

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

Pender Value Fund

Six months ended June 30, 2020

PENDER

This interim Management Report of Fund Performance contains financial highlights but does not contain either the interim financial statements or annual financial statements of the investment fund. You may obtain a copy of the interim financial statements or annual financial statements at your request, at no cost, by calling toll-free 1-866-377-4743, by writing to us at 1830 – 1066 West Hastings Street, Vancouver, BC V6E 3X2 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

Results of Operations

The net assets of the Pender Value Fund (the "Fund") were \$222,775,635 as at June 30, 2020 versus \$318,287,002 as at December 31, 2019. Of this \$95,511,367 decrease, \$54,163,301 is attributable to negative investment performance and \$41,348,066 is attributable to net unitholder redemptions of the Fund.

For the six months ended June 30, 2020 (the "period"), Class A units of the Fund generated a total return of -17.1%. Returns for other classes of the Fund will be similar to Class A with any difference in performance being primarily due to the 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 -7.5% during the period. 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 ("S&P 500"), returned -3.0% during the period. We include information about this blended benchmark, which more closely reflects the asset classes in which the Fund invests, to provide a more useful comparison for 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 period. Please read the caution regarding forward-looking statements located on the last page of this document.

The Fund's underperformance as compared to its blended benchmark was mainly due to stock selection in Information Technology and Real Estate sectors. That being said, 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 period included JD.com, Inc, eGain Corporation, and Zillow Group, Inc. Conversely, The Howard Hughes Corporation, Diversified Royalty Corp., and The Middleby Corporation had the largest adverse impact.

Portfolio transactions during the period 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 Ebix, Inc., Alcanna Inc., and Athabasca Oil Corporation 9.88%, 2022/02/24. 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 period, we sold The Middleby Corporation, Enghouse Systems Limited, and Wynn Resorts, Limited, for example.

As at the end of the period, the Fund was 47.8% invested in the United States, 44.4% in Canada, 6.7% in other countries, and the Fund's cash position had decreased to 1.1%, down from 8.3% as at December 31, 2019. 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 34.4% of the Fund's net assets at the end of the period. This concentration may lead to varied results over any given period.

Overall sector exposure of the Fund is determined by stock selection decisions and may shift from time to time. As at June 30, 2020, we were weighted toward holdings in Information Technology, Diversified Financials, and Consumer Discretionary, because those are the sectors where we believe we are finding the best investment opportunities currently and, equally important, because they contain businesses for which we are best equipped to assess value. These top three sectors accounted for 60.8% of the Fund at the end of the period.

Recent Developments

World markets have experienced unparalleled volatility during 2020. While the initial impact of the COVID-19 outbreak on world markets was muted in January, the widening global impact of COVID-19 and the breakdown of OPEC resulted in markets reacting with significant downward volatility and turmoil in late February and into March 2020. World markets made an astonishing rebound in April. Since then, unprecedented monetary and fiscal stimulus, the initial reopening of global economies, and promising medical progress for potential COVID-19 therapies/vaccines have continued to push world markets higher. World markets in general seem to be on a recovery path. Nonetheless, there remains many uncertainties that could cause world markets to turn rapidly and unexpectedly. Any potential impact on investment results will depend, to a large extent, on future developments and new information that may emerge regarding the duration and severity of the COVID-19 and the actions taken by government authorities and other entities to contain the virus or treat its impact, all of which are beyond our control.

In times of uncertainty, we believe it is essential to stick to our investment process and philosophy. Since inception, the Fund's investment strategy has been to estimate a range of intrinsic value of a company and to buy its stock when it trades at an attractive discount relative to that range. Our investment strategy requires rigorous in-depth valuation analysis. We use our investment process when we research a potential holding and maintain an understanding of the key factors affecting our investment thesis after we buy a security. We believe our investment process and due-diligence allows us to uncover mispricing in the market and position ourselves to take advantage of future potential increases in a stock's value.

