



Annual Financial Statements of
PENDER MUTUAL FUNDS
And Independent Auditors' Report thereon
Year ended December 31, 2021



MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Pender Mutual Funds (the "Funds") are the responsibility of management. They have been prepared in accordance with International Financial Reporting Standards.

PenderFund Capital Management Ltd. (the "Manager") has developed and maintains a system of internal controls to provide reasonable assurance that all assets are safeguarded and to produce relevant, reliable and timely financial information, including the accompanying financial statements.

The Board of Directors of the Manager is responsible for reviewing and approving the financial statements and for overseeing the Manager's performance of its financial reporting responsibilities. The Board of Directors has approved the accompanying financial statements of the Funds.

These financial statements have been audited by KPMG LLP, Chartered Professional Accountants, on behalf of the unitholders. The auditors' report outlines the scope of their audit and their opinion on the financial statements.

March 30, 2022

(signed) "David Barr"

David Barr
Chief Executive Officer
PenderFund Capital Management Ltd.

(signed) "Gina Jones"

Gina Jones
Chief Financial Officer
PenderFund Capital Management Ltd.



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INDEPENDENT AUDITORS' REPORT

To the Unitholders of the Pender Mutual Funds (collectively, the "Funds")

Pender Bond Universe Fund

Pender Corporate Bond Fund

Pender Enhanced Income Fund

Pender Global Focused Fund (formerly Pender US All Cap Equity Fund)

Pender Small Cap Opportunities Fund

Pender Small/Mid Cap Dividend Fund

Pender Special Situations Fund (formerly Pender Strategic Investment Fund)

Pender Strategic Growth and Income Fund

Pender Value Fund

Pender Value Fund II

Opinion

We have audited the financial statements of the Funds, which comprise:

- the statements of financial position as at December 31, 2021 and December 31, 2020
- the statements of comprehensive income for the years then ended (for the year ended December 31, 2021 and the period from January 31, 2020 to December 31, 2020 only for the Pender Bond Universe Fund and Pender Small/Mid Cap Dividend Fund; for the year ended December 31, 2021 and for the period from July 10, 2020 to December 31, 2020 only for the Pender Special Situations Fund)
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended (for the year ended December 31, 2021 and the period from January 31, 2020 to December 31, 2020 only for the Pender Bond Universe Fund and Pender Small/Mid Cap Dividend Fund; for the year ended December 31, 2021 and for the period from July 10, 2020 to December 31, 2020 only for the Pender Special Situations Fund)
- the statements of cash flows for the years then ended (for the year ended December 31, 2021 and the period from January 31, 2020 to December 31, 2020 only for the Pender Bond Universe Fund and Pender Small/Mid Cap Dividend Fund; for the year ended December 31, 2021 and for the period from July 10, 2020 to December 31, 2020 only for the Pender Special Situations Fund)
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").



In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2021 and December 31, 2020, and their financial performance and their cash flows for the years/applicable periods then ended in accordance with International Financial Reporting Standards (“IFRS”).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of the Funds in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in the Annual Management Report of Fund Performance for each of the Funds filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Annual Management Report on Fund Performance for each of the Funds filed with the relevant Canadian Securities Commissions as at the date of this auditors’ report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors’ report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds’ ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds’ financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Chartered Professional Accountants

Vancouver, Canada
March 30, 2022

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Pender Bond Universe Fund

Statements of Financial Position

December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Assets		
Cash	1,414,667	240,805
Interest receivable	421,596	51,629
Subscriptions receivable	212,370	-
Other receivable	2,870	23
Investments	83,442,975	10,737,915
	85,494,478	11,030,372
Liabilities		
Management and administration fees payable (note 4)	49,482	-
Redemptions payable to holders of redeemable units	500	-
Payable for investments purchased	300,000	-
Accrued expenses	203	-
	350,185	-
Net assets attributable to holders of redeemable units	85,144,293	11,030,372
Net assets attributable to holders of redeemable units per class:		
Class A	3,793,867	1,277,629
Class D	5,424	5,326
Class E	312,952	279,613
Class F	79,955,190	3,557,953
Class H	-	3,756,763
Class I	-	1,278,496
Class N	5,437	5,326
Class O	1,071,423	869,266
	85,144,293	11,030,372
Net assets attributable to holders of redeemable units per unit:		
Class A	10.15	10.37
Class D	10.15	10.37
Class E	10.15	10.37
Class F	10.14	10.37
Class H	-	10.37
Class I	-	10.37
Class N	10.15	10.37
Class O	10.15	10.37

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Bond Universe Fund

Statements of Comprehensive Income

For the year ended December 31, 2021, and for the period from January 31, 2020 (commencement of operations) to December 31, 2020

	2021 (\$)	2020 (\$)
Revenue		
Distributions from underlying funds	654,279	135,297
Interest for distribution purposes	826,652	157,768
Securities lending income (note 5)	80	219
Changes in fair value of investments:		
Net realized gain (loss)	1,177,847	(3,467)
Net change in unrealized appreciation (depreciation)	(1,697,686)	562,714
Total revenue	961,172	852,531
Expenses		
Administration fees (note 4)	223,615	44,433
Management fees (note 4)	92,161	54,807
Transaction costs	3,322	1,707
Independent review committee fees	1,718	279
Total expenses	320,816	101,226
Less: Fees waived and expenses absorbed by the Manager (note 4)	(27,401)	(101,184)
Net expenses	293,415	42
Increase (decrease) in net assets attributable to holders of redeemable units	667,757	852,489
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	6,971	319,731
Class D	98	326
Class E	6,062	16,762
Class F	379,556	307,123
Class H	39,531	100,429
Class I	220,069	43,525
Class N	111	326
Class O	15,359	64,267
	667,757	852,489
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	0.03	1.02
Class D	0.20	0.64
Class E	0.21	0.68
Class F	0.12	0.62
Class H	0.16	1.11
Class I	0.29	1.08
Class N	0.22	0.64
Class O	0.28	1.11

Pender Bond Universe Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the year ended December 31, 2021, and for the period from January 31, 2020 (commencement of operations) to December 31, 2020

	2021 (\$)	2020 (\$)
Class A		
Balance, beginning of year/period	1,277,629	-
Increase (decrease) in net assets attributable to holders of redeemable units	6,971	319,731
Unit transactions:		
Proceeds from issue of redeemable units	3,153,830	4,755,579
Issued on reinvestment of distributions	67,436	81,645
Amounts paid on redemption of redeemable units	(612,437)	(3,790,818)
	2,608,829	1,046,406
Distributions paid from:		
Net investment income	(46,787)	(88,508)
Realized gains on sale of investments	(52,775)	-
Return of capital	-	-
	(99,562)	(88,508)
Balance, end of year/period	3,793,867	1,277,629
Class D		
Balance, beginning of year/period	5,326	-
Increase (decrease) in net assets attributable to holders of redeemable units	98	326
Unit transactions:		
Proceeds from issue of redeemable units	-	5,000
Issued on reinvestment of distributions	216	135
Amounts paid on redemption of redeemable units	-	-
	216	5,135
Distributions paid from:		
Net investment income	(139)	(135)
Realized gains on sale of investments	(77)	-
Return of capital	-	-
	(216)	(135)
Balance, end of year/period	5,424	5,326
Class E		
Balance, beginning of year/period	279,613	-
Increase (decrease) in net assets attributable to holders of redeemable units	6,062	16,762
Unit transactions:		
Proceeds from issue of redeemable units	43,032	262,851
Issued on reinvestment of distributions	12,865	6,697
Amounts paid on redemption of redeemable units	(15,755)	-
	40,142	269,548
Distributions paid from:		
Net investment income	(8,421)	(6,697)
Realized gains on sale of investments	(4,444)	-
Return of capital	-	-
	(12,865)	(6,697)
Balance, end of year/period	312,952	279,613

Pender Bond Universe Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

For the year ended December 31, 2021, and for the period from January 31, 2020 (commencement of operations) to December 31, 2020

Class F	2021 (\$)	2020 (\$)
Balance, beginning of year/period	3,557,953	-
Increase (decrease) in net assets attributable to holders of redeemable units	379,556	307,123
Unit transactions:		
Proceeds from issue of redeemable units	91,489,864	7,520,182
Issued on reinvestment of distributions	420,371	8,994
Amounts paid on redemption of redeemable units	(13,882,398)	(4,143,666)
	78,027,837	3,385,510
Distributions paid from:		
Net investment income	(884,987)	(134,680)
Realized gains on sale of investments	(1,125,169)	-
Return of capital	-	-
	(2,010,156)	(134,680)
Balance, end of year/period	79,955,190	3,557,953
Class H	2021 (\$)	2020 (\$)
Balance, beginning of year/period	3,756,763	-
Increase (decrease) in net assets attributable to holders of redeemable units	39,531	100,429
Unit transactions:		
Proceeds from issue of redeemable units	-	3,656,334
Issued on reinvestment of distributions	36,885	26,137
Amounts paid on redemption of redeemable units	(3,796,294)	-
	(3,759,409)	3,682,471
Distributions paid from:		
Net investment income	(36,885)	(26,137)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(36,885)	(26,137)
Balance, end of year/period	-	3,756,763
Class I	2021 (\$)	2020 (\$)
Balance, beginning of year/period	1,278,496	-
Increase (decrease) in net assets attributable to holders of redeemable units	220,069	43,525
Unit transactions:		
Proceeds from issue of redeemable units	15,648,917	2,076,105
Issued on reinvestment of distributions	152,122	11,741
Amounts paid on redemption of redeemable units	(17,143,104)	(841,134)
	(1,342,065)	1,246,712
Distributions paid from:		
Net investment income	(156,500)	(11,741)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(156,500)	(11,741)
Balance, end of year/period	-	1,278,496

Pender Bond Universe Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

For the year ended December 31, 2021, and for the period from January 31, 2020 (commencement of operations) to December 31, 2020

Class N	2021 (\$)	2020 (\$)
Balance, beginning of year/period	5,326	-
Increase (decrease) in net assets attributable to holders of redeemable units	111	326
Unit transactions:		
Proceeds from issue of redeemable units	-	5,000
Issued on reinvestment of distributions	228	135
Amounts paid on redemption of redeemable units	-	-
	228	5,135
Distributions paid from:		
Net investment income	(151)	(135)
Realized gains on sale of investments	(77)	-
Return of capital	-	-
	(228)	(135)
Balance, end of year/period	5,437	5,326
Class O	2021 (\$)	2020 (\$)
Balance, beginning of year/period	869,266	-
Increase (decrease) in net assets attributable to holders of redeemable units	15,359	64,267
Unit transactions:		
Proceeds from issue of redeemable units	1,055,000	804,999
Issued on reinvestment of distributions	33,076	16,486
Amounts paid on redemption of redeemable units	(868,202)	-
	219,874	821,485
Distributions paid from:		
Net investment income	(17,854)	(16,486)
Realized gains on sale of investments	(15,222)	-
Return of capital	-	-
	(33,076)	(16,486)
Balance, end of year/period	1,071,423	869,266
Total Fund	2021 (\$)	2020 (\$)
Balance, beginning of year/period	11,030,372	-
Increase (decrease) in net assets attributable to holders of redeemable units	667,757	852,489
Unit transactions:		
Proceeds from issue of redeemable units	111,390,643	19,086,050
Issued on reinvestment of distributions	723,199	151,970
Amounts paid on redemption of redeemable units	(36,318,190)	(8,775,618)
	75,795,652	10,462,402
Distributions paid from:		
Net investment income	(1,151,724)	(284,519)
Realized gains on sale of investments	(1,197,764)	-
Return of capital	-	-
	(2,349,488)	(284,519)
Balance, end of year/period	85,144,293	11,030,372

Pender Bond Universe Fund

Statements of Cash Flows

For the year ended December 31, 2021, and for the period from January 31, 2020 (commencement of operations) to December 31, 2020

	2021 (\$)	2020 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	667,757	852,489
Adjustments for:		
Distributions from underlying funds	(654,279)	(135,297)
Interest for distribution purposes	(826,652)	(157,768)
Net realized (gain) loss on sale of investments	(1,177,847)	3,467
Net change in unrealized (appreciation) depreciation of investments	1,697,686	(562,714)
Other receivable	(2,847)	-
Management and administration fees payable	49,482	-
Accrued expenses	203	-
	(246,497)	177
Proceeds on disposal of investments	11,591,457	8,571,525
Amounts paid on purchase of investments	(84,516,356)	(18,750,193)
Distributions received from underlying funds	654,279	135,297
Interest received	456,685	106,116
	(72,060,432)	(9,937,078)
Financing:		
Proceeds from issue of redeemable units	111,178,273	14,555,127
Amounts paid on redemption of redeemable units	(36,317,690)	(4,244,695)
Distributions paid to unitholders	(1,626,289)	(132,549)
	73,234,294	10,177,883
Net increase (decrease) in cash	1,173,862	240,805
Cash, beginning of year/period	240,805	-
Cash, end of year/period	1,414,667	240,805

