

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

Pender Value Fund

For the year ended December 31, 2018

PENDER

This annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements at your request, at no cost, by calling toll-free 1-866-377-4743, by writing to us at 1640 – 1066 West Hastings Street, Vancouver, BC V6E 3X1 or by visiting our website at www.penderfund.com or the SEDAR website at www.sedar.com.

You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The objective of the Pender Value Fund (the "Fund") is to achieve capital growth over the long-term, while being sufficiently diversified to mitigate volatility. The Fund will invest primarily in Canadian and US securities but may also invest in foreign securities. The Fund will focus on businesses that have the potential for growth over the long term and that have securities that trade at favourable prices.

PenderFund Capital Management Ltd. ("Pender") is the Manager and Portfolio Advisor of the Fund.

Risks

The risks of investing in the Fund are outlined in the Simplified Prospectus dated June 25, 2018. There were no significant changes to the Fund that affected its overall level of risk during the year.

Results of Operations

The net assets of the Fund as at December 31, 2018 increased overall to \$319,062,428 from \$256,458,942 at December 31, 2017. Of this \$62,603,486 increase, \$42,688,631 is attributable to negative investment performance and \$105,292,117 is attributable to net unitholder purchases of the Fund.

For the year ended December 31, 2018, Class A units of the Fund generated a total return of -9.4%. Returns for other classes of the Fund will be similar to Class A with any difference in performance being primarily due to different management fees that are applicable to different classes. Please see the "Past Performance" section for the performance of the Fund's other classes.

The Fund's broad-based benchmark, the S&P/TSX Composite Index ("S&P/TSX"), returned -8.8% during the year. In accordance with National Instrument 81-106, we have included a comparison to this broad-based index to help you understand the Fund's performance relative to the general performance of the market, but caution that the Fund's mandate may be significantly different from the index. For example, the Fund's returns are reported net of all management fees and expenses for all classes, unlike the returns of the Fund's benchmark, which are based on the performance of an index that does not pay fees or incur expenses.

The Fund's blended benchmark, 50% S&P/TSX and 50% S&P 500 Index (in Canadian dollars), returned -2.4% during the year. We have included information about this benchmark, which more closely reflects the asset classes in which the Fund invests, to provide a more useful comparison to the performance of the Fund.

The following comments and the comments under "Recent Developments" reflect the views of the portfolio management team and are based on information as at the end of the year. Please read the caution regarding forward-looking statements located on the last page of this document.

The Fund's underperformance as compared to its benchmark was primarily due to stock selection in the Consumer Discretionary and Information Technology sectors. We do not actively manage sector weightings in the Fund, rather, our sector weightings are determined by individual stock selection through a bottom-up fundamental investment process. We seek to own stocks where our estimated range for the long-term intrinsic value of the business is higher than the current share price. Key positive individual contributors to the Fund's performance for the year included TripAdvisor, Inc., Syntel, Inc. and Energy XXI Gulf Coast, Inc. Conversely, Asure Software, Inc, Navios Maritime Holdings Inc. and Freshii Inc. had the largest adverse impact.

Portfolio transactions during the year were made based on our stock selection process. In general, we increased weightings of individual stocks where we determined the margin of safety had increased and decreased their weightings as their traded market values moved closer to our estimates of their intrinsic values. We are constantly looking for new investment ideas and examples of new investments included Naspers Limited., The Middleby Corporation, and KKR & Co, Inc. We may liquidate our positions for various reasons, such as when share prices have reached our assessment of fair value, when an acquisition has occurred, or where we have changed our investment thesis. During the year, we sold Terago Inc., Wynn Resorts Ltd. and Ebix, Inc., and five companies were acquired by third parties: Key Technology, Inc., Avigilon Corporation, Mattersight Corporation, Energy XXI Gulf Coast, Inc, and Syntel Inc.

As at the end of the year, the Fund was 50% invested in United States, 43% in Canada, 3% in other countries, and the Fund's cash position had decreased to 4%, down from 29% at December 31, 2017. The Fund's cash position may change over time as a result of portfolio transactions. The Fund's investment portfolio is concentrated and not diversified in the conventional sense. The Fund's top 10 holdings account for 36% of the Fund's net assets at the end of the year. This concentration may lead to varied results over any given year.

