PENDER
GLOBAL FOCUSED FUND

THE MANAGER'S COMMENTARY

"Every past decline looks like an opportunity; every future decline looks like a risk." - Morgan Housel

Fellow unitholders,

In this commentary we cover:

- Popularity Cycles
- Pessimism – What (else) could go wrong?
- Optionality – What could go right?
- Commentary on Zillow Group, Inc. (ZG), Stitch, Fix Inc. (SFIX), and Baidu, Inc. (BIDU)

The Pender Global Focused Fund (PGFF) was down 8.4%[1] for the quarter ending September 30. On a year-to-date basis, PGFF was up 6.0%. The long-term performance of PGFF remains solid with a 5-year annualized return of 16.3%. The primary objective of the Fund is to grow capital at a healthy, double-digit pace over the long-term.

The third quarter's decline was disappointing, and unfortunately this has carried over into the fourth quarter. There has been a sea-change in the narrative for several of our holdings recently. Many of the Fund's core holdings that were market favourites earlier this year have become unpopular as we near the end of the year. For the most part, the businesses themselves have changed far less over the past year than their volatile market prices.

Overall, investors have been favouring American tech mega caps again, which are underrepresented in this mandate. Some of the Fund's holdings posted modest gains in the quarter thanks to their popularity as "reopening beneficiaries", but not enough to offset some weak performance that came primarily from two categories of holdings.

First, the Fund was hit by the significant correction for smaller tech growth names, which had run up earlier in the year. This disproportionately impacted the Fund's core holdings of Zillow, Stitch Fix, and PAR Technology Corporation (PAR), which contributed 5.1% of the decline. This weakness has continued into the fourth quarter. There have been some company-specific challenges, particularly with Zillow and Stitch Fix, which reflects much of the retreat from the heights in the spring. However, we believe their valuations have fallen to extremes again and are attractive today.

Second, the Fund's Chinese tech holdings were significant detractors due to heighted regulatory scrutiny, worries of a slowing Chinese economy and deteriorating investor sentiment. Specifically, our Chinese tech holdings in Baidu, Alibaba Group Holding Limited (BABA) and JD.com, Inc. (JD), collectively detracted 3.8% from the third quarter's performance. We believe China tech has become one of the most undervalued corners of the global market, with many one-of-a-kind world class tech companies trading at wide discounts relative to their better-understood Western peers. Investors did not get this pessimistic overnight and we have no insight into when this might

Total Holdings	**23**
Top 10 Holdings	68.8%
Burford Capital Limited	11.4%
Baidu, Inc.	8.0%
Stitch Fix, Inc.	7.4%
Zillow Group, Inc.	7.1%
JD.com, Inc.	6.9%
KKR & Co. Inc.	6.6%
PAR Technology Corporation	6.4%
Nintendo Co., Ltd.	5.5%
MicroStrategy Incorporated	5.4%
Square, Inc.	4.1%

[1] All Pender performance data points are for Class F of the Fund. Other classes are available. Fees and performance may differ in those other classes.

reverse. But reverse we believe it eventually will. If investors start to sense that the worst of the business risk is behind them, we believe these stocks have plenty of room to run on the upside.

During the quarter, we initiated a position in ASOS Plc (ASOMF), a fast-growing British online apparel retailer which caters to a loyal, young client base and has demonstrated consistently strong unit economics. The stock had been cut almost in half from its 2021 highs and trades at a depressed valuation due to some recent disappointments, which we believe will prove temporary. We believe the business could begin to see an inflection point in margins and free cash flow as its investments in its global warehouse footprint, its new software management platform for end-to-end product management fully rolls out, and its recently acquired brands begin to pay off.

