b>				
iShares 0-3 Month Treasury Bond ETF		3,200	439,890	438,766
SPDR Bloomberg Barclays 1-3 Month T-Bill ETF		3,500	438,336	437,197
US Treasury 3 Month Bill ETF		6,400	436,919	435,715
Vanguard 0-3 Month Treasury Bill ETF		4,200	433,235	432,097
			<b>1,748,380</b>	<b>1,743,775</b>
<b>Equities:</b>				
<b>Banks (0.7%):</b>				
Brookline Bancorp Inc.		6,100	89,524	87,635
ConnectOne Bancorp Inc.		18	600	568
			<b>90,124</b>	<b>88,203</b>
<b>Consumer discretionary (9.4%):</b>				
Everi Holdings Inc.		13,700	244,273	265,661
Galaxy Gaming Inc.		36,100	139,388	136,663
Hall of Fame Resort & Entertainment Co.		81,938	95,889	79,221
Keg Royalties Income Fund (The)		10,100	184,126	188,365
PlayAGS Inc.		14,400	228,488	244,919
Skechers U.S.A. Inc., Class 'A'		3,000	254,805	257,779
			<b>1,146,969</b>	<b>1,172,608</b>
<b>Consumer staples (2.1%):</b>				
Ceres Global AG Corp.		26,731	161,766	162,524
Neighbourly Pharmacy Inc., Rights		24,100	1,253	1,253
SpartanNash Co.		2,700	97,896	97,396
			<b>260,915</b>	<b>261,173</b>
<b>Energy (3.1%):</b>				
Hess Corp.		700	142,041	132,060
IsoEnergy Ltd.		10,840	108,400	105,148
Keyera Corp.		2,700	105,705	117,801
Sitio Royalties Corp., Class 'A'		1,400	38,053	35,041
			<b>394,199</b>	<b>390,050</b>
<b>Financial services (33.5%):</b>				
Acropolis Infrastructure Acquisition Corp., Rights		15,500	-	-
Arogo Capital Acquisition Corp., Class 'A'		6	86	103
AvidXchange Holdings Inc.		18,800	252,906	250,633
BEST SPAC I Acquisition Corp.		6,900	93,960	94,337
Bitcoin Treasury Corp.		8,500	85,000	83,130
Black Hawk Acquisition Corp., Class 'A'		358	5,181	5,182
Blue Water Acquisition Corp. III		9,200	125,156	125,344
Bridge Investment Group Holdings Inc., Class 'A'		9,000	110,947	122,680
Cantaloupe Inc.		7,600	113,152	113,739
Cantor Equity Partners III Inc., Class 'A'		1,500	20,451	21,550
Cartesian Growth Corp. III		9,000	124,973	124,151
Crane Harbor Acquisition Corp.		5,500	76,103	78,491
Fifth Era Acquisition Corp. I		3,925	56,785	55,587
FIGX Capital Acquisition Corp.		1,800	24,658	24,548
Global Blue Group Holding AG		18,500	193,995	188,187
Graf Global Corp., Class 'A'		4,800	65,372	68,371
Horizon Space Acquisition I Corp.		19	313	314
Inflection Point Acquisition Corp. III		1,800	24,951	25,762
Launch One Acquisition Corp.		28,000	380,202	397,114

# Pender Alternative Arbitrage Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS (cont'd)</b>				
<b>Equities: (cont'd)</b>				
Financial services (33.5%): (cont'd)				
LightWave Acquisition Corp.		3,700	50,758	50,637
Mercer Park Opportunities Corp.		40,900	561,660	565,309
Mercer Park Opportunities Corp., Rights, 2029/07/15		40,900	-	2,785
Mountain Crest Acquisition Corp. V		4,100	62,637	61,806
New Providence Acquisition Corp. III		5,500	76,459	78,267
Oxley Bridge Acquisition Ltd.		1,900	26,065	25,899
Perimeter Acquisition Corp. I		3,700	51,550	52,753
Pioneer Acquisition I Corp.		1,820	24,937	24,809
Republic Digital Acquisition Co.		2,000	27,685	28,815
SIM Acquisition Corp. I, Class 'A'		11,849	160,539	168,165
Sizzle Acquisition Corp. II.		9,457	135,165	131,099
Soulpower Acquisition Corp.		11,227	159,684	163,127
Texas Ventures Acquisition III Corp.		71	990	993
Thayer Ventures Acquisition Corp. II		9,500	132,625	131,565
Titan Acquisition Corp.		13,700	192,085	194,955
Valuence Merger Corp. I, Class 'A'		14,106	223,797	231,563
Vine Hill Capital Investment Corp., Class 'A'		11,610	156,549	164,581
Voyager Acquisition Corp.		2,400	32,803	33,891
Wen Acquisition Corp.		4,000	55,926	57,738
WonderFi Technologies Inc.		717,262	246,302	251,042
			<b>4,132,407</b>	<b>4,199,022</b>
Health care (13.5%):				
ABIOMED, Inc., Rights		400	565	556
Andlauer Healthcare Group Inc.		3,800	200,061	199,918
Blueprint Medicines Corp.		800	139,940	139,639
Checkpoint Therapeutics Inc., Rights		37,300	8,189	8,127
CinCor Pharma Inc., Rights		6,789	28,479	28,289
Cross Country Healthcare Inc.		6,700	171,074	119,065
Elevation Oncology Inc.		72,400	36,361	36,193
Fusion Pharmaceuticals Inc., Rights		18,300	13,779	13,706
Icosavax Inc., Rights		15,482	6,554	6,536
Inozyme Pharma Inc.		33,873	186,441	184,506
LENSAR Inc.		11,600	229,813	208,037
Mirati Therapeutics Inc., Rights		3,630	3,493	3,445
Miromatrix Medical Inc., Rights		33,785	6,477	6,441
OptiNose Inc., Rights		9,900	8,236	8,089
Sage Therapeutics Inc.		3,100	38,133	38,499
SpringWorks Therapeutics Inc.		3,900	248,421	249,556
Streamline Health Solutions Inc.		9,751	69,092	68,649
Theratechnologies Inc.		26,200	94,873	85,150
Verve Therapeutics Inc.		3,300	50,343	50,465
Vigil Neuroscience Inc.		20,500	223,334	221,931
Zynerba Pharmaceuticals Inc., Rights		45,850	12,190	12,119
			<b>1,775,848</b>	<b>1,688,916</b>
Industrials (9.2%):				
Dun & Bradstreet Holdings Inc.		22,900	289,073	283,463
Emeren Group Ltd.		44,091	113,771	112,277
GMS Inc.		900	120,577	133,281

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

# Pender Alternative Arbitrage Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS (cont'd)</b>				
<b>Equities: (cont'd)</b>				
Industrials (9.2%): (cont'd)				
Herc Holdings Inc.		1	162	179
NV5 Global Inc.		6,700	203,941	210,667
Servotronics Inc.		2,400	126,521	153,409
Triumph Group Inc.		7,500	273,295	262,988
			<b>1,127,340</b>	<b>1,156,264</b>
Information technology (8.3%):				
ANSYS Inc.		130	61,791	62,176
Couchbase Inc.		1,500	50,596	49,799
E2open Parent Holdings Inc.		28,000	124,286	123,157
FARO Technologies Inc.		3,200	187,228	191,386
Gen Digital Inc., Rights		2,000	10,831	22,224
Informatica Inc., Class 'A'		2,900	95,338	96,160
Juniper Networks Inc.		1,200	61,095	65,250
SatixFy Communications Ltd.		67,936	191,001	271,060
SigmaTron International Inc.		38,300	157,345	155,422
			<b>939,511</b>	<b>1,036,634</b>
Insurance (2.2%):				
Enstar Group Ltd.		400	179,422	183,215
ProAssurance Corp.		2,900	95,176	90,157
			<b>274,598</b>	<b>273,372</b>
Materials (1.5%):				
Aura Minerals Inc., Rights		218,865	5,034	5,033
MAC Copper Ltd., Class 'A'		5,600	94,080	92,196
Orogen Royalties Inc.		31,242	57,433	59,672
Reyna Silver Corp.		288,573	36,157	36,072
			<b>192,704</b>	<b>192,973</b>
Real estate (0.2%):				
InterRent REIT		2,300	31,154	31,096
			<b>31,154</b>	<b>31,096</b>
Utilities (3.6%):				
ALLETE Inc.		1,520	134,130	132,616
Innergex Renewable Energy Inc.		13,900	187,455	190,708
TXNM Energy, Inc.		1,600	126,656	122,710
			<b>448,241</b>	<b>446,034</b>
<b>Total equities (long) (94.2%)</b>			<b>10,814,010</b>	<b>10,936,345</b>

