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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”) today announced its financial and operational results for the three months ended March 31, 2020.

Financial Highlights (Unaudited)

- Net assets per Class C common share (“Share”) as at March 31, 2020 were \$4.08 (December 31, 2019 - \$4.19).
- Management Expense Ratio (“MER”) was 3.55% for the quarter ended March 31, 2020, down from 5.22% over same period in the prior year, primarily due to the reduction in management fee rates announced in June 2019.
- The Company’s net assets as at March 31, 2020 were \$32.6 million (December 31, 2019 - \$33.8 million) and Shares outstanding were 7,990,229 (December 31, 2019 – 8,083,329), both decreased as a result of the decrease from investment performance and share repurchase in Q1 of this year.
- At March 31, 2020, the Company had 46% weighting in private companies and an 40% weighting in public companies, with 14% cash on hand. The cash will allow us to act quickly when entry points are favorable in the opportunities we are actively tracking.
- Net loss per Share for the three months ended March 31, 2020 was (\$0.12) (March 31, 2019 – \$0.10), with moderate unrealized loss on publicly-listed portfolio companies during the period and fees and expenses.

PERFORMANCE (based on Net assets per Share)	3 Month	YTD	1 Year	3 Year	5 Year	Since Inception
Class C	-12.6%	-12.6%	-3.7%	-1.8%	24.9%	15.0%

Source: PenderFund

Portfolio Highlights

During the first quarter of 2020 we continued to aggressively deploy capital in both public and private markets where the significant uncertainty and severe market conditions created what we believe to be strong buying opportunities. We also worked closely with our private portfolio companies to support them during these times of challenge and opportunity.

In Q2 2020 we continued to deploy capital and are now almost fully invested. We believe that we are particularly well-positioned today to pursue our investment objectives in the context of current market volatility and valuations in micro and small cap stocks in North America.

We encourage you to refer to the Company's MD&A and quarterly unaudited financial statements for March 31, 2020 and the annual audited financial statements for the year-ended December 31, 2019 for additional information and disclosures available under the Company's profile at www.sedar.com.

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.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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.