

## Pender Growth Fund Inc.

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## **NEWS RELEASE**

#### FOR IMMEDIATE RELEASE

**November 9, 2016** 

# Pender Growth Fund Announces Conversion of Class B Shares and Redemption of All Outstanding Class R Shares

**VANCOUVER, B.C.** (TSXV: PTF) Pender Growth Fund Inc. (the "Fund") announces that it is redeeming all of its outstanding Class R senior participating redeemable convertible preference share ("Class R Shares") at a redemption price of \$4.16 per Class R Share. The redemptions will be completed on or about December 9, 2016.

In addition, the Fund announces that it has converted all of its outstanding Class B convertible non-participating common shares (the "Class B Shares") into Class R Shares and Class C participating common shares (the "Class C Shares"). As the result of the conversion, each Class B Share has been converted into one Class R Share (which will be redeemed on or around December 9, 2016, as set out above) and one Class C Share. Holders of Class B Shares and Class R Shares who have not previously submitted a redemption request will receive a notice from the Fund containing further details on the redemptions.

The Fund will use the proceeds from the sale of its largest portfolio holding, QHR Corporation, to fund the redemptions. The recent sale of QHR highlights the need to be patient when investing in early stage companies while value is being created internally, as well as waiting for the market to recognize this value.

The Fund will continue to operate as a closed-end investment fund, with the Class C Shares trading on the TSX Venture Exchange under the symbol "PTF".

David Barr, Executive Officer of the Fund and President of PenderFund Capital Management Ltd. says "We are extremely pleased that the sale of QHR has provided the capital necessary to redeem all outstanding Class B and Class R Shares. It may have taken longer than we and our investors would have liked but we view this as a very favourable outcome and it was only made possible with the support and patience of the Fund's shareholders. When the Fund was restructured in 2010, our goal was to make sure each investor was treated equally, and this redemption fulfills this goal."

Moving forward, the Fund is uniquely positioned to make investments that were previously not possible since the Fund will no longer have redemptions to meet. This provides the Fund with a structural advantage to invest in illiquid securities or securities where it may take longer for value to surface. Patience is a big advantage in a world dominated by headlines and social media. The Fund has also been deregistered from the VCC program and in so doing, has increased flexibility in the types of investments it can make. Under the VCC program, the Fund was required to invest solely in treasury shares of B.C. based companies with under 100 employees. Going forward, we plan to invest in the best opportunities that we can find, without the restrictions of the VCC program.

"We will continue to make investments in early stage technology companies. Growing, profitable software companies are favourites of ours but at the end of the day we are opportunistic. We are highly aligned with the Funds shareholders as we personally own a significant portion of the Fund's shares. Our goal is to increase the NAV on a per share basis for as long as I am capable," says David Barr.

### About the Fund

The Fund is a closed-end investment fund with a goal of increasing net asset value per share over an extended period of time. The Fund accesses unique situations within its circle of competence, and the Fund's ability to invest in less liquid opportunities is a structural advantage we plan to utilize.

For further information please visit www.pendergrowthfund.com or contact:

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