# Pender Alternative Arbitrage Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>Warrants (0.1%):</b>				
Graf Global Corp., Class 'A', strike price \$11.50, expiry 2029/08/07	USD	2,400	391	931
Launch One Acquisition Corp., strike price \$11.50, expiry 2029/08/29	USD	14,000	1,522	5,338
Mercer Park Opportunities Corp., strike price \$11.00, expiry 2029/07/15	USD	40,900	-	2,924
SIM Acquisition Corp. I, Class 'A', strike price \$11.50, expiry 2029/08/28	USD	5,924	839	2,218
Vine Hill Capital Investment Corp., Class 'A', strike price \$100.00, expiry 2025/11/27	USD	5,805	924	2,321
Voyager Acquisition Corp., strike price \$11.50, expiry 2031/05/16	USD	1,200	147	490
			<b>3,823</b>	<b>14,222</b>
<b>Total long positions (94.3%)</b>			<b>12,566,213</b>	<b>12,694,342</b>
<b>SHORT POSITIONS</b>				
<b>Equities:</b>				
<b>Banks (-0.7%):</b>				
Berkshire Hills Bancorp Inc.		(2,560)	(89,955)	(87,291)
			<b>(89,955)</b>	<b>(87,291)</b>
<b>Energy (-2.4%):</b>				
Chevron Corp.		(716)	(153,699)	(139,612)
Keyera Corp.		(2,700)	(118,894)	(120,259)
Viper Energy Inc.		(677)	(38,118)	(35,152)
Whitecap Resources Inc.		(35)	(275)	(320)
			<b>(310,986)</b>	<b>(295,343)</b>
<b>Financial services (-1.0%):</b>				
Apollo Global Management Inc.		(635)	(112,166)	(122,677)
			<b>(112,166)</b>	<b>(122,677)</b>
<b>Information technology (-0.2%):</b>				
Synopsys Inc.		(43)	(30,369)	(30,020)
			<b>(30,369)</b>	<b>(30,020)</b>
<b>Materials (-0.2%):</b>				
Equinox Gold Corp.		(1)	(9)	(8)
Triple Flag Precious Metals Corp.		(708)	(21,315)	(22,861)
			<b>(21,324)</b>	<b>(22,869)</b>
<b>Total equities (short) (-4.5%)</b>			<b>(564,800)</b>	<b>(558,200)</b>
<b>Total short positions (-4.5%)</b>			<b>(564,800)</b>	<b>(558,200)</b>
Less: Transaction costs included in cost of investments			(7,466)	
<b>Total investments (96.8%)</b>			<b>11,993,947</b>	<b>12,136,142</b>
<b>Derivative assets:</b>				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2025/09/22	1.36	USD 7,886,800	CAD 10,723,000	27,504
<b>Total derivative assets (0.2%)</b>				<b>27,504</b>
Cash (Bank overdraft) (3.7%)				465,802
Other assets less liabilities (-0.7%)				(93,083)
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>12,536,365</b>

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

# Pender Alternative Arbitrage Plus Fund

## Statements of Financial Position (Unaudited)

June 30, 2025 and December 31, 2024

	2025 (\$)	2024 (\$)
<b>Assets</b>		
Receivable for investments sold	-	338,676
Dividends receivable	2,994	4,413
Derivative assets	32,289	-
Investments	17,146,129	18,592,349
	<b>17,181,412</b>	<b>18,935,438</b>
<b>Liabilities</b>		
Bank overdraft	4,049,190	4,685,092
Management and administration fees payable (note 4)	9,870	10,518
Redemptions payable to holders of redeemable units	47,116	109,482
Payable for interest and dividends on short securities	10,976	16,641
Performance fees payable (note 4)	96,834	5,675
Derivative liabilities	-	369,462
Investments sold short	877,232	1,463,058
	<b>5,091,218</b>	<b>6,659,928</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>12,090,194</b>	<b>12,275,510</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	55,761	44,465
Class E	176,787	163,513
Class F	1,140,675	1,119,838
Class F (USD)	104,683	104,299
Class I	8,216,075	8,376,795
Class O	2,396,213	2,466,600
	<b>12,090,194</b>	<b>12,275,510</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	10.83	10.34
Class E	11.09	10.50
Class F	11.05	10.50
Class F (USD)	15.39	15.33
Class I	11.27	10.69
Class O	11.34	10.58

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 (Unaudited)

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
<b>Revenue</b>		
Interest for distribution purposes	59,297	-
Dividend income	95,238	274,751
Dividend and interest expense on securities sold short	(25,305)	(49,841)
Foreign exchange gain (loss)	(356,565)	91,306
<b>Changes in fair value of investments and derivatives:</b>		
Net realized gain (loss)	1,147,335	610,645
Net change in unrealized appreciation (depreciation)	51,879	(340,367)
<b>Total revenue</b>	<b>971,879</b>	<b>586,494</b>
<b>Expenses</b>		
Interest and borrow fees expense	126,921	54,623
Performance fees (note 4)	96,834	47,981
Management fees (note 4)	32,003	39,111
Administration fees (note 4)	27,234	33,558
Transaction costs	27,231	31,070
Withholding taxes (note 5)	5,379	43,661
Independent review committee fees	54	107
<b>Total expenses</b>	<b>315,656</b>	<b>250,111</b>
Less: Fees waived and expenses absorbed by the Manager (note 4)	(54)	(107)
<b>Net expenses</b>	<b>315,602</b>	<b>250,004</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>656,277</b>	<b>336,490</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	2,296	794
Class E	9,282	4,162
Class F	57,508	27,503
Class F (USD)	384	1,880
Class I	438,498	228,219
Class I (USD)	-	373
Class O	148,309	73,559
	<b>656,277</b>	<b>336,490</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.51	0.18
Class E	0.59	0.27
Class F	0.55	0.23
Class F (USD)	0.06	1.00
Class I	0.58	0.22
Class I (USD)	-	0.74
Class O	0.71	0.36

# Pender Alternative Arbitrage Plus Fund

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

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
Class A		
Balance, beginning of period	44,465	40,502
Increase (decrease) in net assets attributable to holders of redeemable units	2,296	794
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	9,000	7,000
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(1,002)
	<b>9,000</b>	<b>5,998</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>55,761</b>	<b>47,294</b>
Class E		
Balance, beginning of period	163,513	152,422
Increase (decrease) in net assets attributable to holders of redeemable units	9,282	4,162
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	3,992	8,498
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(5,111)
	<b>3,992</b>	<b>3,387</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>176,787</b>	<b>159,971</b>
Class F		
Balance, beginning of period	1,119,838	1,208,283
Increase (decrease) in net assets attributable to holders of redeemable units	57,508	27,503
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	26,000	65,700
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(62,671)	(147,351)
	<b>(36,671)</b>	<b>(81,651)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>1,140,675</b>	<b>1,154,135</b>



# Pender Alternative Arbitrage Plus Fund

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

Six months ended June 30, 2025 and 2024

Class F (USD)	2025 (\$)	2024 (\$)
Balance, beginning of period	104,299	6,694
Increase (decrease) in net assets attributable to holders of redeemable units	384	1,880
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	61,562
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	-	<b>61,562</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>104,683</b>	<b>70,136</b>

Class I	2025 (\$)	2024 (\$)
Balance, beginning of period	8,376,795	12,768,298
Increase (decrease) in net assets attributable to holders of redeemable units	438,498	228,219
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	76,972	437,820
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(676,190)	(4,754,559)
	<b>(599,218)</b>	<b>(4,316,739)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>8,216,075</b>	<b>8,679,778</b>

Class I (USD)	2025 (\$)	2024 (\$)
Balance, beginning of period	-	6,802
Increase (decrease) in net assets attributable to holders of redeemable units	-	373
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(7,175)
	-	<b>(7,175)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>-</b>	<b>-</b>

# Pender Alternative Arbitrage Plus Fund

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

Six months ended June 30, 2025 and 2024

Class O	2025 (\$)	2024 (\$)
Balance, beginning of period	2,466,600	2,191,696
Increase (decrease) in net assets attributable to holders of redeemable units	148,309	73,559
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	832,000	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(1,050,696)	(105,173)
	<b>(218,696)</b>	<b>(105,173)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>2,396,213</b>	<b>2,160,082</b>
Total Fund	2025 (\$)	2024 (\$)
Balance, beginning of period	12,275,510	16,374,697
Increase (decrease) in net assets attributable to holders of redeemable units	656,277	336,490
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	947,964	580,580
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(1,789,557)	(5,020,371)
	<b>(841,593)</b>	<b>(4,439,791)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>12,090,194</b>	<b>12,271,396</b>

# Pender Alternative Arbitrage Plus Fund

## Statements of Cash Flows (Unaudited)

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	656,277	336,490
<b>Adjustments for:</b>		
Interest for distribution purposes	(59,297)	-
Dividend income	(95,238)	(274,751)
Dividend and interest expense on securities sold short	25,305	49,841
Foreign exchange (gain) loss	356,565	(91,306)
Net realized (gain) loss on sale of investments	(583,163)	(848,082)
Net change in unrealized (appreciation) depreciation of investments	349,872	(18,784)
Derivative assets and liabilities	(401,751)	359,151
Performance fees payable	91,159	31,006
Management and administration fees payable	(648)	(5,011)
Accrued expenses	-	1,389
	<b>339,081</b>	<b>(460,057)</b>
Proceeds on disposal of investments	33,618,215	46,176,917
Amounts paid on purchase of investments	(32,185,854)	(48,282,677)
Dividend and interest expense paid on securities sold short	(30,970)	(49,062)
Dividends received	96,657	274,751
Interest received	59,297	-
	<b>1,896,426</b>	<b>(2,340,128)</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	903,463	586,272
Amounts paid on redemption of redeemable units	(1,807,422)	(5,459,284)
	<b>(903,959)</b>	<b>(4,873,012)</b>
Net increase (decrease) in cash	992,467	(7,213,140)
Cash (Bank overdraft), beginning of period	(4,685,092)	4,159,723
Effect of exchange rate fluctuations on cash	(356,565)	91,306
<b>Cash (Bank overdraft), end of period</b>	<b>(4,049,190)</b>	<b>(2,962,111)</b>

