



**NOTICE OF SPECIAL MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

on behalf of

PENDERFUND CAPITAL MANAGEMENT LTD.

for unitholders of

PENDER US ALL CAP EQUITY FUND

to be held on

May 20, 2021

commencing at 9:00 a.m. (Vancouver time)

in a virtual-only format via live audio conference call

April 23, 2021

April 23, 2021

Dear Unitholder:

Accompanying this letter you will find a package of materials relating to the special meeting (the “**Meeting**”) of the unitholders of the Pender US All Cap Equity Fund (the “**Fund**”), whose units you hold.

Out of an abundance of caution, to proactively deal with potential issues arising from the unprecedented public health impact of Coronavirus Disease 2019, the Meeting is scheduled to take place in a virtual-only format conducted via live audio conference call at 9:00 a.m. (Vancouver time) on May 20, 2021.

The enclosed documents contain important details in connection with the proposed changes in respect of the Fund’s fundamental investment objectives, as described below. As such, we ask for your support, and recommend that you vote **IN FAVOUR** of the Proposal (as defined below).

PenderFund Capital Management Ltd. (“**Pender**”), the manager of the Fund, operates with the goal of protecting and growing wealth for its investors over time. To achieve this, Pender seeks to understand the quality of a business or security, obtain more value than it is paying for, deploy capital in flexible mandates and mitigate downside risk.

Proposed Change of Fundamental Investment Objectives

Pender is proposing to change the fundamental investment objectives of the Fund, as more particularly described in the accompanying management information circular (the “**Proposal**”). Currently, the primary fundamental objective of the Fund is to achieve capital growth over the long-term and that will not change. Set out below is a summary of the proposed changes to the fundamental investment objectives of the Fund:

- (a) The Fund invests in businesses (the “**Portfolio Companies**”) through a concentrated portfolio of securities. While most of the securities of the Portfolio Companies are listed on North American markets, the businesses of the Portfolio Companies themselves are located and carried on globally, across North America and many other countries. As such, Pender is proposing to change the description of the Fund’s investment objectives to better reflect the global nature of the Fund’s investment portfolio.
- (b) While some Portfolio Companies may pay dividends to the Fund, the investment portfolio of the Fund may not generate income for the Fund’s unitholders. Accordingly, Pender is proposing to remove from the Fund’s investment objectives the statement that the Fund aims to provide moderate income to its unitholders.
- (c) The concentrated nature of the Fund’s investment portfolio means that it may not be sufficiently diversified to mitigate volatility. As such, Pender is proposing to remove from the Fund’s investment objectives the statement that the Fund aims to be sufficiently diversified to mitigate volatility.

For further details on the proposed changes to the Fund’s investment objectives, see “*The Proposal*” in the accompanying management information circular.

Other Changes to the Fund

In connection with, and subject to, the proposed change to the Fund's investment objectives, Pender also proposes to effect the following corresponding changes to the Fund: (i) to change the name of the Fund to "Pender Global Focused Fund" in order to better reflect the global nature of the Fund's investment portfolio; and (ii) to effect certain changes to the investment strategies of the Fund in order to implement the proposed investment objectives, all as further described in the accompanying management information circular. For further details, see "*The Proposal – Implementation of the Proposal*" in the accompanying management information circular.

What are the enclosed documents?

The documents contained in this package include:

(i) Notice of Meeting of Unitholders of the Fund

This document outlines the reasons for holding the Meeting, which is being held to consider and vote on a resolution of the unitholders of the Fund to approve the Proposal.

(ii) Management Information Circular

This document explains your voting rights and sets out the procedures to be carefully followed in order to attend and participate in the Meeting to be held via live audio conference call. This document also provides you with information regarding the Proposal.

(iii) Proxy

This document can be used for voting. As a unitholder of the Fund, you are entitled to vote on the Proposal. We encourage you to exercise this right, which you can do in one of several ways in accordance with the instructions set out in the accompanying management information circular: (1) by virtually attending and voting at the Meeting of the Fund; (2) by completing the proxy, voting for or against the Proposal, signing it and returning it as instructed; or (3) by completing the proxy as indicated in (2) above and designating on the proxy another individual who can virtually attend and vote for you at the Meeting.

Provided that the Proposal is approved, Pender is proposing to implement the Proposal on or around June 29, 2021 in conjunction with the annual renewal of the Fund's continuous disclosure documents, as part of the ongoing application of the Fund manager's investment process.

We would appreciate your support for the Proposal and encourage you to either attend the Meeting virtually or to complete and return the accompanying form of proxy for the Meeting and deposit it with Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department. Alternatively, you may vote by proxy by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 (within North America) or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. Your proxy must be received by not later than 9:00 a.m. (Vancouver time) on May 18, 2021, or not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of a reconvened Meeting. For specific details, please follow the instructions contained in your form of proxy and in the accompanying management information circular. If you have any questions regarding the Proposal, please contact us by calling collect to 1-866-377-4743 or by email at info@penderfund.com.