Pender Bond Universe Fund

Schedule of Investment Portfolio

December 31, 2021

	Issue currency	Number of units / Face value (\$)	Cost (\$)	Fair value (\$)
Mutual funds:				
Pender Corporate Bond Fund, Class 'O'		2,288,758	26,515,534	25,965,730
Total mutual funds (30.5%)			26,515,534	25,965,730
Corporate bonds:				
Canada (39.7%):				
Bell Canada, Inc., 3.55%, 2026/03/02	CAD	2,000,000	2,134,360	2,107,615
Bell Canada, Inc., 2.90%, 2026/08/12	CAD	1,600,000	1,677,020	1,648,589
Bell Canada, Inc., 3.00%, 2031/03/17	CAD	600,000	607,410	610,511
Bell Canada, Inc., 7.00%, 2027/09/24	CAD	400,000	540,048	492,609
Brookfield Renewable Partners L.P., 3.63%, 2027/01/15	CAD	2,600,000	2,795,120	2,768,595
Brookfield Renewable Partners L.P., 4.25%, 2029/01/15	CAD	1,100,000	1,246,018	1,225,770
Cameco Corporation, 2.95%, 2027/10/21	CAD	1,600,000	1,625,296	1,619,103
Canadian Pacific Railway Company, 3.15%, 2029/03/13	CAD	1,100,000	1,178,033	1,157,225
Choice Properties Real Estate Investment Trust, 3.56%, 2024/09/09	CAD	2,000,000	2,114,000	2,082,880
Choice Properties Real Estate Investment Trust, 2.98%, 2030/03/04	CAD	455,000	435,226	461,237
Choice Properties Real Estate Investment Trust, 2.85%, 2027/05/21	CAD	1,100,000	1,139,660	1,126,936
Fairfax Financial Holdings Limited, 4.70%, 2026/12/16	CAD	2,200,000	2,440,282	2,396,851
Fairfax Financial Holdings Limited, 3.95%, 2031/03/03	CAD	1,500,000	1,506,450	1,563,835
Fairfax Financial Holdings Limited, 4.95%, 2025/03/03	CAD	1,000,000	1,127,312	1,082,380
John Deere Financial Inc., 2.46%, 2024/04/04	CAD	500,000	510,065	510,155
John Deere Financial Inc., 1.63%, 2026/04/09	CAD	1,700,000	1,677,450	1,680,677
Loblaw Companies Limited, 3.92%, 2024/06/10	CAD	2,500,000	2,666,250	2,627,737
Ontario Power Generation Inc., 2.89%, 2025/04/08	CAD	2,500,000	2,624,420	2,593,191
Royal Bank of Canada, 2.33%, 2027/01/28	CAD	1,700,000	1,744,920	1,719,663
Saputo Inc., 3.60%, 2025/08/14	CAD	2,100,000	2,231,225	2,206,976
Shaw Communications Inc., 4.40%, 2028/11/02	CAD	500,000	590,185	548,987
WSP Global Inc., 2.41%, 2028/04/19	CAD	1,600,000	1,605,232	1,596,602
			34,215,982	33,828,124
United States (22.9%):				
Apple Inc., 2.51%, 2024/08/19	CAD	1,445,316	1,499,579	1,478,529
Bank of America Corporation, 2.93%, 2025/04/25	CAD	1,000,000	1,051,000	1,026,635
McDonald's Corporation, 3.13%, 2025/03/04	CAD	3,440,816	3,611,144	3,582,645
Mondelez International Inc., 3.25%, 2025/03/07	CAD	500,000	521,545	522,113
Nestle Holdings Inc., 2.19%, 2029/01/26	CAD	1,000,000	1,001,000	1,014,204
PepsiCo, Inc., 2.15%, 2024/05/06	CAD	2,453,316	2,504,679	2,486,129
The Goldman Sachs Group, Inc., 3.31%, 2025/10/31	CAD	1,538,000	1,626,547	1,593,422
The Goldman Sachs Group, Inc., 2.01%, 2029/02/28	CAD	1,500,000	1,475,300	1,462,628
United Parcel Service, Inc., 2.13%, 2024/05/21	CAD	2,363,816	2,408,499	2,394,664
Verizon Communications Inc., 2.50%, 2030/05/16	CAD	1,600,000	1,607,740	1,591,592
Wells Fargo & Company, 2.57%, 2026/05/01	CAD	1,250,000	1,299,223	1,274,256
Wells Fargo & Company, 3.87%, 2025/05/21	CAD	1,033,000	1,085,226	1,088,436
			19,691,482	19,515,253
Total corporate bonds (62.6%)			53,907,464	53,343,377

Pender Bond Universe Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2021

	Issue currency	Number of units / Face value (\$)	Cost (\$)	Fair value (\$)
Government bonds:				
Province of British Columbia, 2.55%, 2027/06/18	CAD	1,100,000	1,166,860	1,153,208
Province of Ontario, 1.05%, 2027/09/08	CAD	1,700,000	1,636,904	1,641,361
Province of Quebec, 1.90%, 2030/09/01	CAD	1,341,000	1,351,185	1,339,299
Total government bonds (4.9%)			4,154,949	4,133,868
Less: Transaction costs included in cost of investments			-	
Total investments (98.0%)			84,577,947	83,442,975
Cash (1.7%)				1,414,667
Other assets less liabilities (0.3%)				286,651
Total net assets attributable to holders of redeemable units (100.0%)				85,144,293

Pender Corporate Bond Fund

Statements of Financial Position

December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Assets		
Cash	72,140,929	29,112,949
Interest receivable	11,823,289	7,753,371
Dividends receivable	173,024	278,944
Receivable for investments sold	570,605	3,207,779
Subscriptions receivable	8,732,657	2,017,074
Derivative assets	-	27,010,808
Investments	1,356,090,706	948,173,561
	1,449,531,210	1,017,554,486
Liabilities		
Management and administration fees payable (note 4)	1,380,738	964,724
Distributions payable to holders of redeemable units	1,125	1,186
Redemptions payable to holders of redeemable units	1,566,743	1,422,171
Payable for investments purchased	49,202,890	17,640,924
Accrued expenses	1,362	1,855
Derivative liabilities	7,598,371	-
	59,751,229	20,030,860
Net assets attributable to holders of redeemable units	1,389,779,981	997,523,626
Net assets attributable to holders of redeemable units per class:		
Class A	110,719,585	92,199,475
Class A (USD)	2,979,068	2,532,696
Class D	8,929,820	2,875,571
Class E	4,131,543	3,291,724
Class F	422,354,678	342,632,816
Class F (USD)	15,841,960	11,381,549
Class H	103,092,302	65,160,966
Class H (USD)	8,224,340	6,636,270
Class I	602,870,521	411,639,551
Class I (USD)	35,289,952	23,198,716
Class N	2,694,955	3,474,945
Class N (USD)	2,663,887	2,713,346
Class O	58,561,873	29,746,446
Class U	11,425,497	39,555
	1,389,779,981	997,523,626

Pender Corporate Bond Fund

Statements of Financial Position (cont'd)

December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Net assets attributable to holders of redeemable units per unit:		
Class A	12.86	12.87
Class A (USD)	14.71	14.10
Class D	12.06	11.82
Class E	10.31	10.35
Class F	12.88	12.86
Class F (USD)	14.52	13.96
Class H	11.45	11.33
Class H (USD)	13.95	13.42
Class I	11.14	11.05
Class I (USD)	13.99	13.45
Class N	9.95	10.33
Class N (USD)	14.00	13.41
Class O	11.34	11.18
Class U	10.52	10.21

Approved on behalf of the Manager, PenderFund Capital Management Ltd:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Corporate Bond Fund

Statements of Comprehensive Income

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Revenue		
Interest for distribution purposes	55,688,477	42,802,114
Dividend income	5,572,470	6,705,074
Foreign exchange gain (loss)	(1,655,494)	569,917
Changes in fair value of investments and derivatives:		
Net realized gain (loss)	84,361,278	(10,714,815)
Net change in unrealized appreciation (depreciation)	(18,766,062)	28,318,159
Total revenue	125,200,669	67,680,449
Expenses		
Management fees (note 4)	7,701,037	6,574,965
Administration fees (note 4)	6,425,306	4,736,019
Transaction costs	316,012	254,872
Withholding taxes (recovery) (note 6)	273,246	159,044
Independent review committee fees	28,096	25,258
Total expenses	14,743,697	11,750,158
Less: Expenses absorbed by the Manager (note 4)	(28,096)	(25,258)
Net expenses	14,715,601	11,724,900
Increase (decrease) in net assets attributable to holders of redeemable units	110,485,068	55,955,549
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	8,970,592	4,253,154
Class A (USD)	233,650	233,323
Class D	520,122	(7,812)
Class E	417,256	234,912
Class F	36,200,763	19,472,386
Class F (USD)	1,236,228	935,850
Class H	7,354,383	2,725,335
Class H (USD)	656,454	306,902
Class I	47,016,727	24,606,589
Class I (USD)	2,784,984	1,626,592
Class N	361,231	(972,469)
Class N (USD)	260,320	196,974
Class O	4,343,722	2,341,318
Class U	128,636	2,495
	110,485,068	55,955,549
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	1.15	0.53
Class A (USD)	1.18	1.04
Class D	0.95	(0.02)
Class E	1.07	0.66
Class F	1.26	0.69
Class F (USD)	1.28	0.92
Class H	0.98	0.49
Class H (USD)	1.22	0.70
Class I	1.08	0.64
Class I (USD)	1.26	0.96
Class N	1.12	(1.05)
Class N (USD)	1.35	0.78
Class O	1.09	0.84
Class U	0.81	0.91

Pender Corporate Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2021 and 2020

Class A	2021 (\$)	2020 (\$)
Balance, beginning of year	92,199,475	115,962,256
Increase (decrease) in net assets attributable to holders of redeemable units	8,970,592	4,253,154
Unit transactions:		
Proceeds from issue of redeemable units	47,519,346	19,905,190
Issued on reinvestment of distributions	7,504,791	2,220,630
Amounts paid on redemption of redeemable units	(35,893,432)	(47,204,172)
	19,130,705	(25,078,352)
Distributions paid from:		
Net investment income	(3,198,294)	(2,937,583)
Realized gains on sale of investments	(6,382,893)	-
Return of capital	-	-
	(9,581,187)	(2,937,583)
Balance, end of year	110,719,585	92,199,475
Class A (USD)	2021 (\$)	2020 (\$)
Balance, beginning of year	2,532,696	6,017,604
Increase (decrease) in net assets attributable to holders of redeemable units	233,650	233,323
Unit transactions:		
Proceeds from issue of redeemable units	2,177,571	1,785,372
Issued on reinvestment of distributions	89,040	67,130
Amounts paid on redemption of redeemable units	(1,933,145)	(5,478,639)
	333,466	(3,626,137)
Distributions paid from:		
Net investment income	(88,349)	(92,094)
Realized gains on sale of investments	(32,395)	-
Return of capital	-	-
	(120,744)	(92,094)
Balance, end of year	2,979,068	2,532,696
Class D	2021 (\$)	2020 (\$)
Balance, beginning of year	2,875,571	3,905,778
Increase (decrease) in net assets attributable to holders of redeemable units	520,122	(7,812)
Unit transactions:		
Proceeds from issue of redeemable units	7,976,753	1,961,051
Issued on reinvestment of distributions	537,974	95,917
Amounts paid on redemption of redeemable units	(2,394,901)	(2,973,166)
	6,119,826	(916,198)
Distributions paid from:		
Net investment income	(262,474)	(106,197)
Realized gains on sale of investments	(323,225)	-
Return of capital	-	-
	(585,699)	(106,197)
Balance, end of year	8,929,820	2,875,571

Pender Corporate Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class E	2021 (\$)	2020 (\$)
Balance, beginning of year	3,291,724	3,912,007
Increase (decrease) in net assets attributable to holders of redeemable units	417,256	234,912
Unit transactions:		
Proceeds from issue of redeemable units	2,011,703	86,184
Issued on reinvestment of distributions	441,044	157,967
Amounts paid on redemption of redeemable units	(1,589,140)	(941,376)
	863,607	(697,225)
Distributions paid from:		
Net investment income	(190,707)	(157,970)
Realized gains on sale of investments	(250,337)	-
Return of capital	-	-
	(441,044)	(157,970)
Balance, end of year	4,131,543	3,291,724

Class F	2021 (\$)	2020 (\$)
Balance, beginning of year	342,632,816	406,674,118
Increase (decrease) in net assets attributable to holders of redeemable units	36,200,763	19,472,386
Unit transactions:		
Proceeds from issue of redeemable units	213,949,465	112,657,451
Issued on reinvestment of distributions	21,829,480	7,490,164
Amounts paid on redemption of redeemable units	(153,927,747)	(190,387,345)
	81,851,198	(70,239,730)
Distributions paid from:		
Net investment income	(14,964,503)	(13,273,958)
Realized gains on sale of investments	(23,365,596)	-
Return of capital	-	-
	(38,330,099)	(13,273,958)
Balance, end of year	422,354,678	342,632,816

Class F (USD)	2021 (\$)	2020 (\$)
Balance, beginning of year	11,381,549	20,175,025
Increase (decrease) in net assets attributable to holders of redeemable units	1,236,228	935,850
Unit transactions:		
Proceeds from issue of redeemable units	12,610,834	6,198,391
Issued on reinvestment of distributions	449,100	309,295
Amounts paid on redemption of redeemable units	(9,065,170)	(15,699,481)
	3,994,764	(9,191,795)
Distributions paid from:		
Net investment income	(545,113)	(537,531)
Realized gains on sale of investments	(225,468)	-
Return of capital	-	-
	(770,581)	(537,531)
Balance, end of year	15,841,960	11,381,549

Pender Corporate Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class H	2021 (\$)	2020 (\$)
Balance, beginning of year	65,160,966	62,459,296
Increase (decrease) in net assets attributable to holders of redeemable units	7,354,383	2,725,335
Unit transactions:		
Proceeds from issue of redeemable units	42,178,556	23,933,283
Issued on reinvestment of distributions	6,614,934	1,638,825
Amounts paid on redemption of redeemable units	(10,386,951)	(23,594,714)
	38,406,539	1,977,394
Distributions paid from:		
Net investment income	(2,953,685)	(2,001,059)
Realized gains on sale of investments	(4,875,901)	-
Return of capital	-	-
	(7,829,586)	(2,001,059)
Balance, end of year	103,092,302	65,160,966

Class H (USD)	2021 (\$)	2020 (\$)
Balance, beginning of year	6,636,270	2,680,238
Increase (decrease) in net assets attributable to holders of redeemable units	656,454	306,902
Unit transactions:		
Proceeds from issue of redeemable units	2,735,922	5,136,649
Issued on reinvestment of distributions	353,105	186,671
Amounts paid on redemption of redeemable units	(1,792,426)	(1,475,356)
	1,296,601	3,847,964
Distributions paid from:		
Net investment income	(250,463)	(198,834)
Realized gains on sale of investments	(114,522)	-
Return of capital	-	-
	(364,985)	(198,834)
Balance, end of year	8,224,340	6,636,270