# Pender Alternative Arbitrage Plus Fund

## Schedule of Investment Portfolio (Unaudited)

June 30, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS</b>				
<b>Equities:</b>				
Banks (1.2%):				
Brookline Bancorp Inc.		10,330	151,559	148,406
ConnectOne Bancorp Inc.		27	901	852
			<b>152,460</b>	<b>149,258</b>
Consumer discretionary (15.0%):				
Everi Holdings Inc.		21,700	386,934	420,792
Galaxy Gaming Inc.		40,900	157,926	154,834
Hall of Fame Resort & Entertainment Co.		140,940	164,907	136,267
Keg Royalties Income Fund (The)		17,100	311,836	318,915
PlayAGS Inc.		20,500	327,474	348,669
Skechers U.S.A. Inc., Class 'A'		5,000	424,694	429,632
			<b>1,773,771</b>	<b>1,809,109</b>
Consumer staples (3.7%):				
Ceres Global AG Corp.		45,569	275,749	277,060
Neighbourly Pharmacy Inc., Rights		31,400	1,633	1,633
SpartanNash Co.		4,600	166,770	165,935
			<b>444,152</b>	<b>444,628</b>
Energy (5.0%):				
Hess Corp.		800	161,740	150,925
IsoEnergy Ltd.		18,960	189,600	183,912
Keyera Corp.		4,800	187,920	209,424
Sitio Royalties Corp., Class 'A'		2,500	68,038	62,572
			<b>607,298</b>	<b>606,833</b>
Financial services (51.0%):				
Acropolis Infrastructure Acquisition Corp., Rights		18,900	-	-
Arogo Capital Acquisition Corp., Class 'A'		11	158	189
AvidXchange Holdings Inc.		31,800	427,758	423,943
BEST SPAC I Acquisition Corp.		11,600	157,963	158,595
Bitcoin Treasury Corp.		15,000	150,000	146,700
Black Hawk Acquisition Corp., Class 'A'		609	8,814	8,816
Blue Water Acquisition Corp. III		15,500	210,860	211,177
Bridge Investment Group Holdings Inc., Class 'A'		15,100	187,777	205,830
Cantaloupe Inc.		13,000	193,559	194,553
Cantor Equity Partners III Inc., Class 'A'		2,500	34,085	35,916
Cartesian Growth Corp. III		15,100	209,770	208,297
Crane Harbor Acquisition Corp.		9,200	127,326	131,294
Fifth Era Acquisition Corp. I		6,175	89,337	87,452
FIGX Capital Acquisition Corp.		3,200	43,837	43,641
Global Blue Group Holding AG.		29,300	307,278	298,048
Graf Global Corp., Class 'A'		5,200	70,819	74,068
Horizon Space Acquisition I Corp.		33	544	546
Inflection Point Acquisition Corp. III		3,200	44,357	45,798
Launch One Acquisition Corp.		32,000	434,516	453,844
LightWave Acquisition Corp.		6,300	86,427	86,219
Mercer Park Opportunities Corp., Rights, 2029/7/15		46,500	-	3,166
Mercer Park Opportunities Corp.		46,500	638,560	642,712
Mountain Crest Acquisition Corp. V		6,900	105,414	104,015
New Providence Acquisition Corp. III		9,200	127,917	130,919
Oxley Bridge Acquisition Ltd.		3,100	42,527	42,256

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

# Pender Alternative Arbitrage Plus Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS (cont'd)</b>				
<b>Equities: (cont'd)</b>				
Financial services (51.0%): (cont'd)				
Perimeter Acquisition Corp. I		6,300	87,775	89,822
Pioneer Acquisition I Corp.		3,180	43,571	43,347
Republic Digital Acquisition Co.		3,000	41,528	43,222
SIM Acquisition Corp. I, Class 'A'		13,151	178,179	186,643
Sizzle Acquisition Corp. II		14,991	214,136	207,814
Soulpower Acquisition Corp.		18,824	267,234	273,510
Texas Ventures Acquisition III Corp.		120	1,673	1,678
Thayer Ventures Acquisition Corp. II		15,500	216,388	214,659
Titan Acquisition Corp.		22,900	320,721	325,874
Valuence Merger Corp. I, Class 'A'		19,329	308,656	317,303
Vine Hill Capital Investment Corp., Class 'A'		13,390	180,550	189,814
Voyager Acquisition Corp.		2,600	35,537	36,716
Wen Acquisition Corp.		6,000	83,889	86,607
WonderFi Technologies Inc.		1,194,438	410,176	418,053
			<b>6,089,616</b>	<b>6,173,056</b>
Health care (23.1%):				
Andlauer Healthcare Group Inc.		6,400	337,016	336,704
Blueprint Medicines Corp.		1,400	244,883	244,369
Checkpoint Therapeutics Inc., Rights		59,300	13,018	12,920
CinCor Pharma Inc., Rights		6,011	25,215	25,048
ABIOMED Inc., Rights		140	198	194
Cross Country Healthcare Inc.		11,400	291,079	202,588
Elevation Oncology Inc.		123,300	61,924	61,637
Fusion Pharmaceuticals Inc., Rights		21,100	15,865	15,803
Icosavax Inc., Rights		19,106	8,088	8,065
Inozyme Pharma Inc.		56,827	312,770	309,537
LENSAR Inc.		18,500	366,170	331,784
Mirati Therapeutics Inc., Rights		4,840	4,658	4,594
Miromatrix Medical Inc., Rights		39,648	7,601	7,559
OptiNose Inc., Rights		15,700	13,061	12,828
Sage Therapeutics Inc.		5,200	63,964	64,580
SpringWorks Therapeutics Inc.		6,600	420,386	422,325
Streamline Health Solutions Inc.		16,621	117,776	117,016
Theratechnologies Inc.		43,700	158,368	142,025
Verve Therapeutics Inc.		5,500	83,906	84,108
Vigil Neuroscience Inc.		34,500	375,948	373,494
Zynerba Pharmaceuticals Inc., Rights		52,594	13,983	13,901
			<b>2,935,877</b>	<b>2,791,079</b>
Industrials (16.0%):				
Dun & Bradstreet Holdings Inc.		38,700	487,557	479,041
Emeren Group Ltd.		74,207	191,493	188,966
GMS Inc.		1,600	214,429	236,945
Herc Holdings Inc.		1	162	179
NV5 Global Inc.		11,200	340,864	352,159
Servotronics Inc.		4,100	216,141	262,074
Triumph Group Inc.		11,900	433,407	417,274
			<b>1,884,053</b>	<b>1,936,638</b>

# Pender Alternative Arbitrage Plus Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS (cont'd)</b>				
<b>Equities: (cont'd)</b>				
Information technology (14.0%):				
ANSYS Inc.		220	103,708	105,220
Couchbase Inc.		2,500	84,327	82,999
E2open Parent Holdings Inc.		46,900	208,223	206,287
FARO Technologies Inc.		5,300	310,163	316,983
Gen Digital Inc., Rights		2,800	15,164	31,113
Informatica Inc., Class 'A'		4,900	161,106	162,477
Juniper Networks Inc.		1,800	91,582	97,874
SatixFy Communications Ltd.		106,643	299,824	425,498
SigmaTron International Inc.		65,100	267,440	264,177
			<b>1,541,537</b>	<b>1,692,628</b>
Insurance (3.5%):				
Enstar Group Ltd.		600	268,351	274,823
ProAssurance Corp.		4,600	150,944	143,008
			<b>419,295</b>	<b>417,831</b>
Materials (2.6%):				
Aura Minerals Inc., Rights		308,635	7,099	7,099
MAC Copper Ltd., Class 'A'		9,400	157,949	154,757
Orogen Royalties Inc.		48,458	89,082	92,555
Reyna Silver Corp.		492,027	61,648	61,503
			<b>315,778</b>	<b>315,914</b>
Real estate (0.4%):				
InterRent REIT		3,900	52,826	52,728
			<b>52,826</b>	<b>52,728</b>
Utilities (6.1%):				
ALLETE, Inc.		2,360	210,680	205,904
Innergex Renewable Energy Inc.		23,300	314,428	319,676
TXNM Energy, Inc.		2,800	221,647	214,743
			<b>746,755</b>	<b>740,323</b>
<b>Total equities (long) (141.6%)</b>			<b>16,963,418</b>	<b>17,130,025</b>
<b>Warrants (0.1%):</b>				
Graf Global Corp., Class 'A', strike price \$11.50, expiry 2029/08/07	USD	2,600	423	1,009
Launch One Acquisition Corp., strike price \$11.50, expiry 2029/08/29	USD	16,000	1,739	6,101
Mercer Park Opportunities Corp., strike price \$11.00, expiry 2029/07/15	USD	46,500	-	3,324
SIM Acquisition Corp. I, Class 'A', strike price \$11.50, expiry 2029/08/28	USD	6,576	931	2,462
Vine Hill Capital Investment Corp., Class 'A', strike price \$100.00, expiry 2025/11/27	USD	6,695	1,065	2,677
Voyager Acquisition Corp., strike price \$11.50, expiry 2031/05/16	USD	1,300	160	531
			<b>4,318</b>	<b>16,104</b>
<b>Total long positions (141.7%)</b>			<b>16,967,736</b>	<b>17,146,129</b>