We thank you for your consideration of the attached and for your ongoing support.

Yours sincerely,

(signed) David Barr

David Barr
Chief Executive Officer & Director
PenderFund Capital Management Ltd.

**NOTICE OF SPECIAL MEETING OF UNITHOLDERS OF
PENDER US ALL CAP EQUITY FUND
(the “Fund”)**

PenderFund Capital Management Ltd. (“Pender”), in its capacity as manager of the Fund, is writing to notify you of proposed changes to the Fund in respect of the Fund’s fundamental investment objectives (the “**Proposal**”), details of which are provided in the management information circular (the “**Circular**”) accompanying this Notice.

Currently, the primary fundamental objective of the Fund is to achieve capital growth over the long-term and that will not change. The following changes are proposed by Pender pursuant to the Proposal:

- (a) The Fund invests in businesses (the “**Portfolio Companies**”) through a concentrated portfolio of securities. While most of the securities of the Portfolio Companies are listed on North American markets, the businesses of the Portfolio Companies themselves are located and carried on globally, across North America and many other countries. As such, Pender is proposing to change the description of the Fund’s investment objectives to better reflect the global nature of the Fund’s investment portfolio.
- (b) While some Portfolio Companies may pay dividends to the Fund, the investment portfolio of the Fund may not generate income for the Fund’s unitholders. Accordingly, Pender is proposing to remove from the Fund’s investment objectives the statement that the Fund aims to provide moderate income to its unitholders.
- (c) The concentrated nature of the Fund’s investment portfolio means that it may not be sufficiently diversified to mitigate volatility. As such, Pender is proposing to remove from the Fund’s investment objectives the statement that the Fund aims to be sufficiently diversified to mitigate volatility.

Additional details regarding the Fund are set out in the simplified prospectus of the Fund dated June 25, 2020, annual information form and fund facts for the Fund, which are available at www.penderfund.com or at www.sedar.com.

NOTICE IS HEREBY GIVEN that Pender, as manager of the Fund, will hold a special meeting of the Fund’s unitholders (the “**Meeting**”) for the following purposes:

- (a) to consider and, if thought fit, to pass a resolution approving the change of the investment objectives of the Fund, the full text of which is set forth as Schedule “A” to the Circular (the “**Proposal Resolution**”); and
- (b) to transact such other business for the Fund as may properly come before the Meeting or any adjournments, postponements or continuances thereof.

The Meeting will be held virtually via live audio conference call, on May 20, 2021 at 9:00 a.m. (Vancouver time). The Circular and a form of proxy accompany this Notice.

IMPORTANT NOTICE

Out of an abundance of caution, to proactively deal with potential issues arising from the unprecedented public health impact of Coronavirus Disease 2019, the Meeting is scheduled to take place in a virtual-only format conducted via live audio conference call. **As such, unitholders of the Fund will not be able to attend the Meeting in person and the Fund strongly encourages all unitholders who wish to attend**

and participate in the Meeting to carefully follow the procedures described in the Circular to ensure they can attend and participate in the Meeting via live audio conference call.

Voting

Unitholders of the Fund holding in aggregate one or more whole units of the Fund and duly appointed proxy holders may participate in the Meeting via a live teleconference. Specifically, such unitholders and duly appointed proxy holders who have properly pre-registered prior to the Meeting as outlined below, will be able to ask questions of management of Pender, as manager of the Fund, via the live teleconference at the conclusion of the Meeting. All other unitholders and stakeholders can attend the Meeting as a guest via teleconference without pre-registering as outlined below, but will not be permitted to ask questions at the conclusion of the Meeting. **All unitholders of the Fund who are entitled to vote at the Meeting are strongly encouraged to cast their vote by submitting their completed form of proxy prior to the Meeting as described in the Circular.**

Only unitholders of record holding in aggregate one or more whole units of the Fund as of the close of business on April 19, 2021 (the “Record Date”) will be entitled to notice of and to vote at the Meeting. In order to vote during and to be permitted to ask questions at the conclusion of the Meeting, such unitholders and duly appointed proxy holders must pre-register via the following link prior to 9:00 a.m. (Vancouver time) on May 18, 2021 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time and date of the adjourned or postponed Meeting:

<http://services.choruscall.ca/DiamondPassRegistration/register?confirmationNumber=10014317&linkSecurityString=d9589cc9a>

After the pre-registration has been completed, such unitholders of the Fund and duly appointed proxy holders will be assigned a unique PIN and dial-in telephone number. It is recommended that you attempt to connect at least ten minutes prior to the scheduled start time of the Meeting.

For all other unitholders of the Fund and stakeholders wishing to attend the Meeting by teleconference, but without the ability to ask questions of management of Pender, as manager of the Fund, please dial the following toll-free or international toll number approximately ten minutes prior to the start of the Meeting and ask the operator to join the special meeting of unitholders of the Fund:

Toll-free (Canada/U.S.): +1-800-319-4610 or

Toll (international): +1-604-638-5340

If you are a unitholder of the Fund entitled to attend, participate and vote at the Meeting, you may do so via live audio conference call, provided you comply with all of the requirements set out in the Circular.