Class I	2021 (\$)	2020 (\$)
Balance, beginning of year	411,639,551	381,227,620
Increase (decrease) in net assets attributable to holders of redeemable units	47,016,727	24,606,589
Unit transactions:		
Proceeds from issue of redeemable units	302,078,978	208,404,783
Issued on reinvestment of distributions	32,274,520	9,085,222
Amounts paid on redemption of redeemable units	(140,078,369)	(195,770,472)
	194,275,129	21,719,533
Distributions paid from:		
Net investment income	(20,324,270)	(15,914,191)
Realized gains on sale of investments	(29,736,616)	-
Return of capital	-	-
	(50,060,886)	(15,914,191)
Balance, end of year	602,870,521	411,639,551

Pender Corporate Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class I (USD)	2021 (\$)	2020 (\$)
Balance, beginning of year	23,198,716	15,621,102
Increase (decrease) in net assets attributable to holders of redeemable units	2,784,984	1,626,592
Unit transactions:		
Proceeds from issue of redeemable units	22,797,054	18,585,358
Issued on reinvestment of distributions	1,005,151	455,957
Amounts paid on redemption of redeemable units	(12,769,274)	(12,207,601)
	11,032,931	6,833,714
Distributions paid from:		
Net investment income	(1,249,165)	(882,692)
Realized gains on sale of investments	(477,514)	-
Return of capital	-	-
	(1,726,679)	(882,692)
Balance, end of year	35,289,952	23,198,716

Class N	2021 (\$)	2020 (\$)
Balance, beginning of year	3,474,945	17,211,198
Increase (decrease) in net assets attributable to holders of redeemable units	361,231	(972,469)
Unit transactions:		
Proceeds from issue of redeemable units	-	3,657,524
Issued on reinvestment of distributions	140,882	36,903
Amounts paid on redemption of redeemable units	(868,192)	(16,081,062)
	(727,310)	(12,386,635)
Distributions paid from:		
Net investment income	(148,372)	(377,149)
Realized gains on sale of investments	(265,539)	-
Return of capital	-	-
	(413,911)	(377,149)
Balance, end of year	2,694,955	3,474,945

Class N (USD)	2021 (\$)	2020 (\$)
Balance, beginning of year	2,713,346	3,647,577
Increase (decrease) in net assets attributable to holders of redeemable units	260,320	196,974
Unit transactions:		
Proceeds from issue of redeemable units	-	202,259
Issued on reinvestment of distributions	-	76
Amounts paid on redemption of redeemable units	(167,902)	(1,192,290)
	(167,902)	(989,955)
Distributions paid from:		
Net investment income	(114,414)	(141,250)
Realized gains on sale of investments	(27,463)	-
Return of capital	-	-
	(141,877)	(141,250)
Balance, end of year	2,663,887	2,713,346

Pender Corporate Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class O	2021 (\$)	2020 (\$)
Balance, beginning of year	29,746,446	27,197,679
Increase (decrease) in net assets attributable to holders of redeemable units	4,343,722	2,341,318
Unit transactions:		
Proceeds from issue of redeemable units	37,489,319	7,303,411
Issued on reinvestment of distributions	4,811,700	1,454,974
Amounts paid on redemption of redeemable units	(13,017,614)	(7,095,962)
	29,283,405	1,662,423
Distributions paid from:		
Net investment income	(2,315,820)	(1,454,974)
Realized gains on sale of investments	(2,495,880)	-
Return of capital	-	-
	(4,811,700)	(1,454,974)
Balance, end of year	58,561,873	29,746,446

Class U	2021 (\$)	2020 (\$)
Balance, beginning of year	39,555	5,853
Increase (decrease) in net assets attributable to holders of redeemable units	128,636	2,495
Unit transactions:		
Proceeds from issue of redeemable units	11,781,824	31,207
Issued on reinvestment of distributions	3,182	1,022
Amounts paid on redemption of redeemable units	(164,815)	-
	11,620,191	32,229
Distributions paid from:		
Net investment income	(65,161)	(1,022)
Realized gains on sale of investments	(297,724)	-
Return of capital	-	-
	(362,885)	(1,022)
Balance, end of year	11,425,497	39,555

Total Fund	2021 (\$)	2020 (\$)
Balance, beginning of year	997,523,626	1,066,697,351
Increase (decrease) in net assets attributable to holders of redeemable units	110,485,068	55,955,549
Unit transactions:		
Proceeds from issue of redeemable units	705,307,325	409,848,113
Issued on reinvestment of distributions	76,054,903	23,200,753
Amounts paid on redemption of redeemable units	(384,049,078)	(520,101,636)
	397,313,150	(87,052,770)
Distributions paid from:		
Net investment income	(46,670,790)	(38,076,504)
Realized gains on sale of investments	(68,871,073)	-
Return of capital	-	-
	(115,541,863)	(38,076,504)
Balance, end of year	1,389,779,981	997,523,626

Pender Corporate Bond Fund

Statements of Cash Flows

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	110,485,068	55,955,549
Adjustments for:		
Dividend Income	(5,572,470)	(6,705,074)
Interest for distribution purposes	(55,688,477)	(42,802,114)
Foreign exchange (gain) loss	1,655,494	(569,917)
Net realized (gain) loss on sale of investments	(48,266,169)	(9,562,071)
Net change in unrealized (appreciation) depreciation of investments	(15,843,117)	(11,686,091)
Derivative assets and liabilities	34,609,179	(16,632,068)
Management and administration fees payable	416,014	(86,175)
Accrued expenses	(493)	(182)
	21,795,029	(32,088,143)
Proceeds on disposal of investments	729,451,964	1,051,437,688
Amounts paid on purchase of investments	(1,039,060,682)	(976,305,057)
Dividends received	5,678,390	6,754,845
Interest received	51,618,558	45,083,063
	(230,516,741)	94,882,396
Financing:		
Proceeds from issue of redeemable units	639,002,175	309,508,357
Amounts paid on redemption of redeemable units	(324,314,926)	(419,772,460)
Distributions paid to unitholders	(39,487,034)	(14,875,506)
	275,200,215	(125,139,609)
Net increase (decrease) in cash	44,683,474	(30,257,213)
Cash, beginning of year	29,112,949	58,800,245
Effect of exchange rate fluctuations on cash	(1,655,494)	569,917
Cash, end of year	72,140,929	29,112,949

The accompanying notes are an integral part of these financial statements.

Pender Corporate Bond Fund

Schedule of Investment Portfolio

December 31, 2021

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Corporate bonds and loans:				
Canada (23.1%):				
Aecon Group Inc., Convertible, Callable, 5.00%, 2023/12/31	CAD	18,000,000	18,372,427	18,382,500
Air Canada 2013-1 Pass Through Trusts A, 4.13%, 2026/11/15	USD	1,855,336	2,238,328	2,398,539
Air Canada 2015-1 Pass Through Trusts A, 3.60%, 2028/09/15	USD	665,792	803,623	850,530
Air Canada 2015-2 Pass Through Trusts A, 4.13%, 2029/06/15	USD	3,526,947	4,106,766	4,463,068
Air Canada 2015-1 Pass Through Trusts B, 3.88%, 2024/09/15	USD	1,915,499	2,182,232	2,437,129
Ayr Wellness Inc., Callable, 12.50%, 2024/12/10	USD	10,601,000	14,665,124	14,449,660
Bell Canada, Inc., 3.55%, 2026/03/02	CAD	10,000,000	10,676,950	10,538,075
Bell Canada, Inc., 7.00%, 2027/09/24	CAD	600,000	810,072	738,914
Bell Canada, Inc., 3.00%, 2031/03/17	CAD	9,400,000	9,516,090	9,564,676
Cameco Corporation, 2.95%, 2027/10/21	CAD	14,972,000	15,032,694	15,150,754
Canada Goose Inc., 4.25%, 2027/10/07	USD	5,167,972	6,494,893	6,559,028
Canadian Pacific Railway Co., Callable, 3.15%, 2029/03/13	CAD	7,400,000	7,915,318	7,784,967
Chemtrade Logistics Income Fund, 4.75%, 2024/05/31	CAD	2,233,000	1,786,866	2,202,631
Chemtrade Logistics Income Fund, 8.50%, 2025/09/30	CAD	7,059,000	7,176,005	8,223,735
Chemtrade Logistics Income Fund, 6.50%, 2026/10/31	CAD	1,600,000	1,242,447	1,621,200
Choice Properties REIT, 3.53%, 2029/06/11	CAD	5,800,000	6,240,580	6,136,241
Choice Properties REIT, 2.98%, 2030/03/04	CAD	1,545,000	1,530,314	1,566,177
Columbia Care Inc., 13.00%, 2023/05/14	USD	8,620,000	11,478,513	11,432,870
Enbridge Inc., 5.50%, 2077/07/15	USD	750,000	1,016,956	1,001,674
Fairfax Financial Holdings Limited, 3.95%, 2031/03/03	CAD	14,400,000	14,435,740	15,012,819
Fairfax India Holdings Corp., 5.00%, 2028/02/26	USD	10,000,000	12,331,398	12,654,433
First Majestic Silver Corp., 0.38%, 2027/01/15	USD	2,000,000	2,461,959	2,466,653
First Quantum Minerals Ltd., 6.50%, 2024/03/01	USD	5,000,000	6,621,860	6,427,527
First Quantum Minerals Ltd., 6.88%, 2026/03/01	USD	7,440,000	9,352,228	9,836,521
Hydro One Inc., 7.35%, 2030/06/03	CAD	10,000,000	13,920,000	13,687,743
Loblaw Companies Limited, 3.92%, 2024/06/10	CAD	15,000,000	15,881,900	15,766,421
Masonite International Corp., 5.38%, 2028/02/01	USD	3,000,000	4,115,473	3,981,595
Mullen Group Ltd., 5.75%, 2026/11/30	CAD	2,701,000	2,758,396	2,998,110
Ontario Power Generation Inc., 3.22%, 2030/04/08	CAD	8,000,000	8,601,850	8,491,066
Open Text Corporation, 3.88%, 2028/02/15	USD	9,124,000	12,033,210	11,755,843
Osisko Gold Royalties Ltd., 4.00%, 2022/12/31	CAD	22,391,000	22,476,355	23,512,789
Russel Metals Inc., Callable, 5.75%, 2025/10/27	CAD	10,000,000	10,550,000	10,500,000
Shaw Communications Inc., 4.40%, 2028/11/02	CAD	500,000	590,185	548,987
SSR Mining Inc., 2.50%, 2039/04/01	USD	4,000,000	6,684,983	6,308,938
Surge Energy Inc., 5.75%, 2022/12/31	CAD	10,765,000	9,114,139	10,751,544
Surge Energy Inc., 6.75%, 2024/06/30	CAD	5,924,000	5,085,287	5,842,545
Trulieve Cannabis Corp., 9.75%, 2024/06/18	USD	9,446,000	12,864,191	12,639,891
Trulieve Cannabis Corp., 8.00%, 2026/10/06	USD	14,650,000	18,511,008	19,036,316
Videotron Ltd., 5.63%, 2025/06/15	CAD	2,000,000	2,152,500	2,150,036
Videotron Ltd., 4.50%, 2030/01/15	CAD	1,000,000	1,040,000	1,025,104
			314,868,860	320,897,249
United States (52.9%):				
Accelerate Diagnostics Inc., 2.50%, 2023/03/15	USD	5,560,000	5,342,488	5,309,105
Alliance Data Systems Corp., 4.75%, 2024/12/15	USD	9,438,000	12,284,186	12,194,084
AMC Entertainment Holdings Inc., 3.10%, 2026/04/22	USD	4,974,425	5,601,059	5,690,688

The accompanying notes are an integral part of these financial statements.

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2021

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
United States (52.9%): (cont'd)				
AMC Entertainment Holdings Inc., Callable, 10.50%, 2026/04/24	USD	2,000,000	2,739,591	2,690,650
American Tire Distributors Inc., 7.00%, 2028/10/20	USD	9,500,000	11,751,311	12,115,745
Apple Inc., 2.51%, 2024/08/19	CAD	4,454,684	4,502,973	4,557,053
Avaya Inc., 4.36%, 2027/12/15	USD	2,000,000	2,441,321	2,540,715
Beacon Roofing Supply Inc., Callable, 4.50%, 2026/11/15	USD	13,346,000	17,634,101	17,497,288
Beacon Roofing Supply Inc., Callable, 4.13%, 2029/05/15	USD	8,555,000	10,801,668	10,832,307
Beyond Meat Inc., Zero Coupon, Convertible, 2027/03/15	USD	11,000,000	11,042,899	9,731,210
Burford Capital Finance LLC, 6.13%, 2025/08/12	USD	5,000,000	6,656,536	6,528,723
Calumet Specialty Products Partners L.P. / Calumet Finance Corp., Callable, 7.75%, 2023/04/15	USD	1,250,000	1,581,063	1,576,902
Calumet Specialty Products Partners L.P. / Calumet Finance Corp., Callable, 11.00%, 2025/04/15	USD	1,000,000	1,385,826	1,365,880
Carvana Co., 5.63%, 2025/10/01	USD	11,650,000	15,208,116	14,755,088
CF Industries Inc., 3.45%, 2023/06/01	USD	2,000,000	2,625,480	2,611,489
CHS / Community Health Systems, Inc., 8.00%, 2026/03/15	USD	8,377,000	11,388,387	11,151,106
CHS / Community Health Systems, Inc., 8.00%, 2027/12/15	USD	8,000,000	11,064,003	10,943,234
Coeur Mining Inc., Callable, 5.13%, 2029/02/15	USD	8,667,000	10,709,035	10,063,123
Coty Inc., 5.00%, 2026/04/15	USD	3,000,000	3,752,400	3,914,122
Coty Inc., 6.50%, 2026/04/15	USD	6,500,000	7,097,882	8,489,642
Curaleaf Holdings, Inc., 8.00%, 2026/12/15	USD	10,000,000	12,819,500	12,684,982
Esperion Therapeutics Inc., 4.00%, 2025/11/15	USD	27,989,000	23,870,114	18,675,972
FireEye, Inc., 0.88%, 2024/06/01	USD	3,000,000	3,869,415	3,965,618
Gartner, Inc., 4.50%, 2028/07/01	USD	5,000,000	6,565,814	6,615,752
Gartner, Inc., 3.75%, 2030/10/01	USD	9,316,000	11,601,120	12,065,152
Goldman Sachs Capital II, 4.00%, 2049/12/31	USD	5,000,000	5,959,583	6,214,067
Groupon Inc., Convertible, 1.13%, 2026/03/15	USD	17,000,000	16,781,608	17,042,039
GTT Communications, Inc., 4.88%, 2025/05/31	USD	6,795,922	7,212,340	7,734,617
Hecla Mining Co., Callable, 7.25%, 2028/02/15	USD	12,045,000	16,437,507	16,345,375
Infinera Corporation, 2.13%, 2024/09/01	USD	1,134,000	1,149,190	1,705,565
Infinera Corporation, 2.50%, 2027/03/01	USD	1,000,000	1,335,748	1,859,477
Intercept Pharmaceuticals, Inc., 3.50%, 2026/02/15	USD	3,457,000	4,163,959	4,758,297
Jervois Mining USA Ltd., Callable, 12.50%, 2026/07/20	USD	2,500,000	3,366,889	3,364,024
JPMorgan Chase & Co., 1.90%, 2028/03/05	CAD	5,000,000	5,044,500	4,922,100
JPMorgan Chase & Co., 3.65%, 2049/12/31	USD	3,000,000	3,727,818	3,794,850
JPMorgan Chase & Co., 3.60%, 2049/12/31	USD	3,000,000	3,673,792	3,813,851
JPMorgan Chase & Co., 3.93%, 2049/12/31	USD	5,000,000	6,412,023	6,366,182
Karyopharm Therapeutics Inc., 3.00%, 2025/10/15	USD	3,000,000	3,739,874	3,102,290
Kraft Heinz Foods Co., Callable, 3.88%, 2027/05/15	USD	2,000,000	2,712,947	2,737,322
LendingTree Inc., 0.63%, 2022/06/01	USD	6,500,000	8,557,614	8,165,648
LendingTree Inc., 0.50%, 2025/07/15	USD	5,000,000	5,789,885	5,273,260
Liberty TripAdvisor Holdings Inc., Convertible, Puttable, 0.50%, 2051/06/30	USD	17,500,000	18,268,981	18,054,631
McDonald's Corporation, 3.13%, 2025/03/04	CAD	24,559,184	24,843,260	25,571,515
Morgan Stanley, 3.73%, 2049/12/31	USD	10,500,000	12,852,518	13,288,765
Morgan Stanley, 5.88%, 2049/12/31	USD	4,000,000	5,528,101	5,704,745
MSCI Inc., 3.63%, 2030/09/01	USD	4,983,000	6,337,704	6,454,776
National CineMedia LLC, 5.88%, 2028/04/15	USD	10,520,000	11,820,754	11,962,108
Newell Brands Inc., Callable, 4.88%, 2025/06/01	USD	2,000,000	2,808,506	2,760,715
OPKO Health, Inc., 4.50%, 2025/02/15	USD	6,000,000	9,795,311	10,545,129