# Pender Alternative Arbitrage Plus Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>SHORT POSITIONS</b>				
<b>Equities:</b>				
Banks (-1.2%):				
Berkshire Hills Bancorp Inc.		(4,324)	(151,889)	(147,441)
			<b>(151,889)</b>	<b>(147,441)</b>
Energy (-3.6%):				
Chevron Corp.		(818)	(175,181)	(159,501)
Keyera Corp.		(4,800)	(211,367)	(213,791)
Viper Energy Inc.		(1,212)	(68,323)	(62,931)
Whitecap Resources Inc.		(52)	(409)	(476)
			<b>(455,280)</b>	<b>(436,699)</b>
Financial services (-1.7%):				
Apollo Global Management Inc.		(1,066)	(189,929)	(205,942)
			<b>(189,929)</b>	<b>(205,942)</b>
Information technology (-0.4%):				
Synopsys Inc.		(74)	(51,110)	(51,663)
			<b>(51,110)</b>	<b>(51,663)</b>
Materials (-0.3%):				
Triple Flag Precious Metals Corp.		(1,099)	(33,084)	(35,487)
			<b>(33,084)</b>	<b>(35,487)</b>
<b>Total equities (short) (-7.2%)</b>			<b>(881,292)</b>	<b>(877,232)</b>
<b>Total short positions (-7.2%)</b>			<b>(881,292)</b>	<b>(877,232)</b>
Less: Transaction costs included in cost of investments			(11,009)	
<b>Total investments (134.5%)</b>			<b>16,075,435</b>	<b>16,268,897</b>
	Contract rate	Pay	Receive	Unrealized gain (loss)
<b>Derivative assets:</b>				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2025/09/22	1.36	USD 9,377,500	CAD 12,749,362	32,289
<b>Total derivative assets (0.3%)</b>				<b>32,289</b>
Cash (Bank overdraft) (-33.5%)				(4,049,190)
Other assets less liabilities (-1.3%)				(161,802)
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>12,090,194</b>

# Pender Alternative Multi-Strategy Income Fund

## Statements of Financial Position (Unaudited)

June 30, 2025 and December 31, 2024

	2025 (\$)	2024 (\$)
<b>Assets</b>		
Cash	556,962	46,737
Investments	7,247,122	3,274,747
	<b>7,804,084</b>	<b>3,321,484</b>
<b>Liabilities</b>		
Management and administration fees payable (note 4)	6,852	5,216
Redemptions payable to holders of redeemable units	1,259	3,223
Distributions payable to holders of redeemable units	476	-
Accrued expenses	-	95
Performance fees payable (note 4)	-	33,284
	<b>8,587</b>	<b>41,818</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>7,795,497</b>	<b>3,279,666</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	1,243,183	1,379,927
Class E	2,182,364	-
Class F	1,219,602	1,300,500
Class I	3,145,105	593,919
Class O	5,243	5,320
	<b>7,795,497</b>	<b>3,279,666</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	12.76	12.90
Class E	9.97	-
Class F	14.17	14.23
Class I	9.61	9.65
Class O	10.48	10.46

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

<i>(signed) "David Barr"</i>	<i>(signed) "Felix Narhi"</i>
<b>David Barr</b>	<b>Felix Narhi</b>
Director	Director



# Pender Alternative Multi-Strategy Income Fund

## Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
<b>Revenue</b>		
Distributions from underlying funds	146,870	97,205
Interest for distribution purposes	1,532	-
<b>Changes in fair value of investments:</b>		
Net realized gain (loss)	(152,639)	8,875
Net change in unrealized appreciation (depreciation)	164,144	94,034
<b>Total revenue</b>	<b>159,907</b>	<b>200,114</b>
<b>Expenses</b>		
Management fees (note 4)	22,826	23,823
Administration fees (note 4)	14,085	12,140
Transaction costs	377	604
Independent review committee fees	37	31
Performance fees (note 4)	-	8,627
Interest and borrow fees expense	-	457
<b>Total expenses</b>	<b>37,325</b>	<b>45,682</b>
Less: Expenses absorbed by the Manager (note 4)	(37)	(31)
<b>Net expenses</b>	<b>37,288</b>	<b>45,651</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>122,619</b>	<b>154,463</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	19,584	74,616
Class E	2,903	-
Class F	25,137	61,996
Class I	51,071	17,541
Class O	23,924	310
	<b>122,619</b>	<b>154,463</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.19	0.48
Class E	0.01	-
Class F	0.29	0.59
Class I	0.25	0.42
Class O	0.38	0.54

# Pender Alternative Multi-Strategy Income Fund

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

Six months ended June 30, 2025 and 2024

Class A	2025 (\$)	2024 (\$)
Balance, beginning of period	1,379,927	2,119,623
Increase (decrease) in net assets attributable to holders of redeemable units	19,584	74,616
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	8,100
Issued on reinvestment of distributions	31,920	-
Amounts paid on redemption of redeemable units	(155,990)	(473,767)
	<b>(124,070)</b>	<b>(465,667)</b>
<b>Distributions paid from:</b>		
Net investment income	(32,258)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(32,258)</b>	<b>-</b>
<b>Balance, end of period</b>	<b>1,243,183</b>	<b>1,728,572</b>
Class E	2025 (\$)	2024 (\$)
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	2,903	-
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	2,179,461	-
Issued on reinvestment of distributions	9,088	-
Amounts paid on redemption of redeemable units	-	-
	<b>2,188,549</b>	<b>-</b>
<b>Distributions paid from:</b>		
Net investment income	(9,088)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(9,088)</b>	<b>-</b>
<b>Balance, end of period</b>	<b>2,182,364</b>	<b>-</b>
Class F	2025 (\$)	2024 (\$)
Balance, beginning of period	1,300,500	1,530,094
Increase (decrease) in net assets attributable to holders of redeemable units	25,137	61,996
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	147,334	26,120
Issued on reinvestment of distributions	29,238	-
Amounts paid on redemption of redeemable units	(252,531)	(246,134)
	<b>(75,959)</b>	<b>(220,014)</b>
<b>Distributions paid from:</b>		
Net investment income	(30,076)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(30,076)</b>	<b>-</b>
<b>Balance, end of period</b>	<b>1,219,602</b>	<b>1,372,076</b>

# Pender Alternative Multi-Strategy Income Fund

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

Six months ended June 30, 2025 and 2024

Class I	2025 (\$)	2024 (\$)
Balance, beginning of period	593,919	340,100
Increase (decrease) in net assets attributable to holders of redeemable units	51,071	17,541
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	2,541,250	61,904
Issued on reinvestment of distributions	54,946	-
Amounts paid on redemption of redeemable units	(41,135)	(19,528)
	<b>2,555,061</b>	<b>42,376</b>
<b>Distributions paid from:</b>		
Net investment income	(54,946)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(54,946)</b>	<b>-</b>
<b>Balance, end of period</b>	<b>3,145,105</b>	<b>400,017</b>
Class O	2025 (\$)	2024 (\$)
Balance, beginning of period	5,320	4,700
Increase (decrease) in net assets attributable to holders of redeemable units	23,924	310
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	2,155,459	5,000
Issued on reinvestment of distributions	13,757	-
Amounts paid on redemption of redeemable units	(2,179,460)	(4,962)
	<b>(10,244)</b>	<b>38</b>
<b>Distributions paid from:</b>		
Net investment income	(13,757)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(13,757)</b>	<b>-</b>
<b>Balance, end of period</b>	<b>5,243</b>	<b>5,048</b>
Total Fund	2025 (\$)	2024 (\$)
Balance, beginning of period	3,279,666	3,994,517
Increase (decrease) in net assets attributable to holders of redeemable units	122,619	154,463
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	7,023,504	101,124
Issued on reinvestment of distributions	138,949	-
Amounts paid on redemption of redeemable units	(2,629,116)	(744,391)
	<b>4,533,337</b>	<b>(643,267)</b>
<b>Distributions paid from:</b>		
Net investment income	(140,125)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(140,125)</b>	<b>-</b>
<b>Balance, end of period</b>	<b>7,795,497</b>	<b>3,505,713</b>