Unitholders who are entitled to vote but are unable to attend the Meeting virtually are requested to complete, date, sign and return the accompanying form of proxy for the Meeting and deposit it with Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department. Alternatively, you may vote by proxy by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 (within North America) or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. Your proxy must be received by not later than 9:00 a.m. (Vancouver time) on May 18, 2021, or not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the

commencement of a reconvened Meeting. For specific details, please follow the instructions contained in your form of proxy.

While the option is available to unitholders of the Fund who are entitled to attend and vote at the Meeting to do so via live audio conference call by following the instructions set out in this Notice and in the accompanying Circular, all such unitholders of the Fund are strongly encouraged to vote by proxy in advance of the Meeting rather than voting during the Meeting via live audio conference call.

The approval of the Proposal will require the affirmative vote of not less than a majority of the votes cast in respect of the Proposal Resolution. In order for the Meeting of the Fund to be duly constituted, a quorum must be established. Quorum for the Fund requires one or more unitholders of the Fund entitled to vote at the Meeting whether virtually or by proxy who hold, in the aggregate, at least 10 units entitled to be voted at the Meeting.

Notwithstanding the receipt of such unitholder approval, Pender may, in its discretion as manager of the Fund, decide not to proceed with, or delay, the implementation of the Proposal for any reason.

<p>Pender, as manager of the Fund, recommends that you vote <u>IN FAVOUR</u> of the Proposal Resolution.</p>

On April 19, 2021, Pender presented the Proposal to the Independent Review Committee (“IRC”) of the Fund for its review. The IRC has determined, after reasonable inquiry, that the Proposal would achieve a fair and reasonable result for the Fund, if implemented, and has provided to Pender a positive recommendation in respect of the Proposal.

DATED at Vancouver, British Columbia, this 23rd day of April, 2021.

PENDERFUND CAPITAL MANAGEMENT LTD., as manager of the Fund

(signed) David Barr

David Barr

Chief Executive Officer & Director

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MANAGEMENT INFORMATION CIRCULAR

PENDER US ALL CAP EQUITY FUND (the “Fund”)

IMPORTANT NOTICE

Out of an abundance of caution, to proactively deal with potential issues arising from the unprecedented public health impact of Coronavirus Disease 2019, the special meeting of unitholders of the Fund (the “Meeting”) is scheduled to take place in a virtual-only format conducted via live audio conference call on May 20, 2021 at 9:00 a.m. (Vancouver time).

Only unitholders of record holding in aggregate one or more whole units of the Fund as of the close of business on April 19, 2021 (the “Record Date”) will be entitled to notice of and to vote at the Meeting.

As the Meeting will take place in a virtual-only format conducted via live audio conference call, unitholders of the Fund will not be able to attend the Meeting in person and the Fund strongly encourages all unitholders of the Fund who are entitled to vote at the Meeting to do so by proxy in advance of the Meeting by following the instructions in this management information circular (the “Circular”) and the form of proxy, or, for those who are entitled to and wish to attend and participate in the Meeting, to carefully follow the procedures described in this Circular to ensure they can attend and participate in the Meeting virtually via live audio conference call.

SOLICITATION OF PROXIES

The information contained in this Circular is provided by PenderFund Capital Management Ltd. (“Pender”, “we”, “us” or “our”) in our capacity as manager of the Fund in connection with the solicitation of proxies on behalf of the Fund for use at the Meeting.

The Meeting is to be held virtually via live audio conference call on May 20, 2021 at 9:00 a.m. (Vancouver time) to consider and vote on a resolution to approve the Proposal (as defined below) described within this Circular. It is expected that the solicitation of proxies will principally be done by mail. However, the directors, officers, employees or agents of Pender may also solicit proxies personally, by telephone or by facsimile transmission. The cost of the solicitation will be borne by Pender. The Fund is not relying on the notice-and-access delivery procedures outlined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators to distribute copies of proxy-related materials in connection with the Meeting.

The approval of the resolution in respect of the Proposal will require the affirmative vote of not less than a majority of the votes cast at the Meeting in respect thereof. In order for the Meeting to be duly constituted, a quorum must be established. Quorum for the Fund requires one or more unitholders of the Fund entitled to vote at the Meeting whether virtually or by proxy who hold, in the aggregate, at least 10 units entitled to be voted at the Meeting.