Overall sector exposure of the Fund is determined by stock selection decisions and may shift from time to time. As at December 31, 2018 we were weighted toward holdings in Information Technology, Communication Services, and Consumer Discretionary because those sectors are where we believe we are currently finding the best investment opportunities and, equally important, because they contain businesses for which we are best equipped to assess value. These top three sectors accounted for 50% of the Fund at the end of the year.

Recent Developments

Stock markets were unusually volatile in 2018 characterized by record highs and sharp reversals. US stocks post their worst performance since 2008. Equity market weakness extended beyond US to global equity markets in 2018. Investors' sentiments were extremely negative and headline stories on US China trade wars, concerns about monetary policy, inflation fears, etc., made them worse. The VIX volatility index spiked and CNN Business' Fear and Greed Index were in "Extreme Fear" throughout much of the year.

For the patient, fundamental investor, this makes for a fantastic stock picker's market. We were able to find investment opportunities that were actionable. The volatility gave us a chance to deploy capital and our cash position decreased from 29% at the end of December 2017 to 4% at the end of December 2018. We believe the top down valuation view looks bullish especially for small-to-mid cap stocks versus large cap focused index stocks. Small and mid-cap stocks have not been this cheap since the huge market correction in 2009.

In the context of current market conditions, we are actively managing the Fund's investment portfolio, utilizing several strategies to minimize volatility. Historically we have used cash as a strategic asset class – that is to say we keep cash on hand to take advantage of price drops in stocks that we like. We have deployed cash when markets correct, because the opportunity sets widen and bargain prices in companies that we understand become more plentiful. Following the recent market correction, we were close to fully invested. We also actively manage our position sizes based on getting a discount to intrinsic value. Finally, we look at uncovered parts of the market, including special situations, where sell-offs are not always as dramatic.

Since inception the Fund's investment strategy has been to determine the intrinsic value of a company and to buy its stock when it trades at a significant discount to that estimate of intrinsic value. Our investment strategy requires rigorous in-depth valuation analysis. We dig deep when we look into a potential holding and we maintain an understanding of the key factors affecting our investment thesis after we buy a stock. We believe our deep-diligence gives us an advantage and allows us to find opportunities ahead of the market and position ourselves to take advantage of future potential increases in a stock's value.

As we run a concentrated investment portfolio, we only need to hold a relatively small number of great companies acquired at a good price to drive the performance of the Fund. We will continue to look for best ideas that trade at significant discounts to intrinsic values.

Related Party Transactions

The Fund pays management and administration fees to the Manager for management and portfolio advisory services (see "Management Fees").

As at the end of the year, parties related to the Manager collectively held less than 1% of the Fund's units.

Management Fees

The Fund pays management and administration fees calculated as a percentage of the net asset value of each respective class. The fees are calculated at the close of business on each valuation day and are paid monthly. In exchange for the administration fee, the Manager pays the operating costs of the Fund so that the Management Expense Ratio ("MER") for each class does not exceed certain levels as set out in the Fund's offering documents.

Management fees are used by the Manager, in part, to pay sales commissions, trailer fees, marketing costs and other associated distribution costs relating to the sale of units of the Fund.

Such expenses represented approximately 28% of the management fees paid by the Fund to the Manager for the year.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the year and the calendar years indicated.

CLASS A

Fund's Net Assets Per Unit (a)	2018	2017	2016	2015	2014
Net assets – beginning of year	\$18.48	\$17.80	\$15.30	\$15.38	\$12.09
Increase (decrease) from operations:					
Total revenue	0.17	0.14	0.38	0.14	0.10
Total expenses	(0.50)	(0.48)	(0.45)	(0.43)	(0.38)
Realized gains (losses)	0.93	1.58	0.67	0.46	1.44
Unrealized gains (losses)	(2.87)	(0.26)	2.02	(0.90)	2.68
Total increase (decrease) from operations (b)	(2.27)	0.98	2.62	(0.73)	3.84
Distributions:					
From income (excluding dividends)	(0.30)	-	-	-	-
From dividends	(0.03)	-	-	-	-
From capital gains	(0.04)	(0.57)	(0.29)	-	(0.17)
Return of capital	-	-	-	-	-
Total annual distributions (b), (c)	(0.37)	(0.57)	(0.29)	-	(0.17)
Net assets – end of year	\$16.36	\$18.48	\$17.80	\$15.30	\$15.38
Ratios and Supplemental Data					
Total net asset value (\$000s) (a)	\$62,338	\$57,013	\$37,724	\$34,600	\$16,554
Number of units outstanding (a)	3,810,427	3,084,249	2,119,812	2,261,917	1,076,342
Management expense ratio (d)	2.40%	2.40%	2.45%	2.50%	2.50%
Management expense ratio before absorptions (e)	2.40%	2.40%	2.45%	2.50%	2.50%
Trading expense ratio (f)	0.16%	0.06%	0.06%	0.13%	0.29%
Portfolio turnover rate (g)	76.69%	54.93%	41.39%	17.57%	35.82%
Net asset value per unit (a)	\$16.36	\$18.48	\$17.80	\$15.30	\$15.38