# Pender Alternative Multi-Strategy Income Fund

## Statements of Cash Flows (Unaudited)

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	122,619	154,463
<b>Adjustments for:</b>		
Distributions from underlying funds	(146,870)	(97,205)
Interest for distribution purposes	(1,532)	-
Net realized (gain) loss on sale of investments	152,639	(8,875)
Net change in unrealized (appreciation) depreciation of investments	(164,144)	(94,034)
Performance fees payable	(33,284)	(14,999)
Management and administration fees payable	1,636	(422)
Accrued expenses	(95)	(84)
	<b>(69,031)</b>	<b>(61,156)</b>
Proceeds on disposal of investments	430,000	694,000
Amounts paid on purchase of investments	(4,390,870)	(97,206)
Distributions from underlying funds	146,870	97,205
Interest received	1,532	-
	<b>(3,881,499)</b>	<b>632,843</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	4,796,710	13,099
Amounts paid on redemption of redeemable units	(404,286)	(680,902)
Distributions paid to unitholders	(700)	-
	<b>4,391,724</b>	<b>(667,803)</b>
Net increase (decrease) in cash	510,225	(34,960)
Cash (Bank overdraft), beginning of period	46,737	17,365
<b>Cash (Bank overdraft), end of period</b>	<b>556,962</b>	<b>(17,595)</b>

# Pender Alternative Multi-Strategy Income Fund

## Schedule of Investment Portfolio (Unaudited)

June 30, 2025

	Number of shares / units	Cost (\$)	Fair value (\$)
<b>Mutual funds:</b>			
Pender Alternative Absolute Return Fund, Class 'O'	322,546	3,133,667	3,026,582
Pender Alternative Arbitrage Plus Fund, Class 'O'	166,862	1,766,589	1,891,552
Pender Corporate Bond Fund, Class 'O'	204,943	2,264,586	2,328,988
<b>Total mutual funds (93.0%)</b>		<b>7,164,842</b>	<b>7,247,122</b>
Less: Transaction costs included in cost of investments		-	
<b>Total investments (93.0%)</b>		<b>7,164,842</b>	<b>7,247,122</b>
Cash (Bank overdraft) (7.1%)			556,962
Other assets less liabilities (-0.1%)			(8,587)
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>			<b>7,795,497</b>

# Pender Alternative Special Situations Fund

## Statements of Financial Position (Unaudited)

June 30, 2025 and December 31, 2024

	2025 (\$)	2024 (\$)
<b>Assets</b>		
Receivable for investments sold	-	127,068
Subscriptions receivable	-	21,000
Dividends receivable	853	690
Investments	4,841,416	3,212,879
	<b>4,842,269</b>	<b>3,361,637</b>
<b>Liabilities</b>		
Bank overdraft	1,272,195	323,618
Distributions payable to holders of redeemable units	-	495
Payable for investments purchased	280	-
Accrued expenses	-	2,193
Investments sold short	363,122	13,335
	<b>1,635,597</b>	<b>339,641</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>3,206,672</b>	<b>3,021,996</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	441,314	410,585
Class E	360,387	301,303
Class F	1,606,050	1,287,512
Class I	791,314	1,015,528
Class O	7,607	7,068
	<b>3,206,672</b>	<b>3,021,996</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	25.38	23.58
Class E	13.53	12.57
Class F	25.38	23.58
Class I	13.52	12.56
Class O	13.53	12.57

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 (Unaudited)

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
<b>Revenue</b>		
Interest for distribution purposes	-	1,406
Dividend income	14,554	11,012
Dividend and interest expense on securities sold short	(463)	-
Foreign exchange gain (loss)	(3,939)	2,226
<b>Changes in fair value of investments:</b>		
Net realized gain (loss)	5,483	24,343
Net change in unrealized appreciation (depreciation)	228,877	177,599
<b>Total revenue</b>	<b>244,512</b>	<b>216,586</b>
<b>Expenses</b>		
Management fees (note 4)	41,959	11,362
Administration fees (note 4)	26,508	7,386
Performance fees (note 4)	8,398	38,481
Interest and borrow fees expense	5,033	11,037
Transaction costs	2,842	3,600
Withholding taxes (note 5)	24	29
Independent review committee fees	17	21
<b>Total expenses</b>	<b>84,781</b>	<b>71,916</b>
Less: Fees waived and expenses absorbed by the Manager (note 4)	(76,881)	(57,249)
<b>Net expenses</b>	<b>7,900</b>	<b>14,667</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>236,612</b>	<b>201,919</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	31,256	33,649
Class E	25,252	36,500
Class F	111,655	51,404
Class H	-	24,669
Class I	67,910	54,990
Class O	539	707
	<b>236,612</b>	<b>201,919</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	1.80	2.21
Class E	1.02	1.17
Class F	1.74	1.64
Class H	-	2.49
Class I	0.85	0.93
Class O	0.96	1.24

# Pender Alternative Special Situations Fund

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

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
Class A		
Balance, beginning of period	410,585	314,038
Increase (decrease) in net assets attributable to holders of redeemable units	31,256	33,649
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	30,665
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(527)	(37,814)
	<b>(527)</b>	<b>(7,149)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>441,314</b>	<b>340,538</b>
Class E		
Balance, beginning of period	301,303	294,135
Increase (decrease) in net assets attributable to holders of redeemable units	25,252	36,500
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	36,265	48,733
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(2,433)	(8,436)
	<b>33,832</b>	<b>40,297</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>360,387</b>	<b>370,932</b>
Class F		
Balance, beginning of period	1,287,512	283,184
Increase (decrease) in net assets attributable to holders of redeemable units	111,655	51,404
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	351,034	968,448
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(144,151)	(343,028)
	<b>206,883</b>	<b>625,420</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>1,606,050</b>	<b>960,008</b>



# Pender Alternative Special Situations Fund

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

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
Class H		
Balance, beginning of period	-	314,960
Increase (decrease) in net assets attributable to holders of redeemable units	-	24,669
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(339,629)
	-	<b>(339,629)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	-	-
Class I		
Balance, beginning of period	1,015,528	493,644
Increase (decrease) in net assets attributable to holders of redeemable units	67,910	54,990
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	259,822
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(292,124)	-
	<b>(292,124)</b>	<b>259,822</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>791,314</b>	<b>808,456</b>
Class O		
Balance, beginning of period	7,068	5,633
Increase (decrease) in net assets attributable to holders of redeemable units	539	707
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	-	-
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>7,607</b>	<b>6,340</b>

## Pender Alternative Special Situations Fund

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

Six months ended June 30, 2025 and 2024

Total Fund	2025 (\$)	2024 (\$)
Balance, beginning of period	3,021,996	1,705,594
Increase (decrease) in net assets attributable to holders of redeemable units	236,612	201,919
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	387,299	1,307,668
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(439,235)	(728,907)
	<b>(51,936)</b>	<b>578,761</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>3,206,672</b>	<b>2,486,274</b>

# Pender Alternative Special Situations Fund

## Statements of Cash Flows (Unaudited)

Six months ended June 30, 2025 and 2024

	2025 (\$)	2024 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	236,612	201,919
<b>Adjustments for:</b>		
Interest for distribution purposes	-	(1,406)
Dividend income	(14,554)	(11,012)
Dividend and interest expense on securities sold short	463	-
Foreign exchange (gain) loss	3,939	(2,226)
Net realized (gain) loss on sale of investments	(5,483)	(24,343)
Net change in unrealized (appreciation) depreciation of investments	(228,877)	(177,599)
Due from manager	-	2,013
Other receivable	-	61
Accrued expenses	(2,193)	-
	<b>(10,093)</b>	<b>(12,593)</b>
Proceeds on disposal of investments	1,073,371	903,234
Amounts paid on purchase of investments	(1,990,693)	(1,545,414)
Dividend and interest expense paid on securities sold short	(183)	-
Dividends received	14,391	14,616
Interest received	-	1,406
	<b>(913,207)</b>	<b>(638,751)</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	408,299	1,042,693
Amounts paid on redemption of redeemable units	(439,235)	(464,479)
Distributions paid to unitholders	(495)	-
	<b>(31,431)</b>	<b>578,214</b>
Net increase (decrease) in cash	(944,638)	(60,537)
Cash (Bank overdraft), beginning of period	(323,618)	(261,416)
Effect of exchange rate fluctuations on cash	(3,939)	2,226
<b>Cash (Bank overdraft), end of period</b>	<b>(1,272,195)</b>	<b>(319,727)</b>