Pender has engaged Computershare Investor Services Inc. (“Computershare”) as its proxy agent to receive and tabulate proxies of unitholders of the Fund. Unitholders who are entitled to vote but are unable to attend the Meeting virtually are requested to complete, date, sign and return the accompanying form of proxy for the Meeting and deposit it with Computershare at 100 University Avenue, 8th Floor,

Toronto, Ontario, M5J 2Y1, Attention: Proxy Department. Alternatively, you may vote by proxy by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 (within North America) or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. Your proxy must be received by not later than 9:00 a.m. (Vancouver time) on May 18, 2021, or not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of a reconvened Meeting. For specific details, please follow the instructions contained in your form of proxy.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors or officers of Pender. **You have the right to appoint some other person (who need not be a unitholder of the Fund) to attend or act on your behalf at the Meeting by striking out the printed names and inserting the name of such other person in the blank space provided in the form of proxy, or by completing another proxy in the proper form. To be valid, completed proxies must be received by Computershare in accordance with the instructions provided above.**

If you submit a proxy, you may revoke it in relation to any matter, provided a vote has not already been taken on that matter. You can revoke your proxy by:

- (i) completing and signing a proxy bearing a later date and depositing it as described above;
- (ii) depositing a written revocation executed by you, or by your attorney, who you have authorized in writing to act on your behalf, at the above address at any time up to and including the last business day preceding the day of the Meeting, or any postponement(s), adjournment(s) or continuance(s), at which the proxy is to be used;
- (iii) participating and voting at the virtual Meeting after carefully following the instructions set out in this Circular; or
- (iv) any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The management representatives designated in the enclosed form of proxy will vote units of the Fund for which they are appointed proxy holder in accordance with your instructions as indicated on the form of proxy.

In the absence of such direction, units of the Fund will be voted by the management representatives in favour of the Proposal Resolution (as defined below).

The enclosed form of proxy confers discretionary authority on the designated management representatives relating to amendments to or variations of matters identified in the Notice attached to this Circular and relating to other matters which may properly come before the Meeting. At the date of this Circular we are not aware of any such amendments, variations or other matters.

VOTING VIRTUALLY VIA LIVE AUDIO CONFERENCE CALL

For unitholders of the Fund or their duly appointed proxy holders who are entitled to and wish to attend and participate in the virtual Meeting, such unitholders and duly appointed proxy holders must pre-register with Chorus Call (telephone voting service provider) via the following link prior to 9:00 a.m.

(Vancouver time) on May 18, 2021 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time and date of the adjourned or postponed Meeting:

<http://services.choruscall.ca/DiamondPassRegistration/register?confirmationNumber=10014317&linkSecurityString=d9589cc9a>

After the pre-registration has been completed, such unitholders and duly appointed proxy holders will be assigned a unique PIN and dial-in telephone number. It is recommended that you attempt to connect at least ten minutes prior to the scheduled start time of the Meeting.

If you are such a unitholder of the Fund or duly appointed proxy holder and have been assigned pre-registration details by Chorus Call, you will be able to vote and submit questions during the Meeting using the assigned teleconference number and access code. **It is important that you are connected to the teleconference at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. Unitholders of the Fund should note that if they participate and vote on any matter at the virtual Meeting, they will revoke any previously submitted proxy.**

While this option is available to unitholders of the Fund, the Fund strongly encourages all unitholders of the Fund to vote by proxy in advance of the Meeting, prior to the proxy cut-off time at 9:00 a.m. (Vancouver time) on May 18, 2021, by following the instructions set out in this Circular and the form of proxy rather than voting during the Meeting via live audio conference call.

For all other unitholders and stakeholders wishing to attend the Meeting by teleconference, but without the ability to vote during the Meeting via live audio conference call or ask questions of management at the conclusion of the Meeting, please dial the following toll-free or international toll number approximately ten minutes prior to the start of the Meeting and ask the operator to join the special meeting of unitholders of the Fund:

Toll-free (Canada/U.S.): +1-800-319-4610 or

Toll (international): +1-604-638-5340.

PURPOSE OF THE MEETING

The purpose of the Meeting is to consider and, if thought advisable, adopt the Proposal Resolution to approve the proposal to change the fundamental investment objectives of the Fund, as more particularly described in this Circular (the “**Proposal**”) and to transact such other business as may come before the Meeting.

A copy of the text of the Proposal Resolution authorizing the Proposal in respect of which all unitholders of the Fund are entitled to vote is attached in Schedule “A” to this Circular.

Unitholders of the Fund may obtain, at no cost, the simplified prospectus of the Fund dated June 25, 2020 (the “**Simplified Prospectus**”), the most recent interim and annual financial statements, annual information form, fund facts and management reports of fund performance by contacting us at Suite 1830 - 1066 West Hastings Street, Vancouver, BC V6E 3X2, by email at info@penderfund.com or by telephone at 1-866-377-4743. You may also find these documents and other information about the Fund at www.penderfund.com or at www.sedar.com.

Required Unitholder Approval

In order to give effect to the resolution to approve the Proposal, as set out in Schedule “A” and described in this Circular (the “**Proposal Resolution**”), the Proposal Resolution must be approved by a majority of the votes cast at the Meeting (i.e., more than 50%). For additional information regarding your voting rights see the section of this Circular titled “*Voting Securities and Principal Holders Thereof*”.