CLASS D

Fund's Net Assets Per Unit (a)	2018	2017	2016	2015	2014
Net assets – beginning of year	\$11.02	\$10.59	\$9.14	\$10.00	
Increase (decrease) from operations:					
Total revenue	0.10	0.08	0.23	0.08	
Total expenses	(0.21)	(0.19)	(0.19)	(0.10)	
Realized gains (losses)	0.51	0.95	0.40	0.26	
Unrealized gains (losses)	(1.78)	(0.61)	1.57	(0.38)	
Total increase (decrease) from operations (b)	(1.38)	0.23	2.01	(0.14)	
Distributions:					
From income (excluding dividends)	(0.26)	-	(0.02)	-	
From dividends	(0.03)	-	(0.03)	-	
From capital gains	(0.03)	(0.41)	(0.25)	(0.22)	
Return of capital	-	-	-	-	
Total annual distributions (b), (c)	(0.32)	(0.41)	(0.30)	(0.22)	
Net assets – end of year	\$9.73	\$11.02	\$10.59	\$9.14	
Ratios and Supplemental Data					
Total net asset value (\$000s) (a)	\$3,605	\$3,168	\$546	\$236	
Number of units outstanding (a)	370,317	287,545	51,572	25,783	
Management expense ratio (d)	1.65%	1.65%	1.65%	1.65%	
Management expense ratio before absorptions (e)	1.65%	1.65%	1.65%	1.65%	
Trading expense ratio (f)	0.16%	0.06%	0.06%	0.13%	
Portfolio turnover rate (g)	76.69%	54.93%	41.39%	17.57%	
Net asset value per unit (a)	\$9.73	\$11.02	\$10.59	\$9.14	

FINANCIAL HIGHLIGHTS (CONTINUED)