# Pender Alternative Special Situations Fund

## Schedule of Investment Portfolio (Unaudited)

June 30, 2025

	Number of shares	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS</b>			
<b>Equities:</b>			
Communication services (10.0%):			
Anterix Inc.	2,000	138,595	69,858
Telesat Corp.	7,600	168,696	251,864
		<b>307,291</b>	<b>321,722</b>
Consumer discretionary (2.0%):			
ATD New Holdings Inc.	190	11,036	-
D2L Inc.	4,668	52,328	64,932
		<b>63,364</b>	<b>64,932</b>
Consumer staples (2.2%):			
Glass House Brands Inc.	8,710	35,025	71,521
		<b>35,025</b>	<b>71,521</b>
Energy (27.9%):			
ARC Resources Ltd.	3,120	32,763	89,575
Athabasca Oil Corp.	15,300	22,065	86,292
IsoEnergy Ltd.	20,200	202,000	195,940
Logan Energy Corp.	230,000	167,900	133,400
McDermott International Ltd.	3,780	67,606	58,955
MEG Energy Corp.	2,600	64,826	66,898
NexGen Energy Ltd.	11,600	89,164	109,736
Saturn Oil & Gas Inc.	46,100	108,335	97,271
Spartan Delta Corp.	15,100	62,351	57,531
		<b>817,010</b>	<b>895,598</b>
Financial services (21.4%):			
Bitcoin Treasury Corp.	26,500	265,000	259,170
Burford Capital Ltd.	7,700	104,718	149,523
Mercer Park Opportunities Corp., Rights, 2029/07/15	7,700	-	524
Mercer Park Opportunities Corp.	7,700	105,740	106,428
Partners Value Investments L.P.	900	57,317	126,878
Sprott Physical Uranium Trust	1,750	33,784	44,625
		<b>566,559</b>	<b>687,148</b>
Health care (13.9%):			
dentalcorp Holdings Ltd.	31,965	269,637	269,145
Maravai LifeSciences Holdings Inc., Class 'A'	15,500	66,773	50,868
Profound Medical Corp.	9,400	104,163	76,140
Well Health Technologies Corp.	12,200	54,729	49,532
		<b>495,302</b>	<b>445,685</b>
Industrials (19.0%):			
GH Group, Inc., Preferred, Series 'C', 22.50%	120	163,842	220,759
Hammond Power Solutions Inc.	500	57,968	62,715
MDA Space Ltd.	5,591	129,637	196,300
NFI Group Inc.	6,400	70,464	115,456
Spirit Aviation Holdings Inc.	2,000	17,725	13,590
		<b>439,636</b>	<b>608,820</b>
Information technology (24.9%):			
Coveo Solutions Inc.	22,000	150,040	169,180
Dye & Durham Ltd.	10,000	147,233	96,000
Gitlab Inc., Class 'A'	900	61,954	55,286
JFrog Ltd.	1,500	60,742	89,630

# Pender Alternative Special Situations Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2025

	Number of shares	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS (cont'd)</b>			
<b>Equities: (cont'd)</b>			
Information technology (24.9%): (cont'd)			
Kinaxis Inc.	300	46,287	60,756
Kraken Robotics Inc.	40,489	64,782	124,301
Sangoma Technologies Corp.	7,900	59,629	66,676
Sylogist Ltd.	8,460	47,672	73,094
Thinkific Labs Inc.	29,649	72,917	61,373
		<b>711,256</b>	<b>796,296</b>
Materials (26.4%):			
5N Plus Inc.	25,100	107,367	224,394
Fireweed Metals Corp.	50,000	90,000	132,500
Highlander Silver Corp.	140,900	197,260	356,478
Montage Gold Corp.	17,100	32,599	77,121
Sanu Gold Corp.	228,700	64,036	54,888
		<b>491,262</b>	<b>845,381</b>
Utilities (2.2%):			
Polaris Renewable Energy Inc.	5,800	75,458	69,774
		<b>75,458</b>	<b>69,774</b>
<b>Total equities (long) (149.9%)</b>		<b>4,002,163</b>	<b>4,806,877</b>
<b>Warrants:</b>			
Glass House Brands Inc., strike price \$5.00, expiry 2027/08/31	USD 24,000	-	33,989
Mercer Park Opportunities Corp., strike price \$11.00, expiry 2029/07/15	USD 7,700	-	550
<b>Total warrants (1.1%)</b>		<b>-</b>	<b>34,539</b>
<b>Total long positions (151.0%)</b>		<b>4,002,163</b>	<b>4,841,416</b>
<b>SHORT POSITIONS</b>			
<b>Exchange-traded fund(s):</b>			
Amplify Junior Silver Miners ETF	(1,800)	(30,319)	(36,277)
Invesco QQQ Trust, Series '1'	(95)	(65,036)	(71,364)
iShares Russell 2000 ETF	(230)	(64,736)	(67,586)
SPDR S&P 500 ETF Trust	(85)	(67,296)	(71,515)
<b>Total exchange-traded funds (-7.7%)</b>		<b>(227,387)</b>	<b>(246,742)</b>
<b>Equities:</b>			
Materials (-3.6%):			
Highlander Silver Corp.	(46,000)	(124,836)	(116,380)
<b>Total equities (short) (-3.6%)</b>		<b>(124,836)</b>	<b>(116,380)</b>
<b>Total short positions (-11.3%)</b>		<b>(352,223)</b>	<b>(363,122)</b>
Less: Transaction costs included in cost of investments		(6,999)	
<b>Total investments (139.7%)</b>		<b>3,642,941</b>	<b>4,478,294</b>
Cash (Bank overdraft) (-39.7%)			(1,272,195)
Other assets less liabilities (0.0%)			573
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>			<b>3,206,672</b>

# PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (Unaudited)

Six months ended June 30, 2025

## 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, E, F, I, O
Alternative Special Situations Fund	July 10, 2020	A, E, F, I, O

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. Effective June 27, 2025, Class E units of the Pender Alternative Multi-Strategy Income Fund commenced operations.

Each of the Funds is an open-end investment trust governed under the laws of the Province of British Columbia pursuant to the Twenty-Fourth Amended and Restated Mutual Fund Trust Agreement dated August 28, 2025 (previously the Twenty-Third Amended and Restated Mutual Fund Trust Agreement dated June 27, 2025).

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 August 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.

### 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, bank overdraft, management and administration fees payable, payable for investments purchased, distributions payable to holders of redeemable units, redemptions payable to holders of redeemable units, payable for interest and dividends on short securities, accrued expenses, 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 (Unaudited) (cont'd)

Six months ended June 30, 2025

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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 (Unaudited) (cont'd)

Six months ended June 30, 2025

### (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 are 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 June 30, 2025 and December 31, 2024 are as follows:

As at June 30, 2025	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 (Unaudited) (cont'd)

Six months ended June 30, 2025

As at June 30, 2025 (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	-

As at December 31, 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	-

As at December 31, 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	-

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 June 30, 2025 and December 31, 2024 for each class does not exceed the percentage of average NAV set out in the Fund's offering documents, as follows:

As at June 30, 2025	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	-	0.50	1.30
Alternative Special Situations Fund*	2.45	-	0.50	1.45

As at June 30, 2025 (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 (Unaudited) (cont'd)

Six months ended June 30, 2025

As at December 31, 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

As at December 31, 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	-

\*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. 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 June 30, 2025 and December 31, 2024, are as follows:

As at June 30, 2025	Class A (\$)	Class A (USD) (\$)	Class AF (\$)	Class E (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.26	9.29	9.44	9.20
Adjusted HWM	9.03	9.06	9.17	8.88
<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	-	-	10.00
Adjusted HWM	12.57	-	-	9.96
<b>Alternative Special Situations Fund</b>				
HWM	23.58	-	-	12.57

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

Six months ended June 30, 2025

As at June 30, 2025 (cont'd)	Class F (\$)	Class F (USD) (\$)	Class FF (\$)	Class H (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.28	9.09	9.41	9.37
Adjusted HWM	8.99	8.82	9.09	9.12
<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	-	-	-
Adjusted HWM	13.88	-	-	-
<b>Alternative Special Situations Fund</b>				
HWM	23.58	-	-	-
As at June 30, 2025 (cont'd)	Class H (USD) (\$)	Class I (\$)	Class I (USD) (\$)	Class N (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.26	9.23	9.28	9.38
Adjusted HWM	9.04	8.95	8.99	9.07
<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	-	-
Adjusted HWM	-	9.40	-	-
<b>Alternative Special Situations Fund</b>				
HWM	-	12.56	-	-
As at December 31, 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 (Unaudited) (cont'd)

Six months ended June 30, 2025

As at December 31, 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	-	-	-

As at December 31, 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	-	-

As at June 30, 2025 and December 31, 2024, the Funds incurred the following performance fees:

	As at June 30, 2025 (\$)	As at December 31, 2024 (\$)
Alternative Absolute Return Fund	-	5,023,144
Alternative Arbitrage Fund	87,772	122,272
Alternative Arbitrage Plus Fund	96,834	87,675
Alternative Multi-Strategy Income Fund	-	33,284
Alternative Special Situations Fund	8,398	101,849

For the period ended June 30, 2025, the Manager waived all performance fees of \$8,398 (December 31, 2024 – \$101,849) for the Pender Alternative Special Situations Fund.

(d) Amounts payable to the Manager:

As at June 30, 2025 and December 31, 2024, 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:

	As at June 30, 2025 (\$)	As at December 31, 2024 (\$)
Alternative Absolute Return Fund	797,050	2,531,780
Alternative Arbitrage Fund	96,560	23,822
Alternative Arbitrage Plus Fund	106,704	16,193
Alternative Multi-Strategy Income Fund	6,852	38,500

The Pender Alternative Special Situations Fund did not have any amounts payable to the Manager for the period ended June 30, 2025 (December 31, 2024 – \$nil).

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

Six months ended June 30, 2025

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 June 30, 2025 and December 31, 2024, 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.