The accompanying notes are an integral part of these financial statements.

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2021

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
United States (52.9%): (cont'd)				
Par Petroleum, LLC, 7.75%, 2025/12/15	USD	4,500,000	6,085,762	5,775,411
Par Petroleum, LLC, 6.88%, 2025/12/17	USD	7,263,158	9,638,494	9,164,563
Par Petroleum, LLC, 12.88%, 2026/01/15	USD	326,000	437,298	458,780
Paratek Pharmaceuticals, Inc., 4.75%, 2024/05/01	USD	21,060,000	21,021,915	24,580,588
PepsiCo, Inc., 2.15%, 2024/05/06	CAD	8,546,684	8,217,946	8,660,996
Plantronics Inc., Callable, 4.75%, 2029/03/01	USD	13,782,000	17,085,526	16,652,693
Precigen Inc., 3.50%, 2023/07/01	USD	22,400,000	23,917,612	22,856,236
Rackspace Technology Global Inc., 3.50%, 2028/02/15	USD	3,000,000	3,652,485	3,618,333
Rackspace Technology Global Inc., 5.38%, 2028/12/01	USD	9,000,000	12,054,416	11,116,330
Science Applications International Corp., Callable, 4.88%, 2028/04/01	USD	3,887,000	5,025,507	5,047,256
SS&C Technologies, Inc., 5.50%, 2027/09/30	USD	14,165,000	19,101,920	18,745,919
Tabula Rasa HealthCare Inc., Convertible, 1.75%, 2026/02/15	USD	8,000,000	7,365,612	8,412,423
Talos Production Inc., 12.00%, 2026/01/15	USD	750,000	910,611	994,763
Team Health Holdings Inc., 3.75%, 2024/02/06	USD	18,255,972	21,857,519	22,146,084
The Goldman Sachs Group, Inc., 3.31%, 2025/10/31	CAD	462,000	482,328	478,648
TMST, Inc., 8.00%, 2013/05/15	USD	9,212,000	3,563,596	3,029,707
Topaz Solar Farms LLC, 5.75%, 2039/09/30	USD	9,108,604	13,769,062	13,756,548
Tricida, Inc., 3.50%, 2027/05/15	USD	24,408,000	14,190,593	17,157,182
Tronox Inc., Callable, 4.63%, 2029/03/15	USD	13,250,000	16,766,664	16,769,973
Tutor Perini Corporation, 5.75%, 2027/08/18	USD	7,805,425	9,918,812	9,910,498
Uber Technologies, Inc., 3.60%, 2025/04/04	USD	4,961,440	6,033,607	6,287,301
Uber Technologies, Inc., 8.00%, 2026/11/01	USD	17,000,000	23,805,552	22,933,853
Uber Technologies, Inc., 6.25%, 2028/01/15	USD	8,000,000	10,939,872	10,877,457
United Parcel Service, Inc., 2.13%, 2024/05/21	CAD	1,536,184	1,522,169	1,556,231
Verisign, Inc., 4.75%, 2027/07/15	USD	9,382,000	12,639,344	12,341,107
Verizon Communications Inc., 2.50%, 2030/05/16	CAD	11,400,000	11,400,260	11,340,093
W&T Offshore, Inc., 9.75%, 2023/11/01	USD	20,440,000	22,493,069	24,718,967
WDB Holding PA Inc., 12.88%, 2024/12/18	USD	8,300,000	11,289,681	11,417,755
Wells Fargo & Company, 3.87%, 2025/05/21	CAD	5,467,000	5,766,350	5,760,387
Windstream Escrow LLC / Windstream Escrow Finance Corp., 7.75%, 2028/08/15	USD	6,255,000	8,221,483	8,402,665
			731,831,765	735,075,725
Foreign (9.9%):				
Atlantica Sustainable Infrastructure PLC, Callable, 4.13%, 2028/06/15	USD	9,500,000	12,438,836	12,124,397
Eagle Bulk Shipping Inc., 5.00%, 2024/08/01	USD	3,063,000	3,905,024	5,404,443
Ferroglobe PLC / Globe Specialty Metals Inc., Callable, 9.38%, 2025/12/31	USD	4,500,000	5,861,717	5,843,746
Ferroglobe PLC / Globe Specialty Metals Inc., Series 'AI', Callable, 9.38%, 2025/12/31	USD	2,500,000	3,200,947	3,246,526
Grupo FAMSA, S.A.B de C.V., 9.75%, 2024/12/15	USD	5,887,000	7,128,006	1,526,586
Hello Group Inc., Convertible, 1.25%, 2025/07/01	USD	3,500,000	3,746,819	3,833,975
Intelsat Jackson Holdings S.A., 8.00%, 2024/02/15	USD	14,814,000	20,915,532	19,155,818
Lealand Finance Co. BV, 3.09%, 2024/06/30	USD	85,929	116,249	64,674
Lealand Finance Co. BV, 4.00%, 2025/06/30	USD	5,828,438	5,408,780	3,329,983
Royal Caribbean Cruises Ltd., 1.43%, 2022/04/05	USD	10,000,000	11,944,240	12,080,273
Scorpio Tankers Inc., 3.00%, 2025/05/15	USD	10,945,000	13,785,967	13,702,552
Seagate HDD Cayman, 3.38%, 2031/07/15	USD	8,000,000	9,640,265	9,890,189

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2021

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Foreign (9.9%): (cont'd)				
Seaspan Corp., 3.75%, 2025/12/15	USD	9,410,000	13,697,364	14,646,862
Seaspan Corp., 5.50%, 2029/08/01	USD	4,000,000	4,979,800	5,156,139
SFL Corp. Ltd., 7.25%, 2026/05/12	USD	13,000,000	15,960,750	16,646,451
Ship Finance International Ltd., 4.88%, 2023/05/01	USD	8,656,000	10,552,564	10,880,316
			143,282,860	137,532,930
Total corporate bonds and loans (85.9%)			1,189,983,485	1,193,505,904
Closed end funds:				
Aberdeen Asia-Pacific Income Investment Company Limited	CAD	550,000	1,636,739	1,683,000
Sprott Physical Uranium Trust	CAD	210,000	2,026,500	2,925,300
Total closed end funds (0.3%)			3,663,239	4,608,300
Common shares:				
ATD New Holdings Inc.	USD	85,552	4,962,152	9,225,669
FTS International, Inc.	USD	200,000	3,960,379	6,640,988
McDermott International, Ltd.	USD	4,857,679	10,858,992	2,823,500
PHI Group Inc.	USD	180,299	1,878,398	3,307,003
Total common shares (1.6%)			21,659,921	21,997,160
Government bonds:				
Government of Canada, 1.25%, 2025/03/01	CAD	15,000,000	15,053,100	15,053,608
Government of Canada, 1.50%, 2026/06/01	CAD	7,000,000	7,207,200	7,088,542
Government of Canada, 2.00%, 2028/06/01	CAD	10,000,000	10,696,000	10,445,396
Province of British Columbia, 2.85%, 2025/06/18	CAD	10,000,000	10,740,500	10,488,132
Province of Quebec, 1.90%, 2030/09/01	CAD	459,000	465,747	458,418
Total government bonds (3.1%)			44,162,547	43,534,096
Preferred shares:				
Bank of Montreal, Series 38, Variable	CAD	100,000	2,547,620	2,525,000
BCE Inc., Series AB, Variable	CAD	99,800	1,447,196	2,062,866
BCE Inc., Series AC, 4.38%	CAD	255,900	3,919,012	5,563,266
BCE Inc., Series AF, 3.87%	CAD	100,000	1,305,797	2,117,000
BCE Inc., Series AG, 3.37%	CAD	58,200	821,556	1,212,888
BCE Inc., Series AO, 4.26%	CAD	32,200	619,243	820,134
BCE Inc., Series AQ, 4.81%	CAD	126,300	2,209,517	3,067,827
BCE Inc., Series R, 3.02%	CAD	100,000	1,379,180	2,019,000
Brookfield Asset Management Inc., Series 26, 3.47%	CAD	100,000	1,581,039	2,075,000
Brookfield Asset Management Inc., Series 28, 2.73%	CAD	145,000	1,886,269	2,595,500
Brookfield Office Properties Inc., Series AA, 4.71%	CAD	38,000	638,020	769,500
Brookfield Office Properties Inc., Series V, Variable	CAD	109,800	1,332,193	1,384,578
Brookfield Office Properties Inc., Series W, Variable	CAD	32,200	393,201	409,584
Brookfield Office Properties Inc., Series Y, Variable	CAD	42,600	515,078	523,980
Brookfield Renewable Power Preferred Equity Inc., Series 5, 5.00%	CAD	47,700	925,914	1,216,827
Capstone Infrastructure Corporation, Series A, 3.70%	CAD	31,900	399,088	515,185
Cenovus Energy Inc., Series 3, 4.50%	CAD	184,350	3,022,294	4,334,069
Cenovus Energy Inc., Series 5, 4.50%	CAD	271,400	4,658,253	6,700,866
Cenovus Energy Inc., Series 7, 4.60%	CAD	185,775	3,209,997	4,363,855
Element Fleet Management Corp., Series A, 6.60%	CAD	58,700	1,311,358	1,536,179
Fairfax Financial Holdings Limited, Series C, 4.71%	CAD	131,200	2,017,971	3,056,960
Fairfax Financial Holdings Limited, Series E, 3.18%	CAD	129,800	1,821,995	2,323,420

The accompanying notes are an integral part of these financial statements.