THE PROPOSAL

Pender is proposing to change the fundamental investment objectives of the Fund as follows:

Current Fundamental Investment Objectives	Proposed Fundamental Investment Objectives
The primary objective of the Fund is to achieve capital growth over the long-term. The Fund also aims to provide moderate income to its unitholders, while being sufficiently diversified to mitigate volatility. The Fund will invest primarily in US securities but may also invest in Canadian and foreign securities.	The primary objective of the Fund is to achieve capital growth over the long-term. The Fund will invest primarily in securities listed on North American stock exchanges but may also invest in foreign and other securities.

Reasons for the Proposal and Background Information

Pender, the manager of the Fund, operates with the goal of protecting and growing wealth for its investors over time. To achieve this, Pender seeks to understand the quality of a business or security, obtain more value than it is paying for, deploy capital in flexible mandates and mitigate downside risk.

Pender is proposing to change the fundamental investment objectives of the Fund. The primary fundamental objective of the Fund is to achieve capital growth over the long-term and that will not change. Set out below is a summary of the reasons for the proposed changes to the fundamental investment objectives of the Fund:

- (a) The Fund invests in businesses (the “**Portfolio Companies**”) through a concentrated portfolio of securities. While most of the securities of the Portfolio Companies are listed on North American markets, the businesses of the Portfolio Companies themselves are located and carried on globally, across North America and many other countries. As such, Pender is proposing to change the description of the Fund’s investment objectives to better reflect the global nature of the Fund’s investment portfolio.
- (b) While some Portfolio Companies may pay dividends to the Fund, the investment portfolio of the Fund may not generate income for the Fund’s unitholders. Accordingly, Pender is proposing to remove from the Fund’s investment objectives the statement that the Fund aims to provide moderate income to its unitholders.
- (c) The concentrated nature of the Fund’s investment portfolio means that it may not be sufficiently diversified to mitigate volatility. As such, Pender is proposing to remove from the Fund’s investment objectives the statement that the Fund aims to be sufficiently diversified to mitigate volatility.

Required Approval

The Proposal is conditional upon receipt of the approval of unitholders of the Fund.

On April 19, 2021, Pender presented the terms of the Proposal to the Fund’s Independent Review Committee (“IRC”) for its review. The IRC has determined, after reasonable inquiry, that the Proposal would achieve a fair and reasonable result for the Fund, if implemented, and has provided to Pender a positive recommendation in respect of the Proposal.

Approval by unitholders of the Fund must be given by the affirmative vote of at least a majority of the votes cast at the Meeting in respect of the Proposal Resolution by or on behalf of unitholders of record of the Fund present virtually or represented by proxy at the Meeting.

Unitholders of the Fund will be asked to confirm their approval of the Proposal by voting in favour of the Proposal Resolution as set out in Schedule “A” to this Circular.

By approving the Proposal, unitholders will also be authorizing, among other things, any director or officer of Pender or of any successor manager of such Fund to do all such acts and things as may be necessary or desirable in connection with the Proposal. If the Proposal Resolution is approved, notwithstanding the receipt of such unitholder approval, Pender will be authorized, in its discretion and in its capacity as manager of the Fund, to elect not to proceed with or delay the implementation of the Proposal for any reason.

Implementation of the Proposal

If the Proposal is approved at the Meeting, it is expected that the proposed change to the fundamental investment objectives of the Fund will become effective on or around June 29, 2021 in conjunction with the annual renewal of the Fund’s continuous disclosure documents, as part of the ongoing application of the Fund manager’s investment process.

In connection with, and subject to, the proposed changes to the investment objectives of the Fund, following approval of the Proposal, Pender proposes to: (i) change the name of the Fund to “Pender Global Focused Fund” in order to better reflect the global nature of the Fund, and (ii) make the following changes to the Fund’s investment strategies in order to implement the proposed investment objectives of the Fund as contemplated by the Proposal:

Current Investment Strategies	Proposed Investment Strategies
<p>Pender will examine each potential investment for success in light of current economic and market conditions, its industry position, its current financial position, its growth potential, earnings estimates and the quality of its management. Pender intends to achieve the Fund’s investment objective by investing primarily in equity securities traded on the major US stock exchanges. The Fund may also invest in Canadian and foreign securities as well as fixed income securities; up to 100% of the Fund may be invested in foreign securities.</p> <p>When possible, the Fund will invest in a portfolio of well-managed businesses, with strong</p>	<p>Pender will examine each potential investment for success in light of current economic and market conditions, its industry position, its current financial position, its growth potential, earnings estimates and the quality of its management. Pender intends to achieve the Fund’s investment objective by investing primarily in securities traded on North American stock exchanges. The Fund may also invest in foreign and other securities, including fixed income and other investments; up to 100% of the Fund may be invested in foreign securities.</p> <p>When possible, the Fund will invest in a portfolio</p>