The abrupt changes in the global economy as a result of the COVID-19 global pandemic have driven some fairly dramatic intrinsic value volatility on top of stock price volatility. The velocity at which intrinsic value was significantly impaired for some companies and significantly increased for others is not something we have witnessed before. This has created a tricky investing landscape where we have been focusing on moving on or decreasing our weighting of the former and increasing our exposure to the latter. In some instances, the combination of increased intrinsic value and decreased share price has created an environment where we believe the margin of safety is attractive. As the COVID-19 situation remains fluid, no one knows what is going to happen. We need to be prepared. On the one hand, we continue to assess the risks and opportunities faced by our current portfolio companies; on the other hand, we are constantly looking for new investments that are attractive from a risk/reward perspective.

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 we think will benefit from the tailwinds caused by change of behaviors, and we think could be potential disruptors or leaders on the other side of the global crisis and 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 period, parties related to the Manager collectively held 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 23% of the management fees paid by the Fund to the Manager for the period.

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 period and the calendar years indicated.

| CLASS A | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Fund's Net Assets Per Unit (a) | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net assets – beginning of period | \$18.96 | \$16.36 | \$18.48 | \$17.80 | \$15.30 | \$15.38 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.14 | 0.21 | 0.17 | 0.14 | 0.38 | 0.14 |
| Total expenses | (0.20) | (0.47) | (0.50) | (0.48) | (0.45) | (0.43) |
| Realized gains (losses) | (1.38) | 0.66 | 0.93 | 1.58 | 0.67 | 0.46 |
| Unrealized gains (losses) | (2.06) | 2.57 | (2.87) | (0.26) | 2.02 | (0.90) |
| Total increase (decrease) from operations (b) | (3.50) | 2.97 | (2.27) | 0.98 | 2.62 | (0.73) |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | - | (0.30) | - | - | - |
| From dividends | - | - | (0.03) | - | - | - |
| From capital gains | - | (0.37) | (0.04) | (0.57) | (0.29) | - |
| Return of capital | - | - | - | - | - | - |
| Total annual distributions (b), (c) | - | (0.37) | (0.37) | (0.57) | (0.29) | - |
| Net assets – end of period | \$15.72 | \$18.96 | \$16.36 | \$18.48 | \$17.80 | \$15.30 |
| Ratios and Supplemental Data | | | | | | |
| Total net asset value (\$000s) (a) | \$40,133 | \$59,410 | \$62,338 | \$57,013 | \$37,724 | \$34,600 |
| Number of units outstanding (a) | 2,552,449 | 3,134,001 | 3,810,427 | 3,084,249 | 2,119,812 | 2,261,917 |
| Management expense ratio (d) | 2.40% | 2.40% | 2.40% | 2.40% | 2.45% | 2.50% |
| Management expense ratio before absorptions (e) | 2.40% | 2.40% | 2.40% | 2.40% | 2.45% | 2.50% |
| Trading expense ratio (f) | 0.12% | 0.12% | 0.16% | 0.06% | 0.06% | 0.13% |
| Portfolio turnover rate (g) | 34.11% | 71.36% | 76.69% | 54.93% | 41.39% | 17.57% |
| Net asset value per unit (a) | \$15.72 | \$18.96 | \$16.36 | \$18.48 | \$17.80 | \$15.30 |
| CLASS D | | | | | | |
| Fund's Net Assets Per Unit (a) | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net assets – beginning of period | \$11.32 | 9.73 | \$11.02 | \$10.59 | \$9.14 | \$10.00 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.08 | 0.12 | 0.10 | 0.08 | 0.23 | 0.08 |
| Total expenses | (0.09) | (0.19) | (0.21) | (0.19) | (0.19) | (0.10) |
| Realized gains (losses) | (0.74) | 0.40 | 0.51 | 0.95 | 0.40 | 0.26 |
| Unrealized gains (losses) | (1.24) | 1.58 | (1.78) | (0.61) | 1.57 | (0.38) |
| Total increase (decrease) from operations (b) | (1.99) | 1.91 | (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 | - | (0.27) | (0.03) | (0.41) | (0.25) | (0.22) |
| Return of capital | - | - | - | - | - | - |
| Total annual distributions (b), (c) | - | (0.27) | (0.32) | (0.41) | (0.30) | (0.22) |
| Net assets – end of period | \$9.42 | \$11.32 | \$9.73 | \$11.02 | \$10.59 | \$9.14 |
| Ratios and Supplemental Data | | | | | | |
| Total net asset value (\$000s) (a) | \$1,650 | \$3,255 | \$3,605 | \$3,168 | \$546 | \$236 |
| Number of units outstanding (a) | 175,140 | 287,601 | 370,317 | 287,545 | 51,572 | 25,783 |
| Management expense ratio (d) | 1.65% | 1.65% | 1.65% | 1.65% | 1.65% | 1.65% |
| Management expense ratio before absorptions (e) | 1.65% | 1.65% | 1.65% | 1.65% | 1.65% | 1.65% |
| Trading expense ratio (f) | 0.12% | 0.12% | 0.16% | 0.06% | 0.06% | 0.13% |
| Portfolio turnover rate (g) | 34.11% | 71.36% | 76.69% | 54.93% | 41.39% | 17.57% |
| Net asset value per unit (a) | \$9.42 | \$11.32 | \$9.73 | \$11.02 | \$10.59 | \$9.14 |