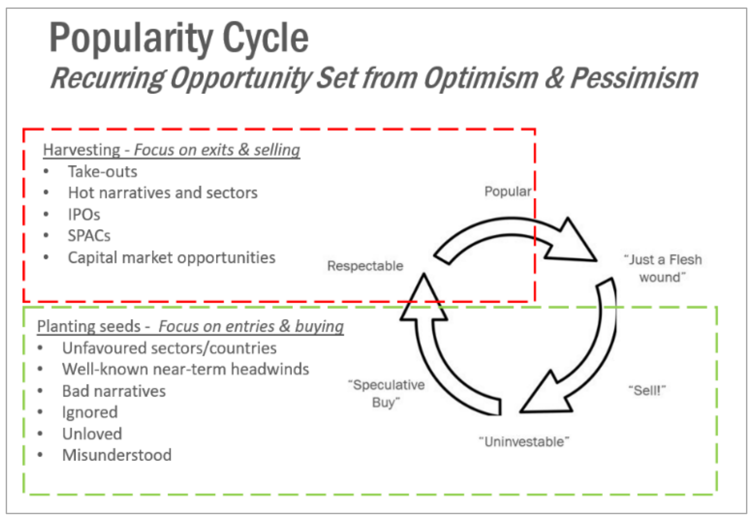
The popularity cycle

"There are no bad days in the market. When the market is down, you've got bargains, and it's lovely to think of what you are buying at low prices. When the market is up, the bargains have gone, but you're rich." — Bruce Greenwald

In the long run, fundamentals matter. But for all the talk of long-termism, most investors are more interested in the recent path of the stock price than what a business might be worth in five years. The popularity cycle matters far more in the short run.

In good times, animal spirits take over and favourable recent results get extrapolated well into the future. At the top of the cycle, stocks *feel* like they are a "sure thing". You feel rich and smart.

In challenging times, fear takes over and unfavourable trends get forecast well into the future. At the bottom of this popularity cycle, stocks *feel* the riskiest. You grow tired of seeing the market quote sinking and you just *know* the stock is un-investible. But from a fundamental perspective, real risk is often lowest at this point of the cycle and the potential reward is at its highest.



Pessimism – What (else) could go wrong?

The most common cause of low stock prices is pessimism. During such times, we believe investors systematically underestimate two persistent forces which tend to move the pendulum back to optimism again, and subsequently higher stock prices: *1) Mean reversion and 2) The capacity of strong management teams to learn from failures, alter their course as needed and adapt to challenging conditions*.

Good times don't last forever, but neither do bad times. The current global supply chain-related issues are serious, but not permanent. Millions of employees around the world are working hard to find solutions. Stocks with "worse than expected" outlooks due to supply chain issues will likely move higher over the course 2022 as these temporary concerns fade and optimism returns.

Creating value frequently requires managers to experiment with new business initiatives that are risky. Many such endeavours, if not most, will fail or need some adjustment. Management's ability to deal with periodic failure and regroup is a necessary part of creating anything new and worthwhile. Tough times bring out the best in strong leaders who are constantly adjusting to changing market dynamics. We make allowances for some bumps along the way when we believe issues should prove temporary, or ultimately navigable by capable management teams.

Recurring bouts of optimism and pessimism drive stock prices in the short term. Every business will have real challenges from time to time, which feeds into the negative feedback loops of popularity cycles. The quandary investors face is figuring out whether the problems are small and fleeting, or more systemic and unsolvable in nature. The nuanced difference between whether the problem is temporary and fixable, or permanent and unsolvable, is where some of the greatest opportunities can be found.

We typically establish our initial position during a period of significant pessimism – either broad market-driven or company-specific. Below is a table of the Fund's top ten holdings at the end of the third quarter. We have included the *month we first bought our core holding* and *initial price paid*. Eight of the ten holding were initially bought in when they were in their own bear markets, or down more than 20% from their respective previous highs. The narratives were generally terrible, but we felt the long-term business prospects and valuations were particularly compelling.