<p>competitive positions and the potential for significant capital appreciation. For this category of investments, the Fund is expected to be a patient, long-term investor, aiming for lower portfolio turnover and higher tax efficiency. However, finding attractively priced securities in this category tends to be rare. As a result, the Fund will be opportunistic and also consider potential securities from the much larger universe of businesses that have more general economic characteristics when those securities trade at a substantial discount to Pender's estimate of the business's fair value. Turnover will be higher for this category of investments. Above all else, when evaluating potential investments the Fund's primary objective is to acquire more value than it is paying for.</p>	<p>of well-managed businesses, with strong competitive positions and the potential for significant capital appreciation. For this category of investments, the Fund is expected to be a patient, long-term investor, aiming for lower portfolio turnover and higher tax efficiency. However, finding attractively priced securities in this category tends to be rare. As a result, the Fund will be opportunistic and also consider potential securities from the much larger universe of businesses that have more general economic characteristics when those securities trade at a substantial discount to Pender's estimate of the business's fair value. Turnover will be higher for this category of investments.</p>
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Costs of the Proposal

The Fund will not bear any of the costs and expenses associated with the Proposal. Such costs will be borne by Pender as manager of the Fund. These costs may include legal fees, proxy solicitation, printing and mailing costs and regulatory fees.

**Pender, as manager of the Fund, recommends that you vote
IN FAVOUR of the Proposal Resolution.**

MANAGEMENT OF THE FUND

Manager

Under the management agreement (the “**Management Agreement**”) between Pender and the Fund, among other funds (collectively with the Fund, the “**Funds**”), Pender is appointed as the manager of the Fund. As manager, Pender is responsible for directing the affairs and managing the business of the Fund, administering or arranging for the administration of the day-to-day operations of the Fund, including investment decisions, execution of investment orders, sales of units, maintaining records, fund reporting, voting of portfolio securities and custodial arrangements. The Management Agreement also sets forth the fees payable to Pender as manager of the Fund.

Pender's appointment as manager of the Funds continues indefinitely but may be terminated by Pender or the Funds upon giving 60 days' prior notice or such shorter notice as Pender and the Funds may agree. The Management Agreement may also be terminated by the Funds or Pender upon giving notice in writing to the other party if the other party ceases to carry on business, becomes bankrupt or insolvent, resolves to wind-up or liquidate or if a receiver of any of its assets is appointed or if the other party commits a material breach of the Management Agreement which is not remedied within 30 days of receipt of notice of such breach.

The names and municipalities of residence of Pender's directors and officers are as follows:

Name and Municipality of Residence	Position with Pender
DAVID BARR North Vancouver, BC	Director, Chief Executive Officer and Ultimate Designated Person
KELLY EDMISON Vancouver, BC	Director and Chairman of the Board of Directors
FELIX NARHI North Vancouver, BC	Director and Chief Investment Officer
GINA JONES Vancouver, BC	Chief Financial Officer, Chief Compliance Officer and Corporate Secretary
DONALD CAMPBELL Winnipeg, MB	Director

The following table sets out the persons or companies who, as at the Record Date, are owners on record of, or who own beneficially, directly or indirectly, more than 10% of any class or series of voting securities of Pender:

Name	Class of Shares	Type of Ownership	Number of Shares	% of Outstanding Shares
Arbutus Family Holdings Ltd. ⁽¹⁾	Common	Beneficial	377,300	14%
Garibaldi Venture Partners Ltd. ⁽²⁾	Common	Beneficial	1,122,600	41%
408198 BC Ltd. ⁽³⁾	Common	Beneficial	377,300	14%
Felix Narhi	Common	Direct	391,662	14%

Notes:

- (1) Arbutus Family Holdings Ltd. is a British Columbia company which is 100% owned by Kelly Edmison.
- (2) Garibaldi Venture Partners Ltd. is a British Columbia company which is 100% owned by David Barr.
- (3) 408198 BC Ltd. is a British Columbia company which is 100% owned by William Rand, a resident of British Columbia.

Other than shares of Pender held as noted above and ownership of units of the Fund, none of the above persons was indebted to or had any transaction or arrangement with the Fund since the start of the last fiscal year of the Fund.

Donald Campbell, a director of Pender, is the principal of the firm Canadian Compliance & Regulatory Law, which provides ongoing regulatory advice to Pender, as the manager of the Fund. Arbutus Family Holdings Ltd., which is 100% owned by Kelly Edmison, is a company that provides consulting services to Pender, as the manager of the Fund.

As compensation for the services that it provides to the Fund as manager, Pender receives a management and administration fee calculated in accordance with the terms of the Management Agreement. For the period of January 1, 2020 to December 31, 2020, the Fund paid management and administration fees to Pender in the aggregate amount of \$198,295 (including G.S.T./H.S.T.) and for the period of January 1, 2021 to the date of this Circular, management and administration fees were incurred in the aggregate amount of \$84,227 (including G.S.T./H.S.T.).