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2021

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Preferred shares: (cont'd)				
Fairfax Financial Holdings Limited, Series G, 2.96%	CAD	243,700	3,709,379	4,715,595
Fairfax Financial Holdings Limited, Series I, 3.33%	CAD	172,550	2,678,846	3,551,079
Fairfax Financial Holdings Limited, Series K, 4.67%	CAD	100,800	1,547,572	2,460,528
Fairfax Financial Holdings Limited, Series M, 5.00%	CAD	80,900	1,535,372	2,041,107
Fannie Mae, Series M, 4.75%	USD	101,000	515,677	554,478
Fannie Mae, Series R, 7.63%	USD	126,465	270,430	391,931
Fannie Mae, Series S, Variable	USD	2,272,089	9,812,811	8,967,126
Freddie Mac, Series K, 5.79%	USD	200,000	996,418	1,062,558
Freddie Mac, Series Z, Variable	USD	615,000	2,137,300	2,232,700
George Weston Limited, Series III, 5.20%	CAD	148,300	3,598,496	3,784,616
George Weston Limited, Series IV, 5.20%	CAD	98,100	2,346,198	2,494,683
George Weston Limited, Series V, 4.75%	CAD	131,500	3,035,109	3,324,320
Thomson Reuters Corporation, Series II, Variable	CAD	310,822	3,023,403	4,848,823
Total preferred shares (6.6%)			73,168,802	91,623,028
Warrants:				
Acreage Holdings Inc., Class D, strike price \$3.01, expiry 2024/11/02	USD	249,169	-	-
Acreage Holdings Inc., Class E, strike price \$3.15, expiry 2024/11/02	USD	556,048	-	-
McDermott International Ltd., Tranche A, strike price \$12.33, expiry 2027/06/30	USD	173,860	-	-
McDermott International Ltd., Tranche B, strike price \$15.98, expiry 2027/06/30	USD	193,177	-	-
PHI Group Inc., strike price \$6.50, expiry 2044/08/30	USD	50,000	521,761	822,218
Total warrants (0.1%)			521,761	822,218
Less: Transaction costs included in cost of investments			(145,127)	
Total investments (97.6%)			1,333,014,628	1,356,090,706
	Contract rate	Pay	Receive	Unrealized gain (loss)
Derivative liabilities:				
BNY Mellon, Foreign Currency Forward, settlement 2022/01/11	1.25	USD 325,323,624	CAD 406,861,100	(4,659,621)
BNY Mellon, Foreign Currency Forward, settlement 2022/04/12	1.25	USD 241,768,273	CAD 302,972,400	(2,938,750)
Total derivative liabilities (-0.5%)				(7,598,371)
Cash (5.2%)				72,140,929
Other assets less liabilities (-2.3%)				(30,853,283)
Total net assets attributable to holders of redeemable units (100.0%)				1,389,779,981

Pender Enhanced Income Fund

Statements of Financial Position

December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Assets		
Cash	509,499	208,327
Dividends receivable	46,162	39,795
Other receivable	286	2
Investments	43,373,661	39,952,730
	43,929,608	40,200,854
Liabilities		
Management and administration fees payable (note 4)	52,954	51,052
Redemptions payable to holders of redeemable units	11,596	54,840
Accrued expenses	201	769
	64,751	106,661
Net assets attributable to holders of redeemable units	43,864,857	40,094,193
Net assets attributable to holders of redeemable units per class:		
Class A	10,215,166	10,966,906
Class A1	433,685	4,979
Class E	6,335	5,067
Class F	6,569,596	28,988,987
Class F1	1,316,783	113,078
Class I	25,310,605	5,035
Class N	6,290	5,050
Class O	6,397	5,091
	43,864,857	40,094,193
Net assets attributable to holders of redeemable units per unit:		
Class A	8.22	7.04
Class A1	11.09	9.49
Class E	11.48	9.66
Class F	8.58	7.28
Class F1	11.31	9.58
Class I	11.34	9.60
Class N	11.40	9.62
Class O	11.59	9.70

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Enhanced Income Fund

Statements of Comprehensive Income

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Revenue		
Distributions from underlying funds	852,874	829,449
Interest for distribution purposes	-	(22,351)
Dividend income	447,123	720,152
Securities lending income (note 5)	4,271	812
Other income	-	383,384
Foreign exchange gain (loss)	(16,940)	67,603
Changes in fair value of investments:		
Net realized gain (loss)	5,007,790	(6,725,666)
Net change in unrealized appreciation (depreciation)	3,617,315	856,694
Total revenue	9,912,433	(3,889,923)
Expenses		
Management fees (note 4)	421,132	443,577
Administration fees (note 4)	242,734	217,172
Transaction costs	39,628	59,057
Withholding taxes (recovery) (note 6)	25,528	(4,597)
Independent review committee fees	888	1,017
Other administrative fees	-	(8,538)
Total expenses	729,910	707,688
Less: Expenses absorbed by the Manager (note 4)	(888)	(1,017)
Net expenses	729,022	706,671
Increase (decrease) in net assets attributable to holders of redeemable units	9,183,411	(4,596,594)
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	2,352,506	(1,273,306)
Class A1	62,944	(21)
Class E	1,268	67
Class F	5,329,079	(3,370,298)
Class F1	60,892	46,788
Class I	1,374,176	35
Class N	1,240	50
Class O	1,306	91
	9,183,411	(4,596,594)
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	1.70	(0.65)
Class A1	0.51	(0.03)
Class E	2.36	0.14
Class F	3.50	(0.70)
Class F1	1.00	4.12
Class I	0.82	0.07
Class N	2.31	0.10
Class O	2.43	0.18

Pender Enhanced Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2021 and 2020

Class A	2021 (\$)	2020 (\$)
Balance, beginning of year	10,966,906	18,233,648
Increase (decrease) in net assets attributable to holders of redeemable units	2,352,506	(1,273,306)
Unit transactions:		
Proceeds from issue of redeemable units	42,000	56,174
Issued on reinvestment of distributions	508,283	512,574
Amounts paid on redemption of redeemable units	(3,091,702)	(5,989,317)
	(2,541,419)	(5,420,569)
Distributions paid from:		
Net investment income	(126,542)	(216,404)
Realized gains on sale of investments	-	-
Return of capital	(436,285)	(356,463)
	(562,827)	(572,867)
Balance, end of year	10,215,166	10,966,906
Class A1	2021 (\$)	2020 (\$)
Balance, beginning of year	4,979	5,000
Increase (decrease) in net assets attributable to holders of redeemable units	62,944	(21)
Unit transactions:		
Proceeds from issue of redeemable units	3,618,881	-
Issued on reinvestment of distributions	68,028	203
Amounts paid on redemption of redeemable units	(3,252,180)	-
	434,729	203
Distributions paid from:		
Net investment income	(8,644)	(77)
Realized gains on sale of investments	-	-
Return of capital	(60,323)	(126)
	(68,967)	(203)
Balance, end of year	433,685	4,979
Class E	2021 (\$)	2020 (\$)
Balance, beginning of year	5,067	5,000
Increase (decrease) in net assets attributable to holders of redeemable units	1,268	67
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	301	205
Amounts paid on redemption of redeemable units	-	-
	301	205
Distributions paid from:		
Net investment income	(103)	(77)
Realized gains on sale of investments	-	-
Return of capital	(198)	(128)
	(301)	(205)
Balance, end of year	6,335	5,067

Pender Enhanced Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class F	2021 (\$)	2020 (\$)
Balance, beginning of year	28,988,987	47,923,527
Increase (decrease) in net assets attributable to holders of redeemable units	5,329,079	(3,370,298)
Unit transactions:		
Proceeds from issue of redeemable units	2,339	187,143
Issued on reinvestment of distributions	600,074	1,365,067
Amounts paid on redemption of redeemable units	(27,719,006)	(15,661,280)
	(27,116,593)	(14,109,070)
Distributions paid from:		
Net investment income	(101,167)	(549,696)
Realized gains on sale of investments	-	-
Return of capital	(530,710)	(905,476)
	(631,877)	(1,455,172)
Balance, end of year	6,569,596	28,988,987

Class F1	2021 (\$)	2020 (\$)
Balance, beginning of year	113,078	5,000
Increase (decrease) in net assets attributable to holders of redeemable units	60,892	46,788
Unit transactions:		
Proceeds from issue of redeemable units	1,643,483	186,368
Issued on reinvestment of distributions	23,610	4,990
Amounts paid on redemption of redeemable units	(489,714)	(125,078)
	1,177,379	66,280
Distributions paid from:		
Net investment income	(15,641)	(1,885)
Realized gains on sale of investments	-	-
Return of capital	(18,925)	(3,105)
	(34,566)	(4,990)
Balance, end of year	1,316,783	113,078

Class I	2021 (\$)	2020 (\$)
Balance, beginning of year	5,035	5,000
Increase (decrease) in net assets attributable to holders of redeemable units	1,374,176	35
Unit transactions:		
Proceeds from issue of redeemable units	25,855,296	-
Issued on reinvestment of distributions	919,099	204
Amounts paid on redemption of redeemable units	(1,901,217)	-
	24,873,178	204
Distributions paid from:		
Net investment income	(370,179)	(77)
Realized gains on sale of investments	-	-
Return of capital	(571,605)	(127)
	(941,784)	(204)
Balance, end of year	25,310,605	5,035

Pender Enhanced Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class N	2021 (\$)	2020 (\$)
Balance, beginning of year	5,050	5,000
Increase (decrease) in net assets attributable to holders of redeemable units	1,240	50
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	300	205
Amounts paid on redemption of redeemable units	-	-
	300	205
Distributions paid from:		
Net investment income	(98)	(78)
Realized gains on sale of investments	-	-
Return of capital	(202)	(127)
	(300)	(205)
Balance, end of year	6,290	5,050

Class O	2021 (\$)	2020 (\$)
Balance, beginning of year	5,091	5,000
Increase (decrease) in net assets attributable to holders of redeemable units	1,306	91
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	304	206
Amounts paid on redemption of redeemable units	-	-
	304	206
Distributions paid from:		
Net investment income	(104)	(78)
Realized gains on sale of investments	-	-
Return of capital	(200)	(128)
	(304)	(206)
Balance, end of year	6,397	5,091

Total Fund	2021 (\$)	2020 (\$)
Balance, beginning of year	40,094,193	66,187,175
Increase (decrease) in net assets attributable to holders of redeemable units	9,183,411	(4,596,594)
Unit transactions:		
Proceeds from issue of redeemable units	31,161,999	429,685
Issued on reinvestment of distributions	2,119,999	1,883,654
Amounts paid on redemption of redeemable units	(36,453,819)	(21,775,675)
	(3,171,821)	(19,462,336)
Distributions paid from:		
Net investment income	(622,478)	(768,372)
Realized gains on sale of investments	-	-
Return of capital	(1,618,448)	(1,265,680)
	(2,240,926)	(2,034,052)
Balance, end of year	43,864,857	40,094,193

Pender Enhanced Income Fund

Statements of Cash Flows

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	9,183,411	(4,596,594)
Adjustments for:		
Dividend income	(446,901)	(720,152)
Distributions from underlying funds	(852,874)	(829,449)
Interest for distribution purposes	1,234	22,351
Foreign exchange (gain) loss on cash	16,940	(67,603)
Net realized (gain) loss on sale of investments	(5,007,790)	6,725,666
Net change in unrealized (appreciation) depreciation of investments	(3,617,315)	(856,694)
Other receivable	(284)	(2)
Management and administration fees payable	1,902	39,355
Accrued expenses	(568)	(523,799)
	(722,245)	(806,921)
Proceeds on disposal of investments	19,011,806	30,911,681
Amounts paid on purchase of investments	(13,807,632)	(14,693,220)
Dividends received	440,534	730,368
Distributions from underlying funds	852,874	829,449
Interest received	(1,234)	14,145
	5,774,103	16,985,502
Financing:		
Proceeds from issue of redeemable units	30,394,696	285,953
Amounts paid on redemption of redeemable units	(35,729,760)	(22,262,035)
Distributions paid to unitholders	(120,927)	(150,398)
	(5,455,991)	(22,126,480)
Net increase (decrease) in cash	318,112	(5,140,978)
Cash, beginning of year	208,327	5,281,702
Effect of exchange rate fluctuations on cash	(16,940)	67,603
Cash, end of year	509,499	208,327

Pender Enhanced Income Fund

Schedule of Investment Portfolio

December 31, 2021

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Mutual funds:				
Pender Corporate Bond Fund, Class 'O'		1,496,363	16,463,732	16,976,088
Pender Small Cap Opportunities Fund, Class 'O'		88,641	2,424,712	3,128,153
Total mutual funds (45.8%)			18,888,444	20,104,241
Equities:				
Communication services (4.5%):				
Baidu, Inc., ADR		4,200	696,333	790,490
Corus Entertainment Inc., Class 'B'		96,000	523,805	456,960
KAB Distribution Inc.		1,508,544	-	-
Nintendo Co., Ltd., ADR		10,100	942,387	745,735
			2,162,525	1,993,185
Consumer discretionary (1.2%):				
Alibaba Group Holding Limited, ADR		3,600	929,178	540,948
			929,178	540,948
Consumer staples (0.3%):				
MAV Beauty Brands Inc.		120,125	553,829	140,546
			553,829	140,546
Diversified financials (21.6%):				
Brookfield Asset Management Inc., Class 'A'		29,850	1,471,584	2,280,242
Burford Capital Limited		94,000	850,583	1,255,640
Community Vehicle Financing & Leasing Inc.		153	8	-
Community Vehicle Financing & Leasing Inc., Preferred, Series '1', 6.00%		23,400	2,049,148	-
Exor N.V.		7,500	539,456	852,854
Fiera Capital Corporation, Class 'A'		90,000	1,013,359	944,100
Jack Cooper Enterprises, Inc.		1,410	18	-
KKR & Co. Inc.		22,200	800,543	2,092,101
Onex Corporation		13,300	951,186	1,320,424
Rubix Lending Co. Inc., Class 'B'		698	7	7
Starwood Property Trust, Inc.		23,200	450,587	713,128
			8,126,479	9,458,496
Energy (5.8%):				
ARC Resources Ltd.		106,600	669,573	1,225,900
Artis Exploration Ltd.		183,200	503,800	278,464
Bukit Energy Inc.		800,000	-	-
CBM Asia Development Corp.		4,166,667	417	417
Spartan Delta Corp.		93,700	93,700	559,389
Texas Pacific Land Corporation		300	452,635	473,927
			1,720,125	2,538,097
Health care (0.0%):				
Mjardin Group, Inc.		52,215	10,182	914
			10,182	914
Industrials (5.3%):				
Chorus Aviation Inc.		111,147	435,247	369,008
Exchange Income Corporation		17,800	715,220	750,092
Northrop Grumman Corporation		2,500	1,013,565	1,224,060
			2,164,032	2,343,160

Pender Enhanced Income Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2021

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Information Technology (2.9%):				
MicroStrategy Incorporated, Class 'A'		700	577,402	482,127
SS&C Technologies Holdings, Inc.		7,500	672,450	777,755
			1,249,852	1,259,882
Materials (4.6%):				
CCL Industries Inc., Class 'B'		14,000	780,678	949,620
Richards Packaging Income Fund		17,246	1,129,720	1,065,113
			1,910,398	2,014,733
Real estate (4.8%):				
Information Services Corporation, Class 'A'		44,903	719,723	1,178,704
Kennedy-Wilson Holdings, Inc.		30,700	576,705	927,355
			1,296,428	2,106,059
Utilities (2.0%):				
Altius Renewable Royalties Corp.		78,821	713,500	866,243
Genalta Power Inc., Rights		1	-	-
			713,500	866,243
Total equities (53.0%)			20,836,528	23,262,263
Corporate bonds:				
Escrow Quicksilver Resources Inc., 2021/07/01	USD	2,000,000	2,294,008	5,060
Total corporate bonds (0.0%)			2,294,008	5,060
Warrants:				
Affinion Group Holdings, Inc., strike price \$67.12, expiry 2024/04/10	USD	1,858	551,891	-
Chorus Aviation Inc., strike price \$6.20, expiry 2022/04/06	CAD	26,200	-	2,096
Hammerhead Resources Inc., strike price \$3.50, 2026/05/02	CAD	596,000	-	-
Tower Resources Ltd., strike price \$0.22, expiry 2022/04/06	CAD	625,000	-	1
Total warrants (0.0%)			551,891	2,097
Less: Transaction costs included in cost of investments			(12,607)	
Total investments (98.8%)			42,558,264	43,373,661
Cash (1.2%)				509,499
Other assets less liabilities (0.0%)				(18,303)
Total net assets attributable to holders of redeemable units (100.0%)				43,864,857