How it started (for each individual holding)

Illustration purposes only				Planting Seeds in Pessimistic Times		
Company	Ticker	Month first core position purchased	Price at initiation	Type of pessimism	Month of previous high	Decline from previous high at initiation
Burford Capital Limited	NYSE:BUR*	Feb-20	$ 7.83	Company specific	Aug-18	-70%
Baidu, Inc.	NASD:BIDU	Mar-17	$ 173.16	Company specific	Nov-14	-29%
Stitch Fix, Inc.	NASD:SFIX	May-20	$ 16.41	Broad market	Sep-18	-68%
Zillow Group, Inc.	NASD:Z	Dec-18	$ 28.77	Broad market	Jun-18	-56%
JD.com, Inc.	NASDAQGS:JD	Aug-18	$ 31.63	Company specific	Jan-18	-37%
KKR & Co. Inc.	NYSE:KKR	Dec-18	$ 21.39	Broad market	Sep-18	-24%
PAR Technology Corporation	NYSE:PAR	May-19	$ 24.76	n/a	May-19	-12%
Nintendo Co., Ltd.	NYSE:NTDOY	Mar-21	$ 77.07	n/a	Feb-21	-5%
MicroStrategy Incorporated	NASD:MSTR	Oct-20	$ 163.77	Company specific	Aug-15	-25%
Square, Inc.	NYSE:SQ	Apr-20	$ 61.95	Broad market	Sep-18	-37%

** Initial LN:BUR stake bought at 599.83 translated at USD1.305/GBP*

Source: Pender, AlphaDesk

Below is the table outlining performance until the end of the third quarter 2021 from those initial prices. Post quarter-end, there have been a few notable drawdowns, Zillow and Stitch Fix, which we will cover later. But the returns from those gloomy times have been strong for most of the Fund's top ten holdings.

How it is going (performance of holding relative to price at initiation)

Illustration purposes only					Excluding dividends	
Company	Ticker	Month first core position purchased	Price at initiation	Q321 Closing Price**	Return (USD)	Annualized (USD)
Burford Capital Limited	NYSE:BUR*	Feb-20	$ 7.83	$ 10.99	40%	24%
Baidu, Inc.	NASD:BIDU	Mar-17	$ 173.16	$ 153.75	-11%	-3%
Stitch Fix, Inc.	NASD:SFIX	May-20	$ 16.41	$ 39.95	144%	90%
Zillow Group, Inc.	NASD:Z	Dec-18	$ 28.77	$ 88.14	206%	50%
JD.com, Inc.	NASD:JD	Aug-18	$ 31.63	$ 72.24	128%	31%
KKR & Co. Inc.	NYSE:KKR	Dec-18	$ 21.39	$ 60.88	185%	45%
PAR Technology Corporation	NYSE:PAR	May-19	$ 24.76	$ 61.51	148%	47%
Nintendo Co., Ltd.	NYSE:NTDOY	Mar-21	$ 77.07	$ 59.25	-23%	-37%
MicroStrategy Incorporated	NASD:MSTR	Oct-20	$ 163.77	$ 578.40	253%	304%
Square, Inc.	NYSE:SQ	Apr-20	$ 61.95	$ 239.84	287%	159%

** Initial LN:BUR stake bought at 599.83 translated at USD1.305/GBP*

*** PGFF is a weekly priced Fund. Q321 closing price as of Sept 24, 2021.*

Source: Pender, AlphaDesk

While we aim to be patient with a core compounder[2] holdings, we trade tactically around the core from time to time. This activity reflects opportunism around the recurring "rerating" cycle of stocks which drives returns over the short term. Everyone has different strategies when it comes to investing. Our strategy, or investment philosophy, is to obtain more business value than we are paying for. We also have a different time horizon than some other market participants. We act when we see dislocations in value based on our thesis.

There have been particularly extreme swings in the market price of several of our holdings over the past eighteen months. We welcome volatility because it is helpful when de-risking a core position. For example, from a lifetime trading perspective in the Fund, we have taken more capital out of MicroStrategy Incorporated (MSTR), Block, Inc. (formerly Square) (SQ) and Texas Pacific Land Corporation (TPL) than we put in. From a mental accounting perspective, only "house money" is left on the line. These three compounders still accounted for 11% of the Fund in aggregate at the end of the quarter. All three have exceeded our initial base cases, but still have the potential optionality that is possible in our higher-end bull case scenarios.