	As at June 30, 2025 (%)	As at December 31, 2024 (%)
Alternative Absolute Return Fund	<1	1
Alternative Arbitrage Fund	1	2
Alternative Arbitrage Plus Fund	1	1
Alternative Multi-Strategy Income Fund	9	<1
Alternative Special Situations Fund	12	11

As at June 30, 2025 and December 31, 2024, 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.

	As at June 30, 2025 (%)	As at December 31, 2024 (%)
Alternative Absolute Return Fund	1	1
Alternative Arbitrage Fund	19	19
Alternative Arbitrage Plus Fund	20	20

### 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 period, withholding tax rates were between 0% and 35% (2024 - between 0% and 35%).

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

Six months ended June 30, 2025

## 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 periods ended June 30, 2025 and 2024 were as follows:

As at June 30, 2025	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
<b>Alternative Absolute Return Fund:</b>					
Class A	2,028,546	1,176,868	43,888	(931,291)	2,318,011
Class AF	793,497	-	14,064	(44,693)	762,868
Class A (USD)	32,386	42,227	1,009	(30,153)	45,469
Class E	325,972	84,235	11,465	(58,032)	363,640
Class F	9,638,654	8,892,728	280,749	(7,230,590)	11,581,541
Class FF	7,221,730	3,396	204,426	(202,706)	7,226,846
Class F (USD)	204,996	260,300	5,683	(139,482)	331,497
Class H	1,893,112	1,767,018	60,013	(341,049)	3,379,094
Class H (USD)	82,606	35,588	1,527	(42,632)	77,089
Class I	35,460,558	22,868,378	968,746	(6,949,481)	52,348,201
Class I (USD)	988,712	1,419,700	35,998	(269,243)	2,175,167
Class N	458,694	88,544	2,607	-	549,845
Class O	591,666	254,889	30,834	(13,522)	863,867
<b>Alternative Arbitrage Fund:</b>					
Class A	9,543	-	-	(2,017)	7,526
Class AF	196,324	-	-	(18,535)	177,789
Class E	29,401	-	-	(10,825)	18,576
Class F	101,441	189	-	(50,840)	50,790
Class FF	643,648	-	-	(91,804)	551,844
Class F (USD)	1,111	38	-	(38)	1,111
Class H	17,826	-	-	(4,398)	13,428
Class I	138,797	27,372	-	(25,013)	141,156
Class I (USD)	33,975	-	-	(33,399)	576
Class O	277,402	-	-	(52,548)	224,854
<b>Alternative Arbitrage Plus Fund:</b>					
Class A	4,299	848	-	-	5,147
Class E	15,579	368	-	-	15,947
Class F	106,661	2,456	-	(5,879)	103,238
Class F (USD)	6,804	-	-	-	6,804
Class I	783,475	7,106	-	(61,492)	729,089
Class O	233,042	77,246	-	(98,907)	211,381
<b>Alternative Multi-Strategy Income Fund:</b>					
Class A	106,999	-	2,484	(12,054)	97,429
Class E	-	217,947	911	-	218,858
Class F	91,360	10,373	2,055	(17,675)	86,113
Class I	61,573	264,371	5,705	(4,263)	327,386
Class O	509	205,999	1,316	(207,303)	521
<b>Alternative Special Situations Fund:</b>					
Class A	17,409	-	-	(22)	17,387
Class E	23,966	2,867	-	(197)	26,636
Class F	54,592	14,906	-	(6,220)	63,278
Class I	80,857	-	-	(22,312)	58,545
Class O	562	-	-	-	562

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

Six months ended June 30, 2025

As at June 30, 2024	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
<b>Alternative Absolute Return Fund:</b>					
Class A	1,253,692	868,603	41,952	(457,506)	1,706,741
Class AF	882,806	-	19,900	(109,565)	793,141
Class A (USD)	43,160	3,411	623	(25,407)	21,787
Class E	244,889	31,653	12,329	(3,463)	285,408
Class F	5,836,592	4,701,046	171,142	(2,353,668)	8,355,112
Class FF	7,493,720	14,098	256,912	(339,322)	7,425,408
Class F (USD)	100,052	77,684	3,665	(35,870)	145,531
Class H	960,154	580,723	26,659	(116,258)	1,451,278
Class H (USD)	41,603	27,780	2,330	(10,263)	61,450
Class I	24,179,105	11,966,208	831,541	(6,375,164)	30,601,690
Class I (USD)	814,592	628,610	14,769	(356,384)	1,101,587
Class N	489,296	61,846	1,356	-	552,498
Class O	374,488	61,765	19,443	(23,014)	432,682
<b>Alternative Arbitrage Fund:</b>					
Class A	13,735	1,241	-	(2,763)	12,213
Class AF	245,161	-	-	(36,662)	208,499
Class E	18,227	93	-	-	18,320
Class F	170,895	16,327	-	(22,277)	164,945
Class FF	1,020,587	2,720	-	(147,816)	875,491
Class F (USD)	1,074	-	-	-	1,074
Class H	17,989	-	-	(836)	17,153
Class I	273,860	5,487	-	(125,031)	154,316
Class I (USD)	32,619	1,336	-	-	33,955
Class O	399,614	-	-	(36,404)	363,210
<b>Alternative Arbitrage Plus Fund:</b>					
Class A	4,032	689	-	(99)	4,622
Class E	14,923	823	-	(494)	15,252
Class F	119,055	6,443	-	(14,439)	111,059
Class F (USD)	494	4,372	-	-	4,866
Class I	1,247,137	42,320	-	(462,154)	827,303
Class O	213,367	-	-	(10,158)	203,209
<b>Alternative Multi-Strategy Income Fund:</b>					
Class A	176,827	662	-	(38,907)	138,582
Class F	116,721	1,958	-	(18,558)	100,121
Class I	38,271	6,926	-	(2,176)	43,021
Class O	500	509	-	(500)	509
<b>Alternative Special Situations Fund:</b>					
Class A	16,622	1,407	-	(1,978)	16,051
Class E	29,267	4,314	-	(782)	32,799
Class F	14,929	46,027	-	(15,705)	45,251
Class I	49,308	22,251	-	-	71,559
Class O	561	-	-	-	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.



## 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 (Unaudited) (cont'd)

Six months ended June 30, 2025

## (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 June 30, 2025 and December 31, 2024 categorized by credit ratings. The remaining Funds did not have exposure to any material credit risk.

	As at June 30, 2025 (\$)	As at December 31, 2024 (\$)
<b>Long positions:</b>		
AAA	114,382,655	113,063,945
AA	158,995,701	35,450,202
A	140,743,703	68,910,647
BBB	51,841,466	44,732,812
Below BBB	583,248,719	518,031,769
Unrated	32,594,753	26,475,639
	<b>1,081,806,997</b>	<b>806,665,014</b>
<b>Short positions:</b>		
AAA	-	(24,283,899)
AA	(23,970,163)	-
BBB	(12,967,988)	(7,498,186)
Below BBB	(161,804,896)	(120,349,500)
	<b>(198,743,047)</b>	<b>(152,131,585)</b>
	<b>883,063,950</b>	<b>654,533,429</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 June 30, 2025 and December 31, 2024 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 June 30, 2025 and December 31, 2024.

	As at June 30, 2025 (\$)		As at December 31, 2024 (\$)	
	Nominal value (\$)	Unrealized gain (loss) (\$)	Nominal value (\$)	Unrealized gain (loss) (\$)
Derivative instruments inflows (outflows)				
Alternative Absolute Return Fund	99,216,425	4,287,598	61,069,725	(3,500,406)
Alternative Arbitrage Fund	10,723,000	27,504	12,108,345	(303,330)
Alternative Arbitrage Plus Fund	12,749,362	32,289	16,536,657	(369,462)

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

Six months ended June 30, 2025

### (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 June 30, 2025 and December 31, 2024, categorized by the earlier of contractual re-pricing or maturity dates. The remaining Funds did not have exposure to any material interest rate risk.