FINANCIAL HIGHLIGHTS (CONTINUED)

| CLASS E | | | | | | |
|--|---------------|----------------|-------------|-------------|-------------|-------------|
| Fund's Net Assets Per Unit (a) | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net assets – beginning of period | \$10.88 | \$10.00 | | | | |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.08 | 0.04 | | | | |
| Total expenses | (0.03) | 0.07 | | | | |
| Realized gains (losses) | (0.86) | (0.15) | | | | |
| Unrealized gains (losses) | (0.85) | 2.00 | | | | |
| Total increase (decrease) from operations (b) | (1.66) | 1.96 | | | | |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | - | | | | |
| From dividends | - | - | | | | |
| From capital gains | - | (0.35) | | | | |
| Return of capital | - | - | | | | |
| Total annual distributions (b), (c) | - | (0.35) | | | | |
| Net assets – end of period | \$9.11 | \$10.88 | | | | |
| Ratios and Supplemental Data | | | | | | |
| Total net asset value (\$000s) (a) | \$626 | \$684 | | | | |
| Number of units outstanding (a) | 68,708 | 62,855 | | | | |
| Management expense ratio (d) | 0.50% | 0.50% | | | | |
| Management expense ratio before absorptions (e) | 0.50% | 0.50% | | | | |
| Trading expense ratio (f) | 0.12% | 0.12% | | | | |
| Portfolio turnover rate (g) | 34.11% | 71.36% | | | | |
| Net asset value per unit (a) | \$9.11 | \$10.88 | | | | |

| CLASS F | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Fund's Net Assets Per Unit (a) | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net assets – beginning of period | \$19.02 | \$16.35 | \$18.52 | \$17.88 | \$15.41 | \$15.52 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.14 | 0.21 | 0.17 | 0.14 | 0.39 | 0.14 |
| Total expenses | (0.12) | (0.29) | (0.31) | (0.29) | (0.28) | (0.26) |
| Realized gains (losses) | (1.37) | 0.68 | 0.69 | 1.59 | 0.67 | 0.46 |
| Unrealized gains (losses) | (1.90) | 2.55 | (3.27) | (0.48) | 2.13 | (0.96) |
| Total increase (decrease) from operations (b) | (3.25) | 3.15 | (2.72) | 0.96 | 2.91 | (0.62) |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | - | (0.50) | - | (0.05) | - |
| From dividends | - | - | (0.05) | - | (0.06) | - |
| From capital gains | - | (0.48) | (0.04) | (0.80) | (0.42) | (0.20) |
| Return of capital | - | - | - | - | - | - |
| Total annual distributions (b), (c) | - | (0.48) | (0.59) | (0.80) | (0.53) | (0.20) |
| Net assets – end of period | \$15.86 | \$19.02 | \$16.35 | \$18.52 | \$17.88 | \$15.41 |
| Ratios and Supplemental Data | | | | | | |
| Total net asset value (\$000s) (a) | \$85,729 | \$144,360 | \$161,576 | \$122,313 | \$58,224 | \$49,180 |
| Number of units outstanding (a) | 5,405,734 | 7,587,835 | 9,883,888 | 6,603,036 | 3,256,192 | 3,192,145 |
| Management expense ratio (d) | 1.40% | 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% | 1.40% |
| Trading expense ratio (f) | 0.12% | 0.12% | 0.16% | 0.06% | 0.06% | 0.13% |
| Portfolio turnover rate (g) | 34.11% | 71.36% | 76.69% | 54.93% | 41.39% | 17.57% |
| Net asset value per unit (a) | \$15.86 | \$19.02 | \$16.35 | \$18.52 | \$17.88 | \$15.41 |