Pender Global Focused Fund (formerly Pender US All Cap Equity Fund)

Statements of Financial Position

December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Assets		
Cash	47,072	565,221
Subscriptions receivable	13,929	5,000
Other receivable	713	320
Investments	26,214,518	21,589,048
	26,276,232	22,159,589
Liabilities		
Management and administration fees payable (note 4)	22,460	20,709
Distributions payable to holders of redeemable units	1,093	1,287
Redemptions payable to holders of redeemable units	12,359	1,280
Accrued expenses	120	138
	36,032	23,414
Net assets attributable to holders of redeemable units	26,240,200	22,136,175
Net assets attributable to holders of redeemable units per class:		
Class A	5,822,803	7,385,666
Class A (USD)	362,184	328,897
Class D	970,492	164,275
Class E	2,122,144	2,264,780
Class F	5,625,136	5,635,536
Class F (USD)	188,723	199,936
Class H	449,878	123,225
Class I	222,463	7,208
Class N	7,399	7,993
Class N (USD)	9,701	10,478
Class O	10,459,277	6,008,181
	26,240,200	22,136,175
Net assets attributable to holders of redeemable units per unit:		
Class A	15.79	17.90
Class A (USD)	15.30	17.46
Class D	12.37	13.75
Class E	15.06	17.36
Class F	15.57	17.88
Class F (USD)	15.57	17.91
Class H	12.51	14.25
Class I	12.52	14.41
Class N	13.87	15.98
Class N (USD)	18.16	20.93
Class O	13.19	15.27

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

(signed) "David Barr"

David Barr

Director

(signed) "Felix Narhi"

Felix Narhi

Director

Pender Global Focused Fund (formerly Pender US All Cap Equity Fund)

Statements of Comprehensive Income

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Revenue		
Interest for distribution purposes	771	1,462
Dividend income	153,321	33,313
Securities lending income (note 5)	8,307	10,148
Foreign exchange gain (loss)	(4,212)	8,286
Changes in fair value of investments:		
Net realized gain (loss)	3,816,647	(704,776)
Net change in unrealized appreciation (depreciation)	(7,409,894)	8,537,024
Total revenue	(3,435,060)	7,885,457
Expenses		
Management fees (note 4)	214,523	141,500
Administration fees (note 4)	105,461	56,795
Transaction costs	14,294	8,877
Withholding taxes (recovery) (note 6)	12,786	4,996
Independent review committee fees	531	561
Total expenses	347,595	212,729
Less: Expenses absorbed by the Manager (note 4)	(531)	(561)
Net expenses	347,064	212,168
Increase (decrease) in net assets attributable to holders of redeemable units	(3,782,124)	7,673,289
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	(380,025)	2,598,965
Class A (USD)	(37,127)	76,394
Class D	(272,320)	31,654
Class E	(174,689)	783,341
Class F	(739,052)	1,903,966
Class F (USD)	(16,273)	55,891
Class H	(159,475)	44,616
Class I	(51,928)	(8,744)
Class N	(594)	2,859
Class N (USD)	(777)	3,746
Class O	(1,949,864)	2,180,601
	(3,782,124)	7,673,289
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	(1.01)	5.56
Class A (USD)	(2.00)	3.07
Class D	(4.06)	5.04
Class E	(1.31)	7.30
Class F	(2.06)	5.80
Class F (USD)	(1.46)	11.18
Class H	(5.01)	2.46
Class I	(3.39)	(2.49)
Class N	(1.19)	5.72
Class N (USD)	(1.55)	7.48
Class O	(2.80)	5.52

Pender Global Focused Fund (formerly Pender US All Cap Equity Fund)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2021 and 2020

Class A	2021 (\$)	2020 (\$)
Balance, beginning of year	7,385,666	6,196,892
Increase (decrease) in net assets attributable to holders of redeemable units	(380,025)	2,598,965
Unit transactions:		
Proceeds from issue of redeemable units	523,322	78,820
Issued on reinvestment of distributions	190,496	-
Amounts paid on redemption of redeemable units	(1,705,400)	(1,489,011)
	(991,582)	(1,410,191)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(191,256)	-
Return of capital	-	-
	(191,256)	-
Balance, end of year	5,822,803	7,385,666
Class A (USD)	2021 (\$)	2020 (\$)
Balance, beginning of year	328,897	623,214
Increase (decrease) in net assets attributable to holders of redeemable units	(37,127)	76,394
Unit transactions:		
Proceeds from issue of redeemable units	149,499	38,427
Issued on reinvestment of distributions	11,319	-
Amounts paid on redemption of redeemable units	(76,254)	(409,138)
	84,564	(370,711)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(14,150)	-
Return of capital	-	-
	(14,150)	-
Balance, end of year	362,184	328,897
Class D	2021 (\$)	2020 (\$)
Balance, beginning of year	164,275	83,697
Increase (decrease) in net assets attributable to holders of redeemable units	(272,320)	31,654
Unit transactions:		
Proceeds from issue of redeemable units	1,841,685	184,079
Issued on reinvestment of distributions	21,881	-
Amounts paid on redemption of redeemable units	(763,148)	(135,155)
	1,100,418	48,924
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(21,881)	-
Return of capital	-	-
	(21,881)	-
Balance, end of year	970,492	164,275

Pender Global Focused Fund (formerly Pender US All Cap Equity Fund)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class E	2021 (\$)	2020 (\$)
Balance, beginning of year	2,264,780	1,089,033
Increase (decrease) in net assets attributable to holders of redeemable units	(174,689)	783,341
Unit transactions:		
Proceeds from issue of redeemable units	115,161	402,998
Issued on reinvestment of distributions	140,175	-
Amounts paid on redemption of redeemable units	(83,108)	(10,592)
	172,228	392,406
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(140,175)	-
Return of capital	-	-
	(140,175)	-
Balance, end of year	2,122,144	2,264,780

Class F	2021 (\$)	2020 (\$)
Balance, beginning of year	5,635,536	4,288,628
Increase (decrease) in net assets attributable to holders of redeemable units	(739,052)	1,903,966
Unit transactions:		
Proceeds from issue of redeemable units	1,788,447	164,904
Issued on reinvestment of distributions	340,704	3,606
Amounts paid on redemption of redeemable units	(1,059,989)	(721,599)
	1,069,162	(553,089)
Distributions paid from:		
Net investment income	(5,660)	(3,969)
Realized gains on sale of investments	(334,850)	-
Return of capital	-	-
	(340,510)	(3,969)
Balance, end of year	5,625,136	5,635,536

Class F (USD)	2021 (\$)	2020 (\$)
Balance, beginning of year	199,936	101,527
Increase (decrease) in net assets attributable to holders of redeemable units	(16,273)	55,891
Unit transactions:		
Proceeds from issue of redeemable units	5,060	126,308
Issued on reinvestment of distributions	10,600	-
Amounts paid on redemption of redeemable units	-	(83,790)
	15,660	42,518
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(10,600)	-
Return of capital	-	-
	(10,600)	-
Balance, end of year	188,723	199,936

Pender Global Focused Fund (formerly Pender US All Cap Equity Fund)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class H	2021 (\$)	2020 (\$)
Balance, beginning of year	123,225	222,894
Increase (decrease) in net assets attributable to holders of redeemable units	(159,475)	44,616
Unit transactions:		
Proceeds from issue of redeemable units	580,738	114,452
Issued on reinvestment of distributions	17,893	-
Amounts paid on redemption of redeemable units	(94,610)	(258,737)
	504,021	(144,285)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(17,893)	-
Return of capital	-	-
	(17,893)	-
Balance, end of year	449,878	123,225
Class I	2021 (\$)	2020 (\$)
Balance, beginning of year	7,208	159,822
Increase (decrease) in net assets attributable to holders of redeemable units	(51,928)	(8,744)
Unit transactions:		
Proceeds from issue of redeemable units	274,916	4,308
Issued on reinvestment of distributions	13,066	-
Amounts paid on redemption of redeemable units	(7,733)	(148,178)
	280,249	(143,870)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(13,066)	-
Return of capital	-	-
	(13,066)	-
Balance, end of year	222,463	7,208
Class N	2021 (\$)	2020 (\$)
Balance, beginning of year	7,993	5,134
Increase (decrease) in net assets attributable to holders of redeemable units	(594)	2,859
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	466	-
Amounts paid on redemption of redeemable units	-	-
	466	-
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(466)	-
Return of capital	-	-
	(466)	-
Balance, end of year	7,399	7,993

Pender Global Focused Fund (formerly Pender US All Cap Equity Fund)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class N (USD)	2021 (\$)	2020 (\$)
Balance, beginning of year	10,478	6,732
Increase (decrease) in net assets attributable to holders of redeemable units	(777)	3,746
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	613	-
Amounts paid on redemption of redeemable units	-	-
	613	-
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(613)	-
Return of capital	-	-
	(613)	-
Balance, end of year	9,701	10,478
Class O	2021 (\$)	2020 (\$)
Balance, beginning of year	6,008,181	3,870,119
Increase (decrease) in net assets attributable to holders of redeemable units	(1,949,864)	2,180,601
Unit transactions:		
Proceeds from issue of redeemable units	6,475,000	-
Issued on reinvestment of distributions	783,052	-
Amounts paid on redemption of redeemable units	(74,040)	(42,539)
	7,184,012	(42,539)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(783,052)	-
Return of capital	-	-
	(783,052)	-
Balance, end of year	10,459,277	6,008,181
Total Fund	2021 (\$)	2020 (\$)
Balance, beginning of year	22,136,175	16,647,692
Increase (decrease) in net assets attributable to holders of redeemable units	(3,782,124)	7,673,289
Unit transactions:		
Proceeds from issue of redeemable units	11,753,828	1,114,296
Issued on reinvestment of distributions	1,530,265	3,606
Amounts paid on redemption of redeemable units	(3,864,282)	(3,298,739)
	9,419,811	(2,180,837)
Distributions paid from:		
Net investment income	(5,660)	(3,969)
Realized gains on sale of investments	(1,528,002)	-
Return of capital	-	-
	(1,533,662)	(3,969)
Balance, end of year	26,240,200	22,136,175

Pender Global Focused Fund (formerly Pender US All Cap Equity Fund)

Statements of Cash Flows

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	(3,782,124)	7,673,289
Adjustments for:		
Dividend income	(153,321)	(33,313)
Interest for distribution purposes	(771)	(1,462)
Foreign exchange (gain) loss on cash	4,212	(8,286)
Net realized (gain) loss on sale of investments	(3,816,647)	704,776
Net change in unrealized (appreciation) depreciation of investments	7,409,894	(8,537,024)
Other receivable	(393)	819
Management and administration fees payable	1,751	2,032
Accrued expenses	(18)	22
	(337,417)	(199,147)
Proceeds on disposal of investments	13,510,274	9,298,494
Amounts paid on purchase of investments	(21,728,991)	(7,609,680)
Dividends received	153,321	33,313
Interest received	771	1,462
	(8,402,042)	1,524,442
Financing:		
Proceeds from issue of redeemable units	11,278,985	966,372
Amounts paid on redemption of redeemable units	(3,387,289)	(3,154,535)
Distributions paid to unitholders	(3,591)	-
	7,888,105	(2,188,163)
Net increase (decrease) in cash	(513,937)	(663,721)
Cash, beginning of year	565,221	1,220,656
Effect of exchange rate fluctuations on cash	(4,212)	8,286
Cash, end of year	47,072	565,221

Pender Global Focused Fund (formerly Pender US All Cap Equity Fund)

Schedule of Investment Portfolio

December 31, 2021

	Number of shares	Cost (\$)	Fair value (\$)
Equities:			
Communication services (21.6%):			
Baidu, Inc., ADR	12,500	3,187,040	2,352,648
Discovery Communications, Inc.	37,600	1,406,407	1,089,173
IAC/InterActiveCorp	3,600	420,982	595,230
Nintendo Co., Ltd., ADR	22,100	2,054,332	1,631,756
		7,068,761	5,668,807
Consumer discretionary (22.7%):			
Alibaba Group Holding Limited, ADR	6,600	1,593,543	991,739
ASOS Plc	18,600	963,336	761,448
JD.com, Inc., ADR	22,900	1,514,499	2,029,742
Peloton Interactive, Inc., Class 'A'	17,700	1,495,972	800,653
Stitch Fix, Inc., Class 'A'	57,800	2,357,761	1,383,319
		7,925,111	5,966,901
Diversified financials (28.5%):			
Burford Capital Limited	196,977	1,994,985	2,631,193
Coinbase Global, Inc., Class 'A'	2,500	831,140	798,089
FRMO Corporation	71,878	663,518	1,154,710
Interactive Brokers Group, Inc., Class 'A'	9,400	627,943	944,346
KKR & Co. Inc.	20,700	590,594	1,950,743
		4,708,180	7,479,081
Energy (2.2%):			
Texas Pacific Land Corporation	360	533,199	568,713
		533,199	568,713
Industrials (3.2%):			
Colfax Corporation	14,312	717,006	832,239
		717,006	832,239
Information technology (14.3%):			
Block, Inc.	3,800	393,488	776,348
MicroStrategy Incorporated, Class 'A'	2,000	1,086,651	1,377,505
PAR Technology Corporation	24,000	1,046,502	1,602,034
		2,526,641	3,755,887
Real estate (7.4%):			
The Howard Hughes Corporation	2,105	295,623	271,012
Zillow Group, Inc., Class 'C'	20,700	1,344,200	1,671,878
		1,639,823	1,942,890
Less: Transaction costs included in cost of investments		(7,736)	
Total investments (99.9%)		25,110,985	26,214,518
Cash (0.2%)			47,072
Other assets less liabilities (-0.1%)			(21,390)
Total net assets attributable to holders of redeemable units (100.0%)			26,240,200