	As at June 30, 2025 (\$)	As at December 31, 2024 (\$)
<b>Long position:</b>		
Less than 1 year	411,327,415	230,963,120
1 to 3 years	125,482,687	89,914,755
3 to 5 years	158,361,078	187,947,423
More than 5 years	386,635,817	297,839,716
	<b>1,081,806,997</b>	<b>806,665,014</b>
<b>Short position:</b>		
3 to 5 years	(83,268,461)	(52,087,064)
More than 5 years	(115,474,586)	(100,044,521)
	<b>(198,743,047)</b>	<b>(152,131,585)</b>
	<b>883,063,950</b>	<b>654,533,429</b>

As at June 30, 2025 and December 31, 2024, 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 \$27,336,731 and \$27,007,280 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 (Unaudited) (cont'd)

Six months ended June 30, 2025

The net currency exposure for each of the Funds as at June 30, 2025 and December 31, 2024 was as follows:

	Canadian dollar (\$)	US dollar (\$)	Total (\$)
As at June 30, 2025			
Alternative Absolute Return Fund	715,135,961	37,204,017	752,339,978
Alternative Arbitrage Fund	12,447,737	88,628	12,536,365
Alternative Arbitrage Plus Fund	11,892,937	197,257	12,090,194
Alternative Multi-Strategy Income Fund	7,795,497	-	7,795,497
Alternative Special Situations Fund	2,314,536	892,136	3,206,672

	Canadian dollar (\$)	US dollar (\$)	Total (\$)
As at December 31, 2024			
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

As at June 30, 2025 and December 31, 2024, 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:

	As at June 30, 2025 (\$)	As at December 31, 2024 (\$)
Alternative Absolute Return Fund	3,720,402	1,845,435
Alternative Arbitrage Fund	8,863	49,248
Alternative Arbitrage Plus Fund	19,726	16,797
Alternative Multi-Strategy Income Fund	-	-
Alternative Special Situations Fund	89,214	92,449

### (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 June 30, 2025, 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 (Unaudited) (cont'd)

Six months ended June 30, 2025

The following table summarizes the exposure to other price risk for each of the Funds as at June 30, 2025 and December 31, 2024:

	As at June 30, 2025 (\$)	As at December 31, 2024 (\$)
<b>Long position</b>		
Alternative Absolute Return Fund	13,718,559	8,112,910
Alternative Arbitrage Fund	12,694,342	14,084,582
Alternative Arbitrage Plus Fund	17,146,129	18,592,349
Alternative Multi-Strategy Income Fund	7,247,122	3,274,747
Alternative Special Situations Fund	4,841,416	3,199,544
<b>Short position</b>		
Alternative Absolute Return Fund	(239,755,779)	(162,579,414)
Alternative Arbitrage Fund	(558,200)	(1,110,495)
Alternative Arbitrage Plus Fund	(877,232)	(1,463,058)
Alternative Special Situations Fund	(363,122)	-

As at June 30, 2025 and December 31, 2024, 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:

	As at June 30, 2025 (\$)	As at December 31, 2024 (\$)
Alternative Absolute Return Fund	167,868	39,136
Alternative Arbitrage Fund	953,922	1,067,071
Alternative Arbitrage Plus Fund	1,579,158	1,466,488
Alternative Multi-Strategy Income Fund	250,387	118,294
Alternative Special Situations Fund	232,402	281,053

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 period 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 period ended June 30, 2025 and year ended December 31, 2024:

	Lowest aggregate (%)	Highest aggregate (%)
As at June 30, 2025		
Alternative Absolute Return Fund	43.7	59.8
Alternative Arbitrage Fund	3.6	8.4
Alternative Arbitrage Plus Fund	5.5	66.8
Alternative Multi-Strategy Income Fund	0.1	23.1
Alternative Special Situations Fund	3.2	52.5

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

Six months ended June 30, 2025

	Lowest aggregate (%)	Highest aggregate (%)
As at December 31, 2024		
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

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 June 30, 2025 and December 31, 2024 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 (Unaudited) (cont'd)

Six months ended June 30, 2025

As at June 30, 2025	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<b>Alternative Absolute Return Fund:</b>				
Bonds and loans - Long	769,596,146	18,689,989	-	788,286,135
Equities - Long	7,032,895	-	-	7,032,895
Bonds and loans - Short	(198,743,047)	-	-	(198,743,047)
Exchange-traded funds - Short	(232,299,230)	-	-	(232,299,230)
Equities - Short	(7,456,549)	-	-	(7,456,549)
Forward foreign currency contracts	-	4,287,598	-	4,287,598
Preferred shares	6,557,039	-	-	6,557,039
Short-term investments	293,520,862	-	-	293,520,862
Warrants	128,625	-	-	128,625
	<b>638,336,741</b>	<b>22,977,587</b>	<b>-</b>	<b>661,314,328</b>
<b>Alternative Arbitrage Fund:</b>				
Equities - Long	11,710,562	-	93,595	11,804,157
Equities - Short	(558,200)	-	-	(558,200)
Exchange-traded funds - Long	875,963	-	-	875,963
Forward foreign currency contracts	-	27,504	-	27,504
Warrants	14,222	-	-	14,222
	<b>12,042,547</b>	<b>27,504</b>	<b>93,595</b>	<b>12,163,646</b>
<b>Alternative Arbitrage Plus Fund:</b>				
Equities - Long	17,020,381	-	109,644	17,130,025
Equities - Short	(877,232)	-	-	(877,232)
Forward foreign currency contracts	-	32,289	-	32,289
Warrants	16,104	-	-	16,104
	<b>16,159,253</b>	<b>32,289</b>	<b>109,644</b>	<b>16,301,186</b>
<b>Alternative Multi-Strategy Income Fund:</b>				
Mutual funds	7,247,122	-	-	7,247,122
	<b>7,247,122</b>	<b>-</b>	<b>-</b>	<b>7,247,122</b>
<b>Alternative Special Situations Fund:</b>				
Equities - Long	4,586,118	-	220,759	4,806,877
Equities - Short	(116,380)	-	-	(116,380)
Exchange-traded funds	(246,742)	-	-	(246,742)
Warrants	550	33,989	-	34,539
	<b>4,223,546</b>	<b>33,989</b>	<b>220,759</b>	<b>4,478,294</b>
<hr/>				
As at December 31, 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>

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

Six months ended June 30, 2025

As at December 31, 2024	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<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>

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 year ended December 31, 2024. There were no significant transfers between levels during the period ended June 30, 2025.

As at December 31, 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

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 period ended June 30, 2025 and year ended December 31, 2024. The remaining Fund did not hold any financial instruments categorized as Level 3.



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

Six months ended June 30, 2025

	As at June 30, 2025 (\$)	As at December 31, 2024 (\$)
<b>Alternative Arbitrage Fund:</b>		
Opening balance	88,198	-
Purchase of investments	21,459	187,864
Sales of investments	(2,306)	(112,510)
Net transfers in (out)	-	3,270
Total gain (loss) recognized in comprehensive income	(9,002)	5,475
Change in unrealized appreciation (depreciation)	(4,754)	4,099
<b>Ending Balance</b>	<b>93,595</b>	<b>88,198</b>
<b>Alternative Arbitrage Plus Fund:</b>		
Opening balance	93,860	-
Purchase of investments	33,179	85,389
Sales of investments	(2,791)	-
Net transfers in (out)	-	4,073
Total gain (loss) recognized in comprehensive income	(9,431)	-
Change in unrealized appreciation (depreciation)	(5,173)	4,398
<b>Ending Balance</b>	<b>109,644</b>	<b>93,860</b>
<b>Alternative Multi-Strategy Income Fund:</b>		
Opening balance	1,803	1,803
Sales of investments	(1,803)	-
<b>Ending Balance</b>	<b>-</b>	<b>1,803</b>
<b>Alternative Special Situations Fund:</b>		
Opening balance	216,820	176,649
Change in unrealized appreciation (depreciation)	3,939	40,171
<b>Ending Balance</b>	<b>220,759</b>	<b>216,820</b>

(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 June 30, 2025 and December 31, 2024, 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.

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

Six months ended June 30, 2025

As at June 30, 2025	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
<b>Alternative Arbitrage Fund:</b>				
Unlisted private investments	93,595	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<b>Alternative Arbitrage Plus Fund:</b>				
Unlisted private investments	109,644	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<b>Alternative Special Situations Fund:</b>				
Unlisted private investments	220,759	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
As at December 31, 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

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 (Unaudited) (cont'd)

Six months ended June 30, 2025

The Pender Alternative Arbitrage Fund, Pender Alternative Arbitrage Plus 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 June 30, 2025 and December 31, 2024. The remaining Funds did not hold any financial instruments categorized as Level 3.

Entity	As at June 30, 2025	As at December 31, 2024
<b>Alternative Arbitrage Fund:</b>		
Favourable	9,359	8,820
Unfavourable	(9,359)	(8,820)
<b>Alternative Arbitrage Plus Fund:</b>		
Favourable	1,096	9,386
Unfavourable	(1,096)	(9,386)
<b>Alternative Multi-Strategy Income Fund:</b>		
Favourable	-	180
Unfavourable	-	(180)
<b>Alternative Special Situations Fund:</b>		
Favourable	22,076	21,682
Unfavourable	(22,076)	(21,682)

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 June 30, 2025 and December 31, 2024. The remaining Fund did not have exposure to short positions.

	As at June 30, 2025 (\$)	As at December 31, 2024 (\$)
Alternative Absolute Return Fund	(438,498,826)	(314,710,999)
Alternative Arbitrage Fund	(558,200)	(1,110,495)
Alternative Arbitrage Plus Fund	(877,232)	(1,463,058)
Alternative Special Situations Fund	(363,122)	(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 June 30, 2025 and December 31, 2024.

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 (Unaudited) (cont'd)

Six months ended June 30, 2025

The table below sets out interests held by the Pender Alternative Multi-Strategy Income Fund in unconsolidated structured entities as at June 30, 2025 and December 31, 2024. 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>			
As at June 30, 2025	3	3,378,696,097	7,215,775
As at December 31, 2024	3	2,834,696,614	3,272,944

During the period ended June 30, 2025 and year ended December 31, 2024, 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.



**Unaudited Semi-Annual Financial Statements of  
PENDER ALTERNATIVE MUTUAL FUNDS**

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