FINANCIAL HIGHLIGHTS (CONTINUED)

| CLASS H | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Fund's Net Assets Per Unit (a) | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net assets – beginning of period | \$13.69 | \$11.80 | \$13.39 | \$12.95 | \$11.18 | \$11.41 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.10 | 0.15 | 0.12 | 0.10 | 0.28 | 0.10 |
| Total expenses | (0.13) | (0.30) | (0.32) | (0.31) | (0.29) | (0.29) |
| Realized gains (losses) | (0.96) | 0.52 | 0.62 | 1.15 | 0.49 | 0.32 |
| Unrealized gains (losses) | (1.54) | 1.89 | (2.13) | (0.18) | 1.83 | (0.92) |
| Total increase (decrease) from operations (b) | (2.53) | 2.26 | (1.71) | 0.76 | 2.31 | (0.79) |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | - | (0.29) | - | - | - |
| From dividends | - | - | (0.03) | - | (0.00) | - |
| From capital gains | - | (0.29) | (0.03) | (0.51) | (0.30) | (0.19) |
| Return of capital | - | - | - | - | - | - |
| Total annual distributions (b), (c) | - | (0.29) | (0.35) | (0.51) | (0.30) | (0.19) |
| Net assets – end of period | \$11.37 | \$13.69 | \$11.80 | \$13.39 | \$12.95 | \$11.18 |
| Ratios and Supplemental Data | | | | | | |
| Total net asset value (\$000s) (a) | \$8,852 | \$11,561 | \$12,342 | \$12,187 | \$8,895 | \$5,551 |
| Number of units outstanding (a) | 778,448 | 844,511 | 1,045,603 | 910,031 | 686,980 | 496,723 |
| Management expense ratio (d) | 2.10% | 2.10% | 2.10% | 2.10% | 2.18% | 2.25% |
| Management expense ratio before absorptions (e) | 2.10% | 2.10% | 2.10% | 2.10% | 2.18% | 2.25% |
| Trading expense ratio (f) | 0.12% | 0.12% | 0.16% | 0.06% | 0.06% | 0.13% |
| Portfolio turnover rate (g) | 34.11% | 71.36% | 76.69% | 54.93% | 41.39% | 17.57% |
| Net asset value per unit (a) | \$11.37 | \$13.69 | \$11.80 | \$13.39 | \$12.95 | \$11.18 |