You might sensibly ask why we trim in favourable times but are reluctant to sell our entire position when they appear pricey. *Sometimes, in hindsight, we wonder that ourselves*. But it is partly because we are trying to protect future potential gains that might come from new corporate initiatives still in the early innings of their value creation journey. Investors get shaken out of great stocks all the time. Sometimes people sell after a quick run and miss the much bigger returns they could have had if they had been more patient. Still another recurring theme is the periodic market drawdowns and depressing headlines that push investors out of the potential compounders they should continue to hold.

Extraordinary managers in advantaged businesses tend to find new ways to grow and unlock optionality. This quality is hard to assess with any precision quantitatively, but is nevertheless a key factor that pushes stocks to new record levels over time.

Optionality – What could go right?
We believe much of the market's inefficiency resides in the potential business value that is created in time horizons beyond five years. Most of the market's attention is focused on the next quarter or two, or perhaps the next few years at the most. It is rare to have a view extending five years or longer. In our experience, competition for potentially valuable insights is scarcer when time horizons are extended, especially in pessimistic times when most market participants ask themselves "*what (else) could go wrong?"* and relatively fewer wonder *"what could go right?".*

In our experience, the market frequently underestimates the potential value creation that comes from new business lines, product or category expansions, business evolutions and even geographic expansions driven by ambitious management teams, particularly in leading innovation-driven companies. Such initiatives often represent underappreciated "optionality". When unleashed in the future as major new sources of visible business value, they cease to be "hidden" and can drive outperformance[3].

Sometimes the optionality is not truly hidden. But it can appear that way to market participants focused on catalysts they are expecting will drive stocks lower or higher in the coming quarters. Admittedly, even if one is directionally right about the opportunity, getting the timing right is challenging. Still, it is

[2] Compounders, or companies that we believe can build business value at a mid-teen annualized pace or better for an extended period of time, accounted for 78% of the Fund at the end of the third quarter. Enduring business value in such companies is built up over years and decades, not quarters. It is easy to lose perspective when price action fluctuates so wildly in response to the results of the past ninety days and what that might mean for the next ninety days. It is important not to forget that whatever happened in any given quarter was often the result of plans initiated years ago.

[3] A few examples in the Fund include Block (formerly Square), where the Cash App ecosystem's "hidden" potential was fully unleashed during Covid-19, JD.com, which developed and monetized JD Health, JD Digits, and JD Logistics over the last few years, and MicroStrategy which became the first publicly traded company to adopt Bitcoin as its primary treasury reserve asset.

striking how often we read a research report on a stock that is down by a lot and the author downgrades it from a ‘buy’ to a ‘hold’. “Stepping to the sidelines” is recommended for now because a payoff might not happen in the next quarter or two. They acknowledge that the upside for patient investors could ultimately be quite large, but near-term, they expect the stock to be dead money pending better visibility.

On Wall Street, a lack of visibility is often substituted for uncertainty, which is sometimes confused with risk. Risk and uncertainty are not always the same thing. Gloomy market conditions commonly cause well-capitalized stocks to fall to such low levels that fundamental risk is low, but the timing of a potential recovery is uncertain. We speculate that a lot of performance has been left on the table by investors avoiding such cheap, but “dead money” stocks. We are less worried about getting the timing right, so long as the fundamental downside risk is low according to our research, and we see decent upside within a reasonable period.

A business that doubles in value over five years works out to a 15% annualized pace. A double in value over four years equates to 19% per year. We don’t mind waiting if the timing of attractive mid-teens annualized returns is lumped entirely at the end of year four or five. Our due diligence has paid off a few times when the optionality was recognized by the market soon after we established our position. Whereas with some other holdings, we have been patiently waiting for the stock to move. We view stocks like that as coiled springs with pent up energy to be unleashed one day.