Pender Small Cap Opportunities Fund

Statements of Financial Position

December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Assets		
Cash	16,691,420	4,562,907
Interest receivable	-	496,908
Dividends receivable	77,792	49,887
Receivable for investments sold	75,020	125,115
Subscriptions receivable	446,696	1,126,663
Investments	308,125,394	219,910,025
	325,416,322	226,271,505
Liabilities		
Management and administration fees payable (note 4)	138,821	236,000
Distributions payable to holders of redeemable units	52,930	43,451
Redemptions payable to holders of redeemable units	147,519	115,051
Payable for investments purchased	119,265	2,100,000
Accrued expenses	1,097	1,588
Performance fee payable	-	2,489,097
	459,632	4,985,187
Net assets attributable to holders of redeemable units	324,956,690	221,286,318
Net assets attributable to holders of redeemable units per class:		
Class A	37,415,911	32,406,020
Class B	26,051,170	17,134,689
Class E	3,513,165	2,500,345
Class F	97,457,101	85,902,772
Class G	99,606,986	44,524,413
Class I	23,048,374	19,221,142
Class M	9,642,849	-
Class N	613,334	5,607,875
Class O	27,607,800	13,989,062
	324,956,690	221,286,318
Net assets attributable to holders of redeemable units per unit:		
Class A	34.25	34.51
Class B	12.63	12.02
Class E	14.52	14.81
Class F	35.07	35.17
Class G	12.81	12.54
Class I	16.40	16.61
Class M	7.60	-
Class N	19.68	15.55
Class O	35.27	35.97

Approved on behalf of the Manager, PenderFund Capital Management Ltd:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Small Cap Opportunities Fund

Statements of Comprehensive Income

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Revenue		
Interest for distribution purposes	751,672	1,094,211
Dividend income	2,915,686	2,436,563
Other income	-	35,551
Foreign exchange gain (loss)	(38,220)	410,821
Changes in fair value of investments:		
Net realized gain (loss)	77,944,299	4,799,873
Net change in unrealized appreciation (depreciation)	(16,995,220)	56,438,884
Total revenue	64,578,217	65,215,903
Expenses		
Management fees (note 4)	3,030,872	1,692,524
Administration fees (note 4)	1,588,985	796,933
Transaction costs	587,867	388,393
Performance fee (note 4)	138,044	3,139,097
Independent review committee fees	6,568	5,579
Withholding taxes (recovery) (note 6)	1,704	1,477
Other taxes (recovery)	(93,715)	(39,731)
Total expenses	5,260,325	5,984,272
Less: Expenses absorbed by the Manager (note 4)	(6,568)	(5,579)
Net expenses	5,253,757	5,978,693
Increase (decrease) in net assets attributable to holders of redeemable units	59,324,460	59,237,210
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	7,897,572	9,142,862
Class B	4,475,113	4,445,428
Class E	691,829	822,254
Class F	21,992,375	26,410,270
Class G	14,080,615	11,634,429
Class I	4,893,817	6,156,936
Class M	(497,880)	-
Class N	1,310,016	(4,376,530)
Class O	4,481,003	5,001,561
	59,324,460	59,237,210
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	8.67	8.82
Class B	2.56	3.33
Class E	3.76	4.99
Class F	9.41	9.83
Class G	2.42	3.77
Class I	4.37	5.24
Class M	(1.48)	-
Class N	12.12	(2.46)
Class O	8.00	12.42

Pender Small Cap Opportunities Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2021 and 2020

Class A	2021 (\$)	2020 (\$)
Balance, beginning of year	32,406,020	28,865,644
Increase (decrease) in net assets attributable to holders of redeemable units	7,897,572	9,142,862
Unit transactions:		
Proceeds from issue of redeemable units	38,783	31,195
Issued on reinvestment of distributions	7,408,800	-
Amounts paid on redemption of redeemable units	(2,882,316)	(5,633,681)
	4,565,267	(5,602,486)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(7,452,948)	-
Return of capital	-	-
	(7,452,948)	-
Balance, end of year	37,415,911	32,406,020
Class B	2021 (\$)	2020 (\$)
Balance, beginning of year	17,134,689	11,045,160
Increase (decrease) in net assets attributable to holders of redeemable units	4,475,113	4,445,428
Unit transactions:		
Proceeds from issue of redeemable units	10,110,169	3,635,450
Issued on reinvestment of distributions	3,678,601	-
Amounts paid on redemption of redeemable units	(5,488,051)	(1,991,349)
	8,300,719	1,644,101
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(3,859,351)	-
Return of capital	-	-
	(3,859,351)	-
Balance, end of year	26,051,170	17,134,689
Class E	2021 (\$)	2020 (\$)
Balance, beginning of year	2,500,345	1,458,571
Increase (decrease) in net assets attributable to holders of redeemable units	691,829	822,254
Unit transactions:		
Proceeds from issue of redeemable units	448,463	273,912
Issued on reinvestment of distributions	783,935	-
Amounts paid on redemption of redeemable units	(127,472)	(54,392)
	1,104,926	219,520
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(783,935)	-
Return of capital	-	-
	(783,935)	-
Balance, end of year	3,513,165	2,500,345

Pender Small Cap Opportunities Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class F	2021 (\$)	2020 (\$)
Balance, beginning of year	85,902,772	72,426,505
Increase (decrease) in net assets attributable to holders of redeemable units	21,992,375	26,410,270
Unit transactions:		
Proceeds from issue of redeemable units	1,344,827	1,326,440
Issued on reinvestment of distributions	18,228,473	115,549
Amounts paid on redemption of redeemable units	(9,553,782)	(14,249,029)
	10,019,518	(12,807,040)
Distributions paid from:		
Net investment income	(202,565)	(126,963)
Realized gains on sale of investments	(20,254,999)	-
Return of capital	-	-
	(20,457,564)	(126,963)
Balance, end of year	97,457,101	85,902,772

Class G	2021 (\$)	2020 (\$)
Balance, beginning of year	44,524,413	24,602,219
Increase (decrease) in net assets attributable to holders of redeemable units	14,080,615	11,634,429
Unit transactions:		
Proceeds from issue of redeemable units	60,150,976	13,439,004
Issued on reinvestment of distributions	14,855,668	(1,254)
Amounts paid on redemption of redeemable units	(16,171,551)	(5,149,985)
	58,835,093	8,287,765
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(17,833,135)	-
Return of capital	-	-
	(17,833,135)	-
Balance, end of year	99,606,986	44,524,413

Class I	2021 (\$)	2020 (\$)
Balance, beginning of year	19,221,142	13,326,742
Increase (decrease) in net assets attributable to holders of redeemable units	4,893,817	6,156,936
Unit transactions:		
Proceeds from issue of redeemable units	178,000	99,999
Issued on reinvestment of distributions	4,874,750	7,851
Amounts paid on redemption of redeemable units	(1,245,456)	(361,757)
	3,807,294	(253,907)
Distributions paid from:		
Net investment income	(11,585)	(8,629)
Realized gains on sale of investments	(4,862,294)	-
Return of capital	-	-
	(4,873,879)	(8,629)
Balance, end of year	23,048,374	19,221,142

Pender Small Cap Opportunities Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class M	2021 (\$)	2020 (\$)
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	(497,880)	-
Unit transactions:		
Proceeds from issue of redeemable units	10,140,729	-
Issued on reinvestment of distributions	2,172,344	-
Amounts paid on redemption of redeemable units	-	-
	12,313,073	-
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(2,172,344)	-
Return of capital	-	-
	(2,172,344)	-
Balance, end of period	9,642,849	-

Class N	2021 (\$)	2020 (\$)
Balance, beginning of year	5,607,875	40,783,897
Increase (decrease) in net assets attributable to holders of redeemable units	1,310,016	(4,376,530)
Unit transactions:		
Proceeds from issue of redeemable units	1,000,000	1,815,529
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(7,304,557)	(32,615,021)
	(6,304,557)	(30,799,492)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	613,334	5,607,875

Class O	2021 (\$)	2020 (\$)
Balance, beginning of year	13,989,062	8,411,837
Increase (decrease) in net assets attributable to holders of redeemable units	4,481,003	5,001,561
Unit transactions:		
Proceeds from issue of redeemable units	10,250,999	2,005,000
Issued on reinvestment of distributions	6,270,661	-
Amounts paid on redemption of redeemable units	(1,113,264)	(1,429,336)
	15,408,396	575,664
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(6,270,661)	-
Return of capital	-	-
	(6,270,661)	-
Balance, end of year	27,607,800	13,989,062

Pender Small Cap Opportunities Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Total Fund	2021 (\$)	2020 (\$)
Balance, beginning of year	221,286,318	200,920,575
Increase (decrease) in net assets attributable to holders of redeemable units	59,324,460	59,237,210
Unit transactions:		
Proceeds from issue of redeemable units	93,662,946	22,626,529
Issued on reinvestment of distributions	58,273,232	122,146
Amounts paid on redemption of redeemable units	(43,886,449)	(61,484,550)
	108,049,729	(38,735,875)
Distributions paid from:		
Net investment income	(214,150)	(135,592)
Realized gains on sale of investments	(63,489,667)	-
Return of capital	-	-
	(63,703,817)	(135,592)
Balance, end of year	324,956,690	221,286,318

Pender Small Cap Opportunities Fund

Statements of Cash Flows

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	59,324,460	59,237,210
Adjustments for:		
Dividend income	(2,915,686)	(2,436,563)
Interest for distribution purposes	(751,672)	(1,094,211)
Foreign exchange (gain) loss on cash	38,220	(410,821)
Net realized (gain) loss on sale of investments	(77,944,299)	(4,799,873)
Net change in unrealized (appreciation) depreciation of investments	16,995,220	(56,438,884)
Performance fees payable	(2,489,097)	2,489,097
Management and administration fees payable	(97,179)	17,411
Accrued expenses	(491)	548
	(7,840,524)	(3,436,086)
Proceeds on disposal of investments	180,011,476	130,417,679
Amounts paid on purchase of investments	(209,208,406)	(100,332,296)
Dividends received	2,887,781	2,496,648
Interest received	1,248,580	857,018
	(32,901,093)	30,002,963
Financing:		
Proceeds from issue of redeemable units	91,152,991	20,608,241
Amounts paid on redemption of redeemable units	(40,664,059)	(60,477,874)
Distributions paid to unitholders	(5,421,106)	(1,254)
	45,067,826	(39,870,887)
Net increase (decrease) in cash	12,166,733	(9,867,924)
Cash, beginning of year	4,562,907	14,020,010
Effect of exchange rate fluctuations on cash	(38,220)	410,821
Cash, end of year	16,691,420	4,562,907

Pender Small Cap Opportunities Fund

Schedule of Investment Portfolio

December 31, 2021

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Equities:				
Communications services (5.7%):				
BBTV Holdings Inc.		418,300	6,692,800	1,267,449.00
Corus Entertainment Inc., Class 'B'		1,706,023	9,141,728	8,120,669.00
mdf commerce inc.		552,700	2,700,348	3,117,228.00
Wishpond Technologies Ltd.		1,622,700	2,446,902	2,174,418.00
Wow Unlimited Media Inc.		2,643,800	2,523,635	3,807,072.00
			23,505,413	18,486,836
Consumer discretionary (13.9%):				
Aritzia Inc.		193,650	3,869,362	10,137,578
ATD New Holdings Inc.		85,551	4,959,524	9,225,562
BuildDirect.com Technologies Inc.		1,766,000	2,905,270	3,002,200
D2L Inc.		225,022	3,825,374	3,094,053
Freshii Inc., Class 'A'		1,335,381	5,976,823	2,590,639
Goodfood Market Corp.		705,700	7,297,935	2,872,199
Nova Cannabis Inc.		3,242,931	9,728,793	9,112,636
Unisync Corp.		1,557,675	3,753,997	5,124,751
			42,317,078	45,159,618
Consumer staples (2.0%):				
Alcanna Inc.		299,410	1,053,686	2,047,964
GreenSpace Brands Inc.		45,327,028	8,381,864	2,719,622
MAV Beauty Brands Inc.		1,528,466	8,034,024	1,788,305
			17,469,574	6,555,891
Diversified financials (5.7%):				
Chesswood Group Limited		536,700	6,075,471	7,723,113
Deans Knight Income Corporation		3,000	1,200	1,200
Fiera Capital Corporation, Class 'A'		748,991	7,976,102	7,856,916
INX Limited, Subscription Receipts, Restricted		2,400,000	3,000,000	3,000,000
			17,052,773	18,581,229
Energy (7.2%):				
Spartan Delta Corp.		2,584,375	8,538,081	15,428,719
TerraVest Industries Inc.		288,100	1,953,764	7,916,988
			10,491,845	23,345,707
Health care (0.7%):				
Clarius Mobile Health Corp., Preferred, Series '1'		1,123,596	1,000,000	1,536,518
Vigil Health Solutions Inc.		1,589,000	227,433	810,390
			1,227,433	2,346,908
Industrials (13.3%):				
Blackline Safety Corp.		1,827,330	12,465,940	11,292,899
Fluor Corporation		211,700	1,916,746	6,633,156
Inscape Corporation, Class 'B'		1,032,740	3,203,656	1,161,833
Maxar Technologies Inc.		312,161	8,361,057	11,668,578
Mullen Group Ltd.		566,600	4,235,237	6,589,558
Savaria Corporation		245,000	4,791,761	4,694,200
Spire Global, Inc.		295,335	1,702,322	1,262,714
			36,676,719	43,302,938
Information technology (35.8%):				
Aviat Networks, Inc.		260,109	2,907,034	10,555,118
BIGG Digital Assets Inc.		1,634,100	2,052,385	1,699,464
Dye & Durham Limited		172,638	3,697,127	7,747,993

The accompanying notes are an integral part of these financial statements.