| CLASS I | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Fund's Net Assets Per Unit (a) | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net assets – beginning of period | \$13.94 | \$11.98 | \$13.59 | \$13.10 | \$11.30 | \$11.48 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.11 | 0.15 | 0.12 | 0.10 | 0.28 | 0.10 |
| Total expenses | (0.08) | (0.19) | (0.21) | (0.19) | (0.19) | (0.17) |
| Realized gains (losses) | (0.99) | 0.46 | 0.49 | 1.17 | 0.50 | 0.33 |
| Unrealized gains (losses) | (2.04) | 1.86 | (2.34) | (0.38) | 1.82 | (0.86) |
| Total increase (decrease) from operations (b) | (3.00) | 2.28 | (1.94) | 0.70 | 2.41 | (0.60) |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | - | (0.39) | - | (0.08) | - |
| From dividends | - | - | (0.04) | - | (0.04) | - |
| From capital gains | - | (0.38) | (0.03) | (0.59) | (0.31) | (0.26) |
| Return of capital | - | - | - | - | - | - |
| Total annual distributions (b), (c) | - | (0.38) | (0.46) | (0.59) | (0.43) | (0.26) |
| Net assets – end of period | \$11.63 | \$13.94 | \$11.98 | \$13.59 | \$13.10 | \$11.30 |
| Ratios and Supplemental Data | | | | | | |
| Total net asset value (\$000s) (a) | \$73,277 | \$83,532 | \$66,760 | \$48,805 | \$21,732 | \$13,245 |
| Number of units outstanding (a) | 6,302,891 | 5,993,732 | 5,571,572 | 3,592,102 | 1,659,398 | 1,172,144 |
| Management expense ratio (d) | 1.25% | 1.25% | 1.35% | 1.25% | 1.25% | 1.25% |
| Management expense ratio before absorptions (e) | 1.25% | 1.25% | 1.35% | 1.25% | 1.25% | 1.25% |
| Trading expense ratio (f) | 0.12% | 0.12% | 0.16% | 0.06% | 0.06% | 0.13% |
| Portfolio turnover rate (g) | 34.11% | 71.36% | 76.69% | 54.93% | 41.39% | 17.57% |
| Net asset value per unit (a) | \$11.63 | \$13.94 | \$11.98 | \$13.59 | \$13.10 | \$11.30 |

FINANCIAL HIGHLIGHTS (CONTINUED)

| CLASS N | | | | | | |
|--|---------------|----------------|-------------|-------------|-------------|-------------|
| Fund's Net Assets Per Unit (a) | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net assets – beginning of period | \$10.06 | \$10.00 | | | | |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.08 | 0.05 | | | | |
| Total expenses | (0.04) | (0.05) | | | | |
| Realized gains (losses) | (0.77) | 0.06 | | | | |
| Unrealized gains (losses) | (0.92) | 0.32 | | | | |
| Total increase (decrease) from operations (b) | (1.65) | 0.38 | | | | |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | - | | | | |
| From dividends | - | - | | | | |
| From capital gains | - | (0.32) | | | | |
| Return of capital | - | - | | | | |
| Total annual distributions (b), (c) | - | (0.32) | | | | |
| Net assets – end of period | \$8.41 | \$10.06 | | | | |
| Ratios and Supplemental Data | | | | | | |
| Total net asset value (\$000s) (a) | \$4 | \$5 | | | | |
| Number of units outstanding (a) | 516 | 516 | | | | |
| Management expense ratio (d) | 0.85% | 0.85% | | | | |
| Management expense ratio before absorptions (e) | 0.85% | 0.85% | | | | |
| Trading expense ratio (f) | 0.12% | 0.12% | | | | |
| Portfolio turnover rate (g) | 34.11% | 71.36% | | | | |
| Net asset value per unit (a) | \$8.41 | \$10.06 | | | | |