CLASS F					
Fund's Net Assets Per Unit (a)	2018	2017	2016	2015	2014
Net assets – beginning of year	\$18.52	\$17.88	\$15.41	\$15.52	\$12.22
Increase (decrease) from operations:					
Total revenue	0.17	0.14	0.39	0.14	0.10
Total expenses	(0.31)	(0.29)	(0.28)	(0.26)	(0.23)
Realized gains (losses)	0.69	1.59	0.67	0.46	1.44
Unrealized gains (losses)	(3.27)	(0.48)	2.13	(0.96)	2.81
Total increase (decrease) from operations (b)	(2.72)	0.96	2.91	(0.62)	4.12
Distributions:					
From income (excluding dividends)	(0.50)	-	(0.05)	-	-
From dividends	(0.05)	-	(0.06)	-	-
From capital gains	(0.04)	(0.80)	(0.42)	(0.20)	(0.34)
Return of capital	-	-	-	-	-
Total annual distributions (b), (c)	(0.59)	(0.80)	(0.53)	(0.20)	(0.34)
Net assets – end of year	\$16.35	\$18.52	\$17.88	\$15.41	\$15.52
Ratios and Supplemental Data					
Total net asset value (\$000s) (a)	\$161,576	\$122,313	\$58,224	\$49,180	\$22,002
Number of units outstanding (a)	9,883,888	6,603,036	3,256,192	3,192,145	1,417,297
Management expense ratio (d)	1.40%	1.40%	1.40%	1.40%	1.40%
Management expense ratio before absorptions (e)	1.40%	1.40%	1.40%	1.40%	1.40%
Trading expense ratio (f)	0.16%	0.06%	0.06%	0.13%	0.29%
Portfolio turnover rate (g)	76.69%	54.93%	41.39%	17.57%	35.82%
Net asset value per unit (a)	\$16.35	\$18.52	\$17.88	\$15.41	\$15.52
CLASS H					
Fund's Net Assets Per Unit (a)	2018	2017	2016	2015	2014
Net assets – beginning of year	\$13.39	\$12.95	\$11.18	\$11.41	\$10.00
Increase (decrease) from operations:					
Total revenue	0.12	0.10	0.28	0.10	0.08
Total expenses	(0.32)	(0.31)	(0.29)	(0.29)	(0.15)
Realized gains (losses)	0.62	1.15	0.49	0.32	1.11
Unrealized gains (losses)	(2.13)	(0.18)	1.83	(0.92)	2.34
Total increase (decrease) from operations (b)	(1.71)	0.76	2.31	(0.79)	3.38
Distributions:					
From income (excluding dividends)	(0.29)	-	-	-	-
From dividends	(0.03)	-	(0.00)	-	-
From capital gains	(0.03)	(0.51)	(0.30)	(0.19)	(0.35)
Return of capital	-	-	-	-	-
Total annual distributions (b), (c)	(0.35)	(0.51)	(0.30)	(0.19)	(0.35)
Net assets – end of year	\$11.80	\$13.39	\$12.95	\$11.18	\$11.41
Ratios and Supplemental Data					
Total net asset value (\$000s) (a)	\$12,342	\$12,187	\$8,895	\$5,551	\$239
Number of units outstanding (a)	1,045,603	910,031	686,980	496,723	20,943
Management expense ratio (d)	2.10%	2.10%	2.18%	2.25%	2.25%
Management expense ratio before absorptions (e)	2.10%	2.10%	2.18%	2.25%	2.25%
Trading expense ratio (f)	0.16%	0.06%	0.06%	0.13%	0.29%
Portfolio turnover rate (g)	76.69%	54.93%	41.39%	17.57%	35.82%
Net asset value per unit (a)	\$11.80	\$13.39	\$12.95	\$11.18	\$11.41

FINANCIAL HIGHLIGHTS (CONTINUED)

CLASS I					
Fund's Net Assets Per Unit (a)	2018	2017	2016	2015	2014
Net assets – beginning of year	\$13.59	\$13.10	\$11.30	\$11.48	\$10.00
Increase (decrease) from operations:					
Total revenue	0.12	0.10	0.28	0.10	0.08
Total expenses	(0.21)	(0.19)	(0.19)	(0.17)	(0.10)
Realized gains (losses)	0.49	1.17	0.50	0.33	1.14
Unrealized gains (losses)	(2.34)	(0.38)	1.82	(0.86)	3.21
Total increase (decrease) from operations (b)	(1.94)	0.70	2.41	(0.60)	4.33
Distributions:					
From income (excluding dividends)	(0.39)	-	(0.08)	-	-
From dividends	(0.04)	-	(0.04)	-	-
From capital gains	(0.03)	(0.59)	(0.31)	(0.26)	(0.36)
Return of capital	-	-	-	-	-
Total annual distributions (b), (c)	(0.46)	(0.59)	(0.43)	(0.26)	(0.36)
Net assets – end of year	\$11.98	\$13.59	\$13.10	\$11.30	\$11.48
Ratios and Supplemental Data					
Total net asset value (\$000s) (a)	\$66,760	\$48,805	\$21,732	\$13,245	\$2,119
Number of units outstanding (a)	5,571,572	3,592,102	1,659,398	1,172,144	184,637
Management expense ratio (d)	1.35%	1.25%	1.25%	1.25%	1.25%
Management expense ratio before absorptions (e)	1.35%	1.25%	1.25%	1.25%	1.25%
Trading expense ratio (f)	0.16%	0.06%	0.06%	0.13%	0.29%
Portfolio turnover rate (g)	76.69%	54.93%	41.39%	17.57%	35.82%
Net asset value per unit (a)	\$11.98	\$13.59	\$13.10	\$11.30	\$11.48