The great thing about optionality is that it is not typically priced in during pessimistic times, so if it doesn’t work out as expected, there is still something valuable to fall back on. We want to focus on two core holdings where big business initiatives have not worked out as expected and provide some context on how we think about them now: Zillow and Stitch Fix.

Zillow – The iBuyer optionality setback
Zillow is a founder-led, mission-driven organization serving the full lifecycle of home ownership, from owning and living in a home to selling it. It controls, by far, the largest and most influential online consumer-focused platforms in the real estate industry. We first bought Zillow at around $29 in December 2018 during a broad market sell off. We reasoned that we were paying a fair price for the core advertising business (IMT), which connects real estate professionals to consumers, and getting potential optionality from the newly launched Zillow Offers (ZO) for free. Zillow Offers was the company's “iBuyer”, or instant-buyer arm, purchasing homes from interested sellers within days, doing modest renovations, and reselling them to buyers.

We theorized that Zillow had a potential edge over other iBuyers because it already had a massive audience coming to its sites daily and it had a profitable core business which could help fund this ambitious initiative. In a best-case scenario, we envisioned Zillow could be the end-game iBuyer winner, with attractive bundled unit economics and a sizeable share of the industry’s profit pool, which would lead to significant share price appreciation.

For the first few years, ZO progressed better than expected. The management team admirably navigated through a chaotic and dislocated housing market during the early days of the pandemic. It was clear they were fully committed to a long-term approach. The business model needed scale to be profitable, but momentum was building and any initial start up losses were largely in line with management’s expectations. But in the fall of 2021 that narrative fell apart. Company executives suddenly faced an outlook that was far worse than imagined months earlier.

In early November, co-founder and CEO Rich Barton made a stunning announcement that the company would be winding down its ZO operations after suffering heavy losses in the quarter despite a solid housing market. Barton said that *“we determined that further scaling up Zillow Offers was too risky, too volatile to our earnings and operations, too low of a return on equity opportunity and too narrow in its ability to serve our customers.”* We were surprised and disappointed by this unexpected turn of events.

Despite the promising start, our best-case scenario did not materialize. Barton and his team have worked hard to mitigate the inevitable fall out. Better-than-expected progress has already been made in winding down ZO, which should be *"at least cash flow-neutral in the aggregate"* and concluded in 2022. It is refocusing on its promising asset light core business (IMT). The silver lining for the stock is that IMT has materially overdelivered on its targets. In 2018, that segment reported $240 million in adjusted pre-tax earnings (EBITDA). At the time, the management team set an IMT profitability target of $600 million between 2021 to 2023. This segment is on pace to hit $833 million this year, or 138% of their target!

The stock has roughly doubled since we bought it three years ago which we consider to be a great outcome. The optionality from Zillow Offers may no longer be there, but the stock performed well because we initially bought at a low valuation during a pessimistic time and the core IMT business has outperformed. This has more than offset the ZO setback. If history is a guide, we expect Barton and his team to regroup and come back even stronger with the learnings from ZO used as building blocks for future initiatives. Zillow remains a core compounder holding.

Stitch Fix – Good to great optionality

Stitch Fix is an innovative online apparel retailer with a focus on personalizing the shopping experience. We first purchased the stock at under $17 in May 2020 amidst the brutal bear market sell off during the early-stage pandemic fears. We reasoned that we were paying a low valuation for the proven niche "Fix" business which would recover as conditions normalized, with sizeable potential optionality from its new Direct Buy initiatives which could increase its market penetration and improve profitability[4]. The stock has been on a wild roller coaster ride, including a parabolic spike on "meme" euphoria earlier this spring and a round trip back recently to near-pandemic lows.

The Direct Buy business, recently renamed "Freestyle", has only been available to non-core Stitch Fix clients since August 2021. Results have been mixed. Freestyle has been a notable success with existing clients so far, but disappointing from the viewpoint of attracting new clients. From a fundamental perspective, we think it is far too early to write off the Freestyle optionality. The company is adding new national brands to broaden its inventory selection, optimizing new onboarding experiences to lower friction for new clients and experimenting with new sales channels as it attempts to crack the code on this huge new opportunity. Investors may be underestimating the ability of the management team to learn and adapt.