| CLASS O | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Fund's Net Assets Per Unit (a) | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net assets – beginning of period | \$15.88 | \$13.57 | \$15.38 | \$14.96 | \$12.86 | \$12.93 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.12 | 0.17 | 0.14 | 0.12 | 0.33 | 0.12 |
| Total expenses | (0.01) | (0.03) | (0.03) | (0.02) | (0.05) | (0.03) |
| Realized gains (losses) | (1.21) | 0.53 | 0.93 | 1.34 | 0.57 | 0.39 |
| Unrealized gains (losses) | (1.42) | 2.15 | (2.21) | (0.11) | 2.44 | (0.70) |
| Total increase (decrease) from operations (b) | (2.52) | 2.82 | (1.17) | 1.33 | 3.29 | (0.22) |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | - | (0.59) | - | (0.23) | - |
| From dividends | - | - | (0.06) | - | (0.05) | - |
| From capital gains | - | (0.54) | (0.04) | (0.99) | (0.35) | (0.30) |
| Return of capital | - | - | - | - | - | - |
| Total annual distributions (b), (c) | - | (0.54) | (0.69) | (0.99) | (0.63) | (0.30) |
| Net assets – end of period | \$13.33 | \$15.88 | \$13.57 | \$15.38 | \$14.96 | \$12.86 |
| Ratios and Supplemental Data | | | | | | |
| Total net asset value (\$000s) (a) | \$12,505 | \$15,480 | \$12,442 | \$12,973 | \$10,022 | \$4,596 |
| Number of units outstanding (a) | 938,252 | 975,003 | 916,906 | 843,553 | 670,026 | 357,211 |
| Management expense ratio (d) | 0.00% | 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% | 0.00% |
| Trading expense ratio (f) | 0.12% | 0.12% | 0.16% | 0.06% | 0.06% | 0.13% |
| Portfolio turnover rate (g) | 34.11% | 71.36% | 76.69% | 54.93% | 41.39% | 17.57% |
| Net asset value per unit (a) | \$13.33 | \$15.88 | \$13.57 | \$15.38 | \$14.96 | \$12.86 |

FINANCIAL HIGHLIGHTS (CONTINUED)**Footnotes:**

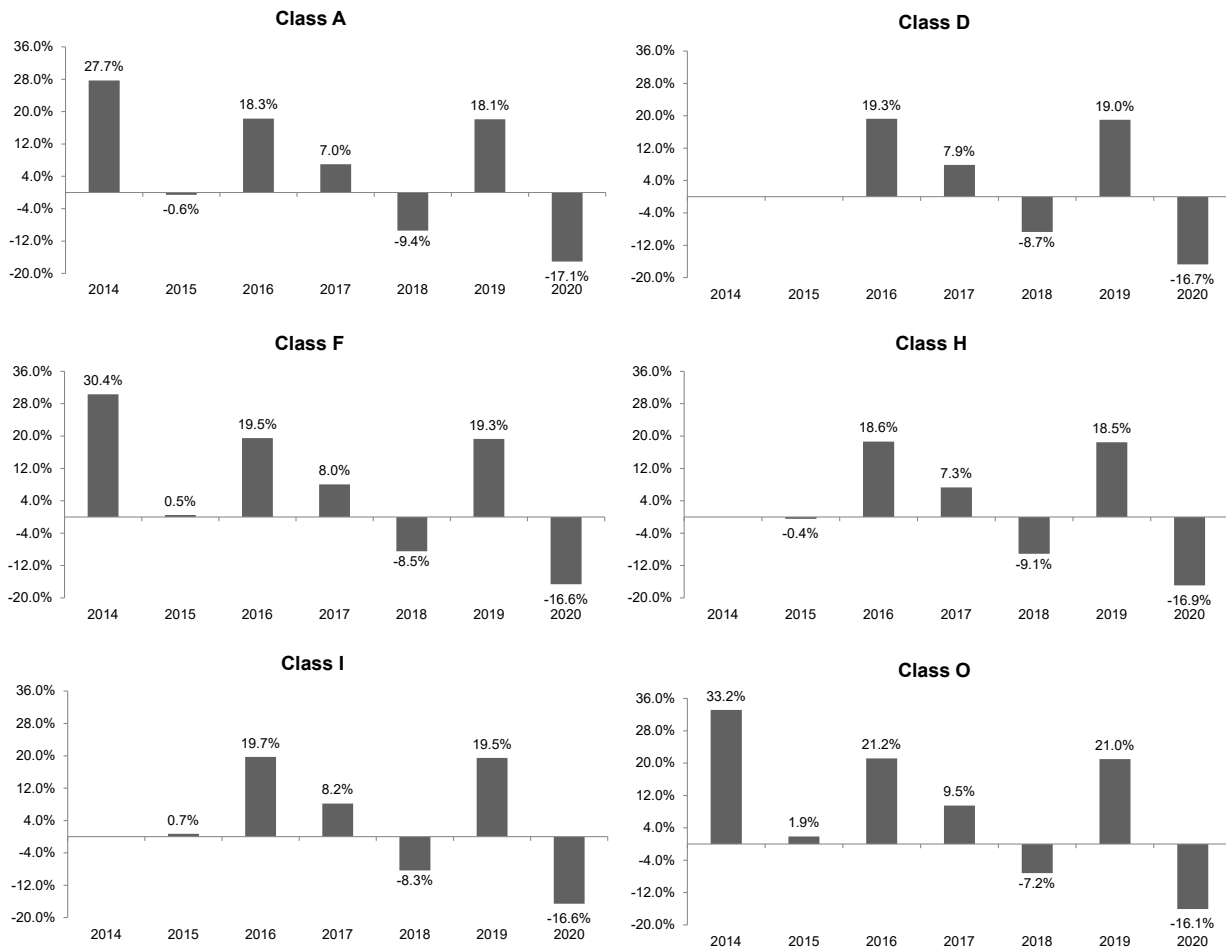
- (a) This information is derived from the Fund's unaudited semi-annual financial statements as at June 30 and audited annual financial statements as at December 31 for the period stated, prepared under International Financial Reporting Standards.
- (b) Net assets per unit and distributions per unit 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 period.
- (c) Distributions were paid in cash and/or reinvested in additional units of the Fund.
- (d) Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the period and is expressed as an annualized percentage of daily average net asset value during the period. 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, such 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, and 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 period.
- (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 period. In general, the higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. 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.