CLASS O					
Fund's Net Assets Per Unit (a)	2018	2017	2016	2015	2014
Net assets – beginning of year	\$15.38	\$14.96	\$12.86	\$12.93	\$10.00
Increase (decrease) from operations:					
Total revenue	0.14	0.12	0.33	0.12	0.09
Total expenses	(0.03)	(0.02)	(0.05)	(0.03)	(0.04)
Realized gains (losses)	0.93	1.34	0.57	0.39	1.22
Unrealized gains (losses)	(2.21)	(0.11)	2.44	(0.70)	5.81
Total increase (decrease) from operations (b)	(1.17)	1.33	3.29	(0.22)	7.08
Distributions:					
From income (excluding dividends)	(0.59)	-	(0.23)	-	-
From dividends	(0.06)	-	(0.05)	-	-
From capital gains	(0.04)	(0.99)	(0.35)	(0.30)	(0.40)
Return of capital	-	-	-	-	-
Total annual distributions (b), (c)	(0.69)	(0.99)	(0.63)	(0.30)	(0.40)
Net assets – end of year	\$13.57	\$15.38	\$14.96	\$12.86	\$12.93
Ratios and Supplemental Data					
Total net asset value (\$000s) (a)	\$12,442	\$12,973	\$10,022	\$4,596	\$2,729
Number of units outstanding (a)	916,906	843,553	670,026	357,211	211,100
Management expense ratio (d)	0.00%	0.00%	0.00%	0.00%	0.00%
Management expense ratio before absorptions (e)	0.00%	0.00%	0.00%	0.00%	0.00%
Trading expense ratio (f)	0.16%	0.06%	0.06%	0.13%	0.29%
Portfolio turnover rate (g)	76.69%	54.93%	41.39%	17.57%	35.82%
Net asset value per unit (a)	\$13.57	\$15.38	\$14.96	\$12.86	\$12.93

FINANCIAL HIGHLIGHTS (CONTINUED)**Footnotes:**

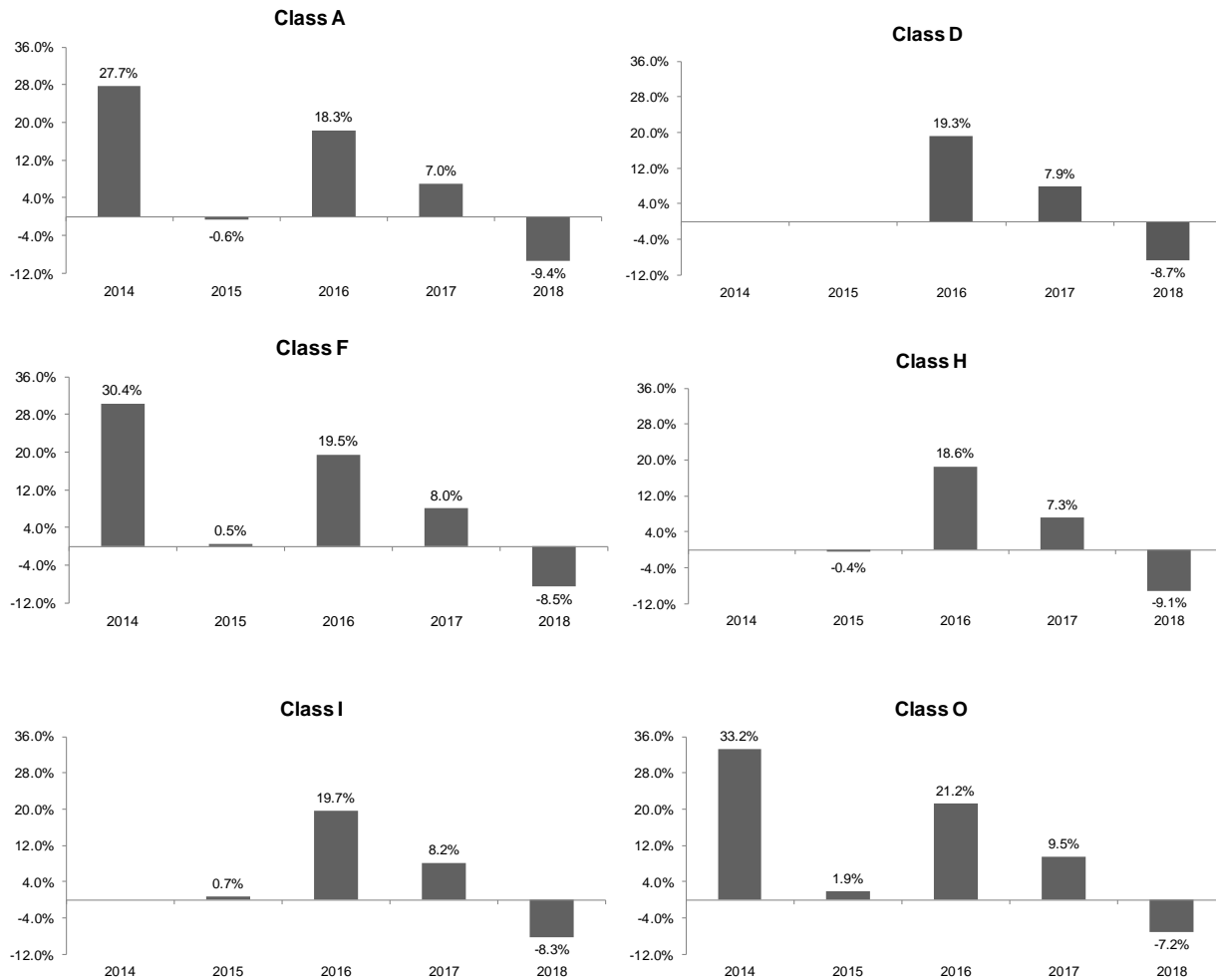
- (a) This information is derived from the Fund's audited annual financial statements as at December 31 for the year stated, prepared under International Financial Reporting Standards.
- (b) Net assets per unit and distributions per unit are based on the actual number of units for the relevant Fund class outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding during the year.
- (c) Distributions were paid in cash or reinvested in additional units of the Fund, or both.
- (d) Management expense ratio (MER) is based on total expenses (excluding commissions and other portfolio transaction costs) for the year and is expressed as an annualized percentage of daily average net asset value during the year. The MER may vary from one class of units to another because of differences in the applicable management fees and certain fees and expenses may have been absorbed by the Manager which would otherwise be reflected in the Fund.
- (e) The Manager of the Fund has agreed to absorb sufficient expenses of the Fund, as necessary, so that the annual MER after all charges and taxes (including sales, goods and services and other similar charges) will not exceed certain limits as outlined in the Fund's Simplified Prospectus. The amount of expenses absorbed is at the discretion of the Manager as set out in the Fund's Simplified Prospectus. As such, the Manager may in its sole discretion cease to absorb expenses.
- (f) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the year.
- (g) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