Portfolio Management

Pender is also the portfolio advisor of the Fund. The following table sets forth information in respect of the person employed by Pender who is principally responsible for day-to-day management of the Fund.

<u>Name and Municipality of Residence</u>	<u>Position with Pender</u>
FELIX NARHI North Vancouver, BC	Director and Chief Investment Officer

Other than ownership of units of the Fund, the above individual was not indebted to and did not have any transaction or arrangement with the Fund since the start of the last fiscal year of the Fund.

Pender, as the portfolio advisor of the Fund, makes decisions regarding the execution of portfolio transactions with respect to the cash and cash equivalent portions of the Fund, including, when applicable, the selection of markets, brokers and the negotiation of commissions. If and when effecting such portfolio transactions, the portfolio advisors place brokerage business with investment dealers and brokers on the basis of the best price and service. To the extent that the execution offered by more than one dealer or broker are comparable, the portfolio advisor may, in its discretion, determine to effect transactions with the dealers and brokers who provide research, statistical and other similar services to the Fund or to the portfolio advisor at transaction prices which reflect those services.

The Fund does not have agreements or arrangements in place with any dealer for the portfolio transactions regarding the Fund; however, the portfolio advisor for the Fund may, from time to time, receive research that it uses in connection with its management of the Fund. This research may or may not be used in connection with the management of the Fund, and is not a factor used in determining the dealers through whom it will place portfolio transactions for the Fund. The portfolio advisor for the Fund reviews each trade for the Fund to determine, among other things, whether the Fund received reasonable benefit considering the applicable research, if any is received, and the amount of brokerage commissions paid. The names of the dealer(s) that provided the Pender, in its capacity as manager of the Fund, with the services described above in connection with the portfolio transactions for the Fund during the last financial year of the Fund will be provided on request by contacting Pender at 1-866-377-4743 or at info@penderfund.com.

Other than the management and administration fees noted above, Pender receives no other compensation for the services that it provides to the Fund as portfolio advisor.

Trustee

Pender is also the trustee of the Fund (the “**Trustee**”), which is governed by the Thirteenth Amended and Restated Mutual Fund Trust Agreement dated May 25, 2020 which sets forth the terms governing the creation, operation, management and administration of the Fund, including the powers and duties of the Trustee, the attributes of the units of the Fund, procedures for purchase, exchange and redemption of units, recordkeeping, calculation of the Fund’s income and other administrative procedures.

INTEREST OF PENDER IN THE PROPOSAL

Except as disclosed in this Circular, to the knowledge of the directors and officers of Pender, no person who has been a director or officer of Pender at any time since the beginning of Pender’s most recently completed financial year, or any associate or affiliate of those persons, has any interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in the Proposal.

As described above, Pender acts as the manager, portfolio advisor and Trustee of the Fund and is responsible for managing the overall business of the Fund. As compensation for these services, Pender receives certain fees. Additional details concerning the management fees and other expenses paid by the Fund in prior years are contained in the audited annual financial statements of the Fund.

None of the insiders of Pender is paid or otherwise compensated or reimbursed for expenses by the Fund. The Fund has not paid, and is not obligated to pay, any remuneration to any director or officer of Pender.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at the Record Date, the Fund had the following numbers of issued and outstanding units:

	Number of Units Issued and Outstanding
Class A Units	378,751
Class A (US\$) Units	17,385
Class D Units	81,278
Class E Units	135,775
Class F Units	362,910
Class F (US\$) Units	11,162
Class H Units	40,485
Class I Units.....	17,232
Class N Units	500
Class N (US\$) Units	501
Class O Units	708,366
TOTAL	1,754,345

Unitholders of the Fund are entitled to one vote for each whole unit held. Holders of units of record on the Record Date who hold in aggregate one or more whole units of the Fund will be entitled to vote at the Meeting, except to the extent that: (a) such units are redeemed prior to the Meeting or (b) a transferee of units after the Record Date complies with the required procedures in order to qualify to vote the transferred units and all documentation necessary to transfer the units on Pender’s records as manager of the Fund is received by Pender by not later than five days before the date of the Meeting. If your units were transferred to you from another holder after the Record Date (for example, in the case of the death of a holder), you should contact your investment advisor to determine the documentation necessary to transfer the units on Pender’s records as manager of the Fund. You will only be able to vote the transferred units after the transfer has been recorded on Pender’s records.

In order for the Meeting to be duly constituted, a quorum must be established. Quorum for the Fund requires one or more unitholders of the Fund entitled to vote at the Meeting whether virtually or by proxy who hold, in the aggregate, at least 10 units entitled to be voted at the Meeting.

Other than as disclosed below, to the knowledge of the directors and executive officers of Pender, as manager of the Fund, as of the Record Date, no person or company beneficially owns, directly or

indirectly, or exercises control or direction over, more than 10% of the voting rights attached to the units of any class of the Fund entitled to be voted at the Meeting. As of the Record Date, Pender does not hold units of the Fund.

