

**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

**December 15, 2019**

**PenderFund Capital Management Ltd. Completes Acquisition of  
Vertex One Asset Management Inc. Mutual Funds**

**VANCOUVER, B.C.** PenderFund Capital Management Ltd. (“**Pender**”) today announced that it has completed its previously announced acquisition of certain investment management fund contracts from Vertex One Asset Management Inc. (the “**Transaction**”), which will add three new funds to the Pender fund lineup:

- **The Pender Enhanced Income Fund:** formed on the merger of the Vertex Growth Fund and the Vertex Fund with the former Vertex Enhanced Income Fund, will be offered publicly pursuant to a simplified prospectus (the “**Simplified Prospectus**”);
- **The Pender Value Fund II:** formerly the Vertex Value Fund, will also be offered pursuant to the Simplified Prospectus; and
- **The Pender Partners Fund:** formerly the Vertex Managed Value Portfolio, will be offered privately pursuant to prospectus exemptions.

“We look forward to continuing to build upon the wonderful legacy of Vertex One Asset Management,” said David Barr, President & CEO of Pender. “As an ideas-driven boutique investment firm, we focus on adding value to client portfolios by looking at parts of the market that are overlooked by larger firms.”

“It has been six months since we started working with PenderFund Capital Management, and we continue to be incredibly impressed by Pender's dynamic approach to value investing and consistent performance, as well as by the genuine culture of integrity found across the firm”, said John Thiessen, President of Vertex One Asset Management. “Most importantly, Pender takes very seriously their responsibility as stewards of their investors' wealth. We could not be happier to have Pender as a partner for our clients, and encourage you to reach out to the Pender team directly.”

The investment objectives of the Pender Enhanced Income Fund were changed to be consistent with those of the Pender Strategic Growth and Income Fund. With the potential to benefit from the Pender Enhanced Income Fund’s inherited available tax losses, the new objectives of the Pender Enhanced Income Fund will be to generate income and long-term growth in value for unit holders.

With mandates similar to our existing Pender Value Fund, the Pender Value Fund II and the Pender Partners Fund investment objectives will be reset to achieve capital growth over the long-term for unit holders, while being sufficiently diversified to mitigate volatility, and these two new funds may also benefit from their available inherited tax losses.

In addition to the changes mentioned above, a number of other changes were made concurrent with the closing of the Transaction:

- (a) The low-load sales charges option for Class B units was cancelled for each of the Vertex Growth Fund, the Vertex Value Fund and Vertex Enhanced Income Fund and all such outstanding charges were forgiven for Class B units purchased under these options that were outstanding as of the closing date of the Transaction;
- (b) the redemption charge option for Class B units was cancelled for the Vertex Growth Fund (now the Pender Enhanced Income Fund) and no sales charges were levied for Class B units purchased under this option that were outstanding as of the closing date of the Transaction;
- (c) the name of Class B of the Vertex Value Fund (now the Pender Value Fund II) was changed to “Class A” and the management fee for all classes of such fund was reduced by 0.10%;

- (d) the name of Class A and Class B of the Vertex Managed Value Fund (now the Pender Partners Fund), were changed to Class F2 and Class A, respectively and the management fee for the [new] Class A and Class F of such fund was reduced by 0.10%;
- (e) the management fee for Classes B and F of each of the Vertex Fund and the Vertex Growth Fund (collectively now the Pender Enhanced Income Fund) was reduced by 0.25%;
- (f) the management fee for Class B units of the Vertex Enhanced Income Fund (now the Pender Enhanced Income Fund) increased by 0.25%;
- (g) Class A of the Vertex Enhanced Income Fund (now the Pender Enhanced Income Fund) was combined with Class F and Class B of such fund was renamed Class A;
- (h) the trust agreement of each Fund was amended to permit the trustee on behalf of the Fund to allocate capital gains it realized to fund a redemption to redeeming unitholders; and
- (i) the method in which certain operating expenses are charged to each Fund was replaced with a fixed-rate administration fee.

Further, the auditor of each Fund will be changed from PricewaterhouseCoopers LLP to KPMG LLP effective on or about January 1, 2020.

Additional details regarding the transaction, the mergers and the other changes affecting the former Vertex Value Fund, Vertex Enhanced Income Fund and the Vertex Growth Fund will be set out in amendments to the Simplified Prospectus, Annual Information Form and Fund Facts, which will be available at [www.sedar.com](http://www.sedar.com).

#### **About PenderFund Capital Management Ltd.**

Pender was founded in 2003 and is an independent, employee-owned investment firm located in Vancouver, British Columbia. Our goal is to protect and grow wealth for our investors over time. We have a talented investment team of expert analysts, security selectors and independent thinkers who actively manage our suite of niche investment funds, exploiting inefficient parts of the investing universe to achieve our goal. Please visit [www.penderfund.com](http://www.penderfund.com).

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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 Pender 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 Pender's expectations, estimates, forecasts and projections and include, without limitation, statements Pender'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, Pender's ability to successfully integrate the funds acquired in the Transaction, realization of any tax loss benefits and the factors discussed under the heading "Risk Factors" in Pender's annual information form available at [www.sedar.com](http://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, Pender assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.