PAST PERFORMANCE

The following charts show the past performance for the units of each class of the Fund and do not necessarily indicate how the Fund will perform in the future. The information shown assumes that any distributions made by the Fund were reinvested in additional units of the Fund; returns would be different if an investor did not reinvest distributions. In addition, the information does not take into account sales, redemptions, income taxes payable or other charges that would have reduced returns or performance.

Year-by-Year Returns

To illustrate how the Fund's performance has varied over time, the following bar charts show the annual returns for the calendar years indicated. The information is presented starting from the first full financial year of the respective Fund class. In percentage terms, the bar charts show how much an investment held on the first day of the year would have increased or decreased by the last day of the year.



Annual Compound Returns

The annual compound returns table compares the Fund's performance to one or more benchmarks. Benchmarks are usually an index or a composite of more than one index. An index is generally made up of a group of securities. Since the Fund does not necessarily invest in the same securities as an index or in the same proportion, the Fund's performance is not expected to equal the performance of the index. Fund returns are reported net of all management fees and expenses for all classes, unlike the returns of the Fund's benchmark, which is based on the performance of an index that does not pay fees or incur expenses. It may be more helpful to compare the Fund's performance to that of other mutual funds with similar objectives and investment disciplines.

The Fund's broad-based benchmark is S&P/TSX Composite Index ("S&P/TSX"). The S&P/TSX is the headline index for the Canadian equity market. With approximately 95% coverage of the Canadian equities market, it is the primary gauge for Canadian-based, Toronto Stock Exchange listed companies. The Fund's blended benchmark is 50% S&P/TSX and 50% S&P 500 Index (S&P 500) in Canadian dollars. The S&P 500 includes 500 leading companies listed on the NASDAQ and NYSE and captures approximately 80% coverage of available market capitalization. We have included this comparison, which more closely reflects the asset classes in which the Fund invests, to provide a more useful comparison to the performance of the Fund.

A discussion of the performance of the Fund as compared to its benchmarks is found in the "Results of Operations" section of this report.