The company's legacy niche "Fix" client business is quite healthy. In the six quarters since we have owned the stock, the active client base has increased 21%, net revenue per active client has increased 5% and trailing four-quarter sales have risen 26%. We estimate this growth is 2-3x greater than the sector in the US over the same period[5]. Despite this progress, the stock has completed a full loop on the popularity cycle and is once again trading at depressed valuation levels. The difference is that we now know that the Freestyle product-market fit is a hit with core clients. We see no reason why it couldn't be appealing to a much larger audience down the road. Sometimes big new initiatives take more than a quarter or two to get right. We view the stock as a *"heads I don't lose that much, tails I win a lot"*. It is mispriced in our view, even as a niche online apparel retailer. Should the company be successful in its transition from good to great, we could see substantial upside.

China tech – Danger or opportunity?

It has been said that in the Chinese language, the word "crisis" is composed of two characters, one representing danger and the other, opportunity. That is an apt description for investing in China today. Investors are worried about the extent of the current regulatory crackdown, the confrontation between the United States and China and the potential risk of Chinese firms being delisted from American markets.

Pessimism is pervasive. Chinese stocks are having an 'annus horribilis'. Those leaning towards the 'danger' camp believe these issues make China "un-investable". Others believe today's crisis has set up

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[4] Stitch Fix sends new clients a selection of sight-unseen clothing items when they request a "fix" based on information obtained from a client survey, augmented by human stylists and their algorithms. Direct Buy, or Freestyle, allows clients to see their apparel matches in advance before they are shipped.

[5] https://fred.stlouisfed.org. Advance Retail Sales: Clothing and Clothing Accessory Stores, Seasonally Adjusted

an historic opportunity to invest in one-of-a kind, world-class companies at ultra-low valuations. Spoiler alert: We lean more towards the later camp.

We believe western bias remains a common source of misinterpretation and misunderstanding in a country that is complex, multifaceted and not easily defined. A common theme relates to the viability of the variable interest entity (VIE) structure[6] and risk of audit oversight in the US. In early December, a spokesperson for the China Securities Regulatory Commission (equivalent of the SEC in the US) clarified that news of VIE delisting is "misunderstood and misinterpreted". In fact, the CSRC noted several Chinese companies were looking to list in the US. It also reported it was in ongoing, constructive communication with its US regulatory counterparts to resolve the current audit oversight issues and that it "has made positive progress on several important issues"[7]. We believe the potential for a pragmatic resolution to these issues is high[8].

That said, *capitalism with Chinese characteristics* is different from our more familiar western version. Appreciating the role of government and the importance of adapting to work under its rules has always been part of the deal for operating in China. The government's recent 5-year plan revealed ambitious growth aspirations, including a further runway for e-commerce[9]. However, different parts of the economy will get higher priority. Some regulations are changing, and incentives are shifting. Business leaders are already adapting to this new equilibrium. In this new world, Baidu is expected to be a relative beneficiary as Beijing is supportive of diversification from consumer tech to hard tech. Both Baidu and JD should benefit, because some of the monopolistic practices of Alibaba and Tencent are being curtailed[10].

We do not have any unique analytical insights into Chinese politics, and we don't know how geopolitical tensions might be resolved. However, we do have some strongly held views on investor psychology, which may be relevant here. In short, pervasive pessimism is unlikely to be a permanent condition, but creates exceptional opportunities.

Baidu – AI optionality

We initially bought our core holding Baidu, considered to be the Google of China in March 2017 in the low $170s. In a nutshell, we believed the company's stable search core business and modest valuation provided some foundational downside support for the stock. We also believe that if executed well, there is optionality stemming from numerous new AI initiatives, including Baidu AI Cloud, autonomous driving (Apollo) and conversational computing (DuerOS), which could drive multi-fold upside over the medium term.