Class of Units	Name of Unitholder⁽¹⁾	Type of Ownership	Number of Units	Percentage of Outstanding Units of the Class of Units
Class A (US\$)	Individual Investor 1	Direct	5,644	32%
Class A (US\$)	Individual Investor 2	Direct	2,171	12%
Class A (US\$)	Individual Investor 3	Direct	1,990	11%
Class A (US\$)	Individual Investor 4	Direct	1,902	11%
Class A (US\$)	Individual Investor 5	Direct	1,820	10%
Class E	Felix Narhi	Direct	77,080	57%
Class E	Kelly Edmison	Direct	20,589	15%
Class F	Company Investor 1	Beneficial	168,604	46%
Class F (US\$)	Kelly Edmison	Direct	7,961	71%
Class F (US\$)	Individual Investor 6	Direct	2,021	18%
Class F (US\$)	Individual Investor 7	Direct	1,179	11%
Class H	Individual Investor 8	Direct	8,148	20%
Class H	Individual Investor 9	Direct	6,945	17%
Class H	Individual Investor 10	Direct	6,618	16%
Class H	Individual Investor 11	Direct	6,159	15%
Class H	Individual Investor 12	Direct	6,105	15%
Class H	Individual Investor 13	Direct	6,011	15%
Class I	Kelly Edmison	Beneficial	8,565	50%
Class I	Individual Investor 14	Direct	8,167	47%
Class N	Felix Narhi	Direct	500	100%
Class N (US\$)	Felix Narhi	Direct	501	100%
Class O	Company Investor 2	Beneficial	391,387	55%

Class O	Pender Partners Fund	Direct	316,979	45%
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Notes:

(1) Due to privacy reasons, the names of certain unitholders have been omitted. Such information is available on request by contacting Pender at 1-866-377-4743 or info@penderfund.com.

As of the Record Date, the directors and executive officers of Pender hold, directly or indirectly, in the aggregate: (a) 8.5% of the outstanding 1,754,345 units of the Fund; and (b) other than as disclosed below, no outstanding voting or equity securities of any person or company that provides services to the Fund or Pender.

Arbutus Family Holdings Ltd., which is 100% owned by Kelly Edmison, is a company that provides consulting services to Pender, as the manager of the Fund.

AUDITOR

The auditor of the Fund is KPMG LLP, Chartered Professional Accountants, located at PO Box 10426 777 Dunsmuir Street, Vancouver BC V7Y 1K3.

ADDITIONAL INFORMATION

Additional information regarding the Fund is contained in the Simplified Prospectus, annual information form, interim and annual management reports of fund performance and annual audited and interim unaudited financial statements for the Fund. You may obtain a copy of the annual information form for the Fund and its most recent interim and annual financial statements and management reports of fund performance by contacting us at Suite 1830 - 1066 West Hastings Street, Vancouver, BC V6E 3X2, by email at info@penderfund.com or by telephone at 1-866-377-4743. You may also find these documents and other information about the Fund at www.penderfund.com or at www.sedar.com.

CERTIFICATE

The contents of this Circular and the sending of this Circular to the unitholders of the Fund have been approved by the board of directors of Pender, as manager of the Fund.

DATED at Vancouver, British Columbia this 23rd day of April, 2021.

PENDERFUND CAPITAL MANAGEMENT LTD., as manager of the Fund

(signed) David Barr

David Barr
Chief Executive Officer & Director

SCHEDULE "A"

PROPOSAL RESOLUTION

BE IT RESOLVED THAT:

1. the change to the fundamental investment objectives of Pender US All Cap Equity Fund (the "**Fund**") to the following, as described in the management information circular of the Fund dated April 23, 2021 (the "**Proposal**"), is authorized and approved:

"The primary objective of the Fund is to achieve capital growth over the long-term. The Fund will invest primarily in securities listed on North American stock exchanges but may also invest in foreign and other securities."

2. PenderFund Capital Management Ltd. ("**Pender**"), as the manager of the Fund, and any successor manager of the Fund, be and are each hereby authorized to revoke this resolution or elect not to proceed with, or delay the implementation of, the Proposal, as the case may be, in each case for any reason whatsoever in their sole and absolute discretion, without further approval of the unitholders of the Fund, at any time prior to the implementation of the Proposal; and
3. any director or officer of Pender and of any successor manager of the Fund is authorized and directed to execute or cause to be executed and to deliver or cause to be delivered, all such documents, agreements and instruments and to do or cause to be done all such other acts and things as such director or officer shall determine to be necessary or desirable in order to carry out the intent of or in connection with the Proposal or the foregoing resolutions and the matters authorized thereby, including any amendments to, or novations of, any document, agreement or instrument, including without limitation the trust agreement governing the Fund, such determination to be conclusively evidenced by his or her execution and delivery of such document, agreement or instrument or the doing of any such act or thing.