	One Year	Three Year	Five Year	Since Inception	Inception Date
Class A	-9.4%	4.7%	7.8%	11.0%	06/28/2013
S&P/TSX	-8.8%	6.4%	4.1%	6.2%	
Blended benchmark	-2.4%	7.7%	9.1%	11.1%	
Class D	-8.7%	5.5%	-	2.7%	06/30/2015
S&P/TSX	-8.8%	6.4%	-	2.6%	
Blended benchmark	-2.4%	7.7%	-	6.7%	
Class F	-8.5%	5.7%	9.1%	12.3%	06/28/2013
S&P/TSX	-8.8%	6.4%	4.1%	6.2%	
Blended benchmark	-2.4%	7.7%	9.1%	11.1%	
Class H	-9.1%	5.0%	-	7.0%	06/30/2014
S&P/TSX	-8.8%	6.4%	-	1.8%	
Blended benchmark	-2.4%	7.7%	-	7.8%	
Class I	-8.3%	5.9%	-	8.0%	06/30/2014
S&P/TSX	-8.8%	6.4%	-	1.8%	
Blended benchmark	-2.4%	7.7%	-	7.8%	
Class O	-7.2%	7.2%	10.8%	10.8%	12/31/2013
S&P/TSX	-8.8%	6.4%	4.1%	4.1%	
Blended benchmark	-2.4%	7.7%	9.1%	9.1%	

SUMMARY OF INVESTMENT PORTFOLIO

The largest holdings of the Fund as at the end of the year and the major asset classes in which the Fund was invested, are indicated below. Where the Fund has less than 25 holdings, the table will show the Fund's entire investment portfolio. The investment portfolio may change due to ongoing portfolio transactions. An update of the Fund's summary of investment portfolio as at the end of each calendar quarter is available from the Manager. Please see the front page of this document for information about how this can be obtained.

Summary of Top 25 Holdings

	% of Net Assets
Naspers Limited	5.1
Platform Specialty Products Corporation	4.0
The Middleby Corporation	4.0
KKR & Co. Inc.	3.9
Absolute Software Corporation	3.4
SS&C Technologies Holdings, Inc.	3.2
TripAdvisor, Inc.	3.2
Alimentation Couche-Tard Inc., Class 'B'	3.1
CCL Industries Inc., Class 'B'	3.1
Exor N.V.	3.1
Enghouse Systems Limited	3.0
The Howard Hughes Corporation	3.0
Baidu, Inc., ADR	2.9
Liberty Broadband Corporation	2.9
Winpak Ltd.	2.8
Maxar Technologies Ltd.	2.7
Kennedy-Wilson Holdings, Inc.	2.6
Knight Therapeutics Inc.	2.6
Uni-Select Inc.	2.6
Brookfield Property Partners L.P.	2.4
Athabasca Oil Corporation	2.1
Microchip Technology Incorporated	2.1
Model N, Inc.	2.1
Wynn Resorts, Limited	2.0
Saputo Inc.	1.9

Summary of Composition of the Portfolio

	% of Net Assets
Equities	
Information technology	24.2
Communication services	14.1
Consumer discretionary	13.6
Materials	11.2
Diversified financials	8.3
Real estate	8.1
Industrials	7.2
Consumer staples	5.0
Health care	4.1
Energy	2.1
Utilities	0.1
Total equities	98.0
Warrants	0.0
Total investments	98.0
Cash	3.6
Other assets less liabilities	(1.6)
Total net assets	100.0

Caution Regarding Forward-Looking Statements

This report contains forward-looking statements about the Fund, including its strategy, prospects and further actions. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or negative versions thereof and similar expressions.

In addition, any statement made concerning future performance, strategies or prospects, and possible future Fund action is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to risks, uncertainties and assumptions about the Fund and economic factors, among other things.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements. Any number of important factors could contribute to these digressions, including, but not limited to: general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

We stress that the above mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, except as may be required under applicable law, the Manager has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

PENDER

MANAGED BY:
PENDERFUND CAPITAL MANAGEMENT LTD.

1640 – 1066 West Hastings St.
Vancouver, BC V6E 3X1

TELEPHONE 604 688-1511
FACSIMILE 604 563-3199
TOLL FREE 1 866 377-4743

www.penderfund.com