Fast-forward almost five years, and we believe our *fundamental* thesis appears largely on track. The core mobile ecosystem has grown modestly more profitable. Net cash and non-core investments are

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[6] A variable interest entity (VIE) refers to a legal business structure in which an investor has a controlling interest despite not having a majority of voting rights.

[7] http://www.csrc.gov.cn/pub/csrc_en/newsfacts/release/202112/t20211205_409377.html

[8] All three of our China holdings are also listed on the Hong Kong exchange (HKEX). In a worse case delisting scenario, we would be able to convert our ADS holdings to their Hong Kong listed equivalents at a minimal cost.

[9] In late October, the Chinese government published its 14th Five-Year Plan for e-commerce development from 2021 to 2025. The plan indicates that China's e-commerce industry will be further integrated with primary, secondary and tertiary industries by 2025, and digitalization will be further promoted into supply chain development, as well as industrial development. It also encouraged the enrichment of China's e-commerce development, such as live-streaming e-commerce, rural e-commerce and cross-border e-commerce among others, which will all support rising penetration. The plan sets specific growth targets for both e-commerce GMV and e-commerce transactions by 2025, demonstrating the growth potential and growth opportunities of China's e-commerce industry. For example, it expects China's e-commerce GMV to grow at a high single digit pace over the next four years. In our view, this does not sound like the Chinese government is seeking to kill its home-grown tech golden gooses.

[10] We believe this risk is "priced in". Based on a conservative sum-of-the-parts valuation, we believe Alibaba stock has become so depressed that investors are almost getting China's largest and world-class e-commerce operations for free.

notably higher and share count is lower due to buybacks. *Most importantly, those promising AI businesses are now out of the lab and rolling out in various stages of commercialization*. Today, Baidu is an AI leader in numerous addressable markets which are vastly larger and growing much faster than its legacy marketing business. Management believes the revenue from Baidu's new non-marketing businesses is on pace to become the largest part of the company within three years. The regulatory backdrop is also relatively favourable. Beijing is particularly supportive of Baidu's "hard tech" initiatives in diversifying China's tech leadership beyond yesteryears' consumer internet focus.

Unfortunately, few others share our enthusiasm for this not-so-hidden optionality. We acknowledge it has been a frustrating roller coaster ride from a stock performance perspective. Just this spring, we were encouraged once again. The stock soared over $350, which we believe is closer to a sensible fair value for Baidu, but then sentiment soured on all things China tech. Today the stock sits below $150, a level it first passed more than a decade ago.

As noted, Baidu is making demonstrable headway in these fast-growing new businesses. When our patience runs thin, we remind ourselves that *games are won by players who focus on the playing field – not on the scoreboard*. We recall stories of legendary investor Peter Lynch sitting tight for years with conviction in his portfolio holdings. Despite the pent-up value, certain stock prices did nothing for him, until they suddenly exploded higher in short order[11]. Lynch's incredible long-term track record is a testament to staying patient with "dead money" stocks when the fundamentals remain promising. We view Baidu as a compounder dressed up as a close the discount stock. As such, we hope to get two bites out of the Baidu apple. Once when the stock closes the discount to fair value, and the second when the stock follows business momentum higher in the years ahead.

We have been active, adding some promising new holdings in the current quarter and look forward to sharing our progress in future commentaries. Please do not hesitate to contact us, should you have questions or comments you wish to share with us.

Felix Narhi, CFA
December 23, 2021

For full standard performance information, please visit: penderfund.com

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[11] "It takes remarkable patience to hold on to a stock in a company that excites you, but which everybody else seems to ignore. You begin to think everybody else is right and you are wrong. But where the fundamentals are promising, patience is often rewarded – Lukens stock went up sixfold in the fifteenth year, American Greetings was a sixbagger in six years, Angelica a sevenbagger in four, Brunswick a sixbagger in five, and SmithKline a threebagger in two." – Peter Lynch