Period-by-Period Returns

To illustrate how the Fund's performance has varied over time, the following bar charts show the Fund's performance for the six-month period ended June 30, 2020 and for each of the previous 12-month periods ended December 31. 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 period would have increased or decreased by the last day of the period.



SUMMARY OF INVESTMENT PORTFOLIO

The largest holdings of the Fund as at the end of the period and the major asset classes in which the Fund was invested, are indicated below. 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 |
|--|-----------------|
| KKR & Co. Inc. | 4.1 |
| eGain Corporation | 3.8 |
| CCL Industries Inc., Class 'B' | 3.5 |
| Exor N.V. | 3.4 |
| SS&C Technologies Holdings, Inc. | 3.4 |
| Burford Capital Limited | 3.3 |
| Ebix, Inc. | 3.3 |
| Onex Corporation | 3.2 |
| Premium Brands Holdings Corporation | 3.2 |
| Sangoma Technologies Corp. | 3.2 |
| JD.com, Inc., ADR | 3.1 |
| Winpak Ltd. | 3.1 |
| Diversified Royalty Corp. | 2.9 |
| ProntoForms Corporation | 2.8 |
| Zillow Group, Inc. | 2.8 |
| Alcanna Inc. | 2.7 |
| The Howard Hughes Corporation | 2.6 |
| MAV Beauty Brands Inc. | 2.5 |
| Athabasca Oil Corporation, 9.88%, 2022/02/24 | 2.3 |
| Element Solutions Inc. | 2.3 |
| Stitch Fix, Inc., Class 'A' | 2.1 |
| Blackberry Limited | 2.0 |
| Hanesbrands Inc. | 2.0 |
| Interactive Brokers Group, Inc., Class 'A' | 1.9 |
| Maxar Technologies Inc. | 1.7 |

Summary of Composition of the Portfolio

| | % of Net Assets |
|-------------------------------|-----------------|
| Equities | |
| Information technology | 24.8 |
| Diversified financials | 20.3 |
| Consumer discretionary | 15.7 |
| Consumer staples | 8.9 |
| Materials | 8.9 |
| Communication services | 7.4 |
| Real estate | 4.2 |
| Energy | 3.2 |
| Industrials | 1.7 |
| Health care | 0.4 |
| Insurance | 0.3 |
| Total equities | 95.8 |
| Corporate bonds | 2.7 |
| Warrants | 0.4 |
| Total investments | 98.9 |
| Cash | 1.1 |
| Other assets less liabilities | - |
| 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

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