



Pender Growth Fund Inc.
1066 West Hastings Street, Suite 1830
Vancouver, BC V6E 3X2

Tel: 604 688 1511
Fax: 604 563 3199
www.pendergrowthfund.com

NEWS RELEASE

FOR IMMEDIATE RELEASE

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Pender Growth Fund Provides Financial Highlights and Company Updates

VANCOUVER, B.C. (TSXV: PTF) Pender Growth Fund Inc. (the “Company”) is pleased to provide a synopsis of our newly filed financials (to June 30, 2019), as well as some updates on the Company.

Key Financial Highlights (Unaudited)

- Net assets per share as at June 30, 2019 was \$3.94 (December 31, 2018 - \$4.14).
- Management Expense Ratio (“MER”) was 4.65% for the six months ended June 30, 2019, 0.25% higher than the 4.40% MER for the six months ended June 30, 2018 primarily due to the increased legal and auditing costs related to filings under the corporate issuer regime.
 - A new management fee rate schedule came into effect on May 1, 2019, reducing the management fee from an effective rate of 2.50% of net assets, to 2.50% on the first \$15 million of net assets and 1.75% on net assets over \$15 million.
- Net assets as at June 30, 2019 was \$31.8 million (December 31, 2018 - \$17.2 million) and shares outstanding was 8,083,329 (December 31, 2018 – 4,152,545), increased due to the capital raise outlined below.
- Net income (loss) per share for the six months ended June 30, 2019 was 0.01 (June 30, 2018 – (0.15)), primarily due to the unrealized gain on investments during the period as overall positive market sentiment resulted in an increase in the traded prices of the Company’s publicly listed portfolio companies.

PERFORMANCE	6 Month	1 Year	3 Year	5 Year	YTD	Since Inception
Class C	-5.1%	-9.3%	15.6%	33.1%	-5.1%	15.9%

Source: PenderFund

Portfolio Highlights

As a result of the capital raise mentioned below, we believe the portfolio risk decreased in the quarter as the liquidity profile improved and the weighting in key private companies was reduced. In addition, the cash in the Company available for investment is available at an opportunistic time, given current marketing volatility and very attractive valuations in micro and small cap stocks in North America.

At June 30, 2019, the Company had 50% weighting in private investments, a 4% weighting public companies and 46% cash, being the proceeds of the capital raise in the process of being deployed.

In May 2019, one of the Company’s holdings completed on its previously announced acquisition. Shareholders of Espial Group Inc (ESP) approved the acquisition of all common shares by Enghouse Systems Ltd for \$1.57 per share.

The Company completed a public offering of its Class C participating common shares in April and May 2019. The proceeds of the public offering totaled \$15.3 million and make it possible for the Company to invest in new opportunities, primarily in the information technology and telecommunications sectors.

About the Company

Pender Growth Fund Inc. is an investment company with the objective of achieving long-term capital appreciation for its investors. The Company utilizes its small capital base and long-term horizon to invest in unique situations; primarily small cap, special situations, and illiquid public and private companies. The

Company trades on the TSX Venture Exchange under the symbol “PTF”. Please visit www.pendergrowthfund.com.

For further information, please contact:

Lucy Nair

PenderFund Capital Management Ltd.

(778) 945-5114

Toll Free: (866) 377-4743

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Forward-Looking Information

This news release may contain forward-looking statements (within the meaning of applicable securities laws) relating to the business of the Company and the environment in which it operates. Forward-looking statements are identified by words such as “believe”, “anticipate”, “project”, “expect”, “intend”, “plan”, “will”, “may”, “estimate” and other similar expressions. These statements are based on the Company's expectations, estimates, forecasts and projections and include, without limitation, statements regarding the Company's decreased portfolio risk and future investment opportunities. The forward-looking statements in this news release are based on certain assumptions; they are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading “Risk Factors” in the Company's annual information form available at www.sedar.com. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this news release and, except as expressly required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.