Pender Small Cap Opportunities Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2021

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Information technology (35.8%): (cont'd)				
Farmers Edge Inc.		94,821	880,913	299,634
INEO Tech Corp.		4,740,000	1,706,400	1,374,600
LiveTiles Limited		16,638,097	5,087,273	1,531,228
Luxxfolio Holdings Inc.		1,750,000	1,225,000	831,250
Martello Technologies Group Inc.		5,643,500	1,184,284	423,263
MediaValet Inc.		1,125,000	2,250,000	2,250,000
PAR Technology Corporation		128,481	6,193,357	8,576,288
ProntoForms Corporation		11,020,667	5,689,127	9,808,394
Quorum Information Technologies Inc.		3,282,477	2,025,153	3,709,199
Redline Communications Group Inc.		1,719,911	4,439,069	1,341,531
Sangoma Technologies Corporation		727,193	10,970,766	15,867,351
Sierra Wireless, Inc.		292,600	6,849,928	6,524,980
Sylogist Ltd.		1,423,000	15,576,268	18,342,470
Tantalus Systems Holding Inc.		2,665,659	5,997,734	4,931,469
WeCommerce Holdings Ltd.		1,524,231	15,889,551	20,333,241
			94,621,369	116,147,473
Real estate (5.0%):				
Dream Unlimited Corp., Class 'A'		261,260	5,250,810	10,144,726
Real Matters Inc.		728,300	9,635,078	6,044,890
			14,885,888	16,189,616
Utilities (5.4%):				
Altius Renewable Royalties Corp.		701,177	7,288,057	7,705,935
Maxim Power Corp.		1,315,400	3,522,062	5,222,138
Polaris Infrastructure Inc.		270,113	3,311,261	4,554,105
			14,121,380	17,482,178
Total equities (94.7%)			272,369,472	307,598,394
Warrants:				
BeWhere Holdings Inc., strike price \$0.35, expiry 2024/02/15	CAD	15,500	388	-
BIGG Digital Assets Inc., strike price \$0.70, expiry 2023/01/28	CAD	1,550,000	-	527,000
BIGG Digital Assets Inc., strike price \$2.70, expiry 2023/04/16	CAD	250,000	-	-
Greenspace Brands Inc., Restricted, strike price \$0.10, expiry 2023/03/30	CAD	2,142,857	-	-
Greenspace Brands Inc., Restricted, strike price \$0.09, expiry 2023/09/28	CAD	2,011,500	-	-
GreenSpace Brands Inc., strike price \$0.08, expiry 2022/12/23	CAD	14,116,334	-	-
INEO Tech Corp., strike price \$0.55, expiry 2023/03/10	CAD	2,370,000	-	-
Luxxfolio Holdings Inc., strike price \$1.00, expiry 2023/12/07	CAD	875,000	-	-
Martello Technologies Group Inc., strike price \$0.30, expiry 2023/05/26	CAD	4,700,000	-	-
Medexus Pharmaceuticals Inc., strike price \$9.45, expiry 2023/10/16	CAD	98,038	126	-
NEXE Innovations Inc., strike price \$2.50, expiry 2023/04/09	CAD	87,500	-	-
Siyata Mobile Inc., strike price \$65.25, expiry 2022/12/23	CAD	14,517	-	-
Sphere 3D Corp., strike price \$9.50, expiry 2026/09/08	USD	294,100	-	-
Total warrants (0.2%)			514	527,000

Pender Small Cap Opportunities Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2021

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Less: Transaction costs included in cost of investments			(313,589)	
Total investments (94.9%)			272,056,397	308,125,394
Cash (5.1%)				16,691,420
Other assets less liabilities (0.0%)				139,876
Total net assets attributable to holders of redeemable units (100.0%)				324,956,690

Pender Small/Mid Cap Dividend Fund

Statements of Financial Position

December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Assets		
Cash	2,847,810	5,088,701
Dividends receivable	30,483	15,981
Subscriptions receivable	6,500	116,327
Other receivable	569	183
Investments	21,616,595	6,327,486
	24,501,957	11,548,678
Liabilities		
Management and administration fees payable (note 4)	27,078	10,145
Redemptions payable to holders of redeemable units	-	4,288
Accrued expenses	485	316
	27,563	14,749
Net assets attributable to holders of redeemable units	24,474,394	11,533,929
Net assets attributable to holders of redeemable units per class:		
Class A	945,087	478,636
Class D	1,302,816	293,707
Class E	895,306	1,694,166
Class F	5,001,533	2,161,866
Class H	2,800,564	1,439,646
Class I	11,315,293	4,380,584
Class N	9,226	7,136
Class O	2,204,569	1,078,188
	24,474,394	11,533,929
Net assets attributable to holders of redeemable units per unit:		
Class A	15.78	13.24
Class D	16.46	13.22
Class E	16.76	13.21
Class F	15.74	13.19
Class H	15.74	13.13
Class I	15.67	13.16
Class N	15.64	13.16
Class O	17.00	13.43

Approved on behalf of the Manager, PenderFund Capital Management Ltd:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Small/Mid Cap Dividend Fund

Statements of Comprehensive Income

For the year ended December 31, 2021 and for the period from January 31, 2020 (commencement of operations) to December 31, 2020

	2021 (\$)	2020 (\$)
Revenue		
Dividend income	380,146	136,992
Securities lending income (note 5)	2,940	668
Foreign exchange gain (loss)	(5,120)	(559)
Changes in fair value of investments:		
Net realized gain (loss)	1,699,607	621,407
Net change in unrealized appreciation (depreciation)	1,417,995	1,965,644
Total revenue	3,495,568	2,724,152
Expenses		
Management fees (note 4)	145,643	36,253
Administration fees (note 4)	80,064	20,092
Transaction costs	47,723	17,106
Independent review committee fees	495	289
Withholding taxes (recovery) (note 6)	21	-
Other taxes (recovery)	(384)	-
Total expenses	273,562	73,740
Less: Expenses absorbed by the Manager (note 4)	(495)	(44,397)
Net expenses	273,067	29,343
Increase (decrease) in net assets attributable to holders of redeemable units	3,222,501	2,694,809
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	150,647	144,116
Class D	127,268	121,512
Class E	210,690	502,910
Class F	783,847	784,429
Class H	436,451	365,128
Class I	1,508,297	376,392
Class N	2,090	2,136
Class O	3,211	398,186
	3,222,501	2,694,809
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	3.19	4.82
Class D	2.74	7.85
Class E	3.98	4.57
Class F	3.41	6.21
Class H	3.19	5.49
Class I	3.53	5.61
Class N	3.79	4.21
Class O	0.10	7.48

Pender Small/Mid Cap Dividend Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the year ended December 31, 2021 and for the period from January 31, 2020 (commencement of operations) to December 31, 2020

Class A	2021 (\$)	2020 (\$)
Balance, beginning of year/period	478,636	-
Increase (decrease) in net assets attributable to holders of redeemable units	150,647	144,116
Unit transactions:		
Proceeds from issue of redeemable units	461,842	553,435
Issued on reinvestment of distributions	52,514	28,843
Amounts paid on redemption of redeemable units	(142,212)	(217,513)
	372,144	364,765
Distributions paid from:		
Net investment income	(610)	(9,396)
Realized gains on sale of investments	(55,730)	(20,849)
Return of capital	-	-
	(56,340)	(30,245)
Balance, end of year/period	945,087	478,636
Class D	2021 (\$)	2020 (\$)
Balance, beginning of year/period	293,707	-
Increase (decrease) in net assets attributable to holders of redeemable units	127,268	121,512
Unit transactions:		
Proceeds from issue of redeemable units	1,409,015	178,150
Issued on reinvestment of distributions	27,408	18,846
Amounts paid on redemption of redeemable units	(526,909)	(5,955)
	909,514	191,041
Distributions paid from:		
Net investment income	(3,887)	(5,236)
Realized gains on sale of investments	(23,786)	(13,610)
Return of capital	-	-
	(27,673)	(18,846)
Balance, end of year/period	1,302,816	293,707
Class E	2021 (\$)	2020 (\$)
Balance, beginning of year/period	1,694,166	-
Increase (decrease) in net assets attributable to holders of redeemable units	210,690	502,910
Unit transactions:		
Proceeds from issue of redeemable units	63,712	1,208,641
Issued on reinvestment of distributions	18,365	116,499
Amounts paid on redemption of redeemable units	(1,073,262)	(17,385)
	(991,185)	1,307,755
Distributions paid from:		
Net investment income	(5,141)	(32,551)
Realized gains on sale of investments	(13,224)	(83,948)
Return of capital	-	-
	(18,365)	(116,499)
Balance, end of year/period	895,306	1,694,166

Pender Small/Mid Cap Dividend Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

For the year ended December 31, 2021 and for the period from January 31, 2020 (commencement of operations) to December 31, 2020

Class F	2021 (\$)	2020 (\$)
Balance, beginning of year/period	2,161,866	-
Increase (decrease) in net assets attributable to holders of redeemable units	783,847	784,429
Unit transactions:		
Proceeds from issue of redeemable units	3,135,560	1,874,350
Issued on reinvestment of distributions	241,259	126,118
Amounts paid on redemption of redeemable units	(999,482)	(476,183)
	2,377,337	1,524,285
Distributions paid from:		
Net investment income	(16,836)	(40,826)
Realized gains on sale of investments	(304,681)	(106,022)
Return of capital	-	-
	(321,517)	(146,848)
Balance, end of year/period	5,001,533	2,161,866
Class H	2021 (\$)	2020 (\$)
Balance, beginning of year/period	1,439,646	-
Increase (decrease) in net assets attributable to holders of redeemable units	436,451	365,128
Unit transactions:		
Proceeds from issue of redeemable units	1,545,946	1,098,511
Issued on reinvestment of distributions	147,437	96,096
Amounts paid on redemption of redeemable units	(613,908)	(23,993)
	1,079,475	1,170,614
Distributions paid from:		
Net investment income	(3,012)	(21,446)
Realized gains on sale of investments	(151,996)	(74,650)
Return of capital	-	-
	(155,008)	(96,096)
Balance, end of year/period	2,800,564	1,439,646
Class I	2021 (\$)	2020 (\$)
Balance, beginning of year/period	4,380,584	-
Increase (decrease) in net assets attributable to holders of redeemable units	1,508,297	376,392
Unit transactions:		
Proceeds from issue of redeemable units	5,914,586	4,006,745
Issued on reinvestment of distributions	621,478	113,544
Amounts paid on redemption of redeemable units	(488,174)	(2,553)
	6,047,890	4,117,736
Distributions paid from:		
Net investment income	(37,413)	(22,514)
Realized gains on sale of investments	(584,065)	(91,030)
Return of capital	-	-
	(621,478)	(113,544)
Balance, end of year/period	11,315,293	4,380,584

Pender Small/Mid Cap Dividend Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

For the year ended December 31, 2021 and for the period from January 31, 2020 (commencement of operations) to December 31, 2020

Class N	2021 (\$)	2020 (\$)
Balance, beginning of year/period	7,136	-
Increase (decrease) in net assets attributable to holders of redeemable units	2,090	2,136
Unit transactions:		
Proceeds from issue of redeemable units	-	5,000
Issued on reinvestment of distributions	728	511
Amounts paid on redemption of redeemable units	-	-
	728	5,511
Distributions paid from:		
Net investment income	(40)	(141)
Realized gains on sale of investments	(688)	(370)
Return of capital	-	-
	(728)	(511)
Balance, end of year/period	9,226	7,136
Class O	2021 (\$)	2020 (\$)
Balance, beginning of year/period	1,078,188	-
Increase (decrease) in net assets attributable to holders of redeemable units	3,211	398,186
Unit transactions:		
Proceeds from issue of redeemable units	2,050,002	765,002
Issued on reinvestment of distributions	22,141	55,937
Amounts paid on redemption of redeemable units	(926,832)	(85,000)
	1,145,311	735,939
Distributions paid from:		
Net investment income	(4,553)	(18,642)
Realized gains on sale of investments	(17,588)	(37,295)
Return of capital	-	-
	(22,141)	(55,937)
Balance, end of year/period	2,204,569	1,078,188
Total Fund	2021 (\$)	2020 (\$)
Balance, beginning of year/period	11,533,929	-
Increase (decrease) in net assets attributable to holders of redeemable units	3,222,501	2,694,809
Unit transactions:		
Proceeds from issue of redeemable units	14,580,663	9,689,834
Issued on reinvestment of distributions	1,131,330	556,394
Amounts paid on redemption of redeemable units	(4,770,779)	(828,582)
	10,941,214	9,417,646
Distributions paid from:		
Net investment income	(71,492)	(150,752)
Realized gains on sale of investments	(1,151,758)	(427,774)
Return of capital	-	-
	(1,223,250)	(578,526)
Balance, end of year/period	24,474,394	11,533,929

Pender Small/Mid Cap Dividend Fund

Statements of Cash Flows

For the year ended December 31, 2021 and for the period from January 31, 2020 (commencement of operations) to December 31, 2020

	2021 (\$)	2020 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	3,222,501	2,694,809
Adjustments for:		
Dividend income	(379,980)	(136,992)
Interest for distribution purposes	(106)	-
Foreign exchange (gain) loss on cash	5,120	559
Net realized (gain) loss on sale of investments	(1,699,607)	(621,407)
Net change in unrealized (appreciation) depreciation of investments	(1,417,995)	(1,965,644)
Other receivable	(386)	(183)
Management and administration fees payable	16,933	10,145
Accrued expenses	169	316
	(253,351)	(18,397)
Proceeds on disposal of investments	8,010,910	3,051,506
Amounts paid on purchase of investments	(20,182,417)	(6,791,941)
Dividends received	365,478	121,011
Interest received	106	-
	(12,059,274)	(3,637,821)
Financing:		
Proceeds from issue of redeemable units	14,472,272	9,017,121
Amounts paid on redemption of redeemable units	(4,556,849)	(267,908)
Distributions paid to unitholders	(91,920)	(22,132)
	9,823,503	8,727,081
Net increase (decrease) in cash	(2,235,771)	5,089,260
Cash, beginning of year/period	5,088,701	-
Effect of exchange rate fluctuations on cash	(5,120)	(559)
Cash, end of year/period	2,847,810	5,088,701

Pender Small/Mid Cap Dividend Fund

Schedule of Investment Portfolio

December 31, 2021

	Issue currency	Number of shares/units	Cost (\$)	Fair value (\$)
Equities:				
Communication services (2.6%):				
Corus Entertainment Inc., Class 'B'		136,252	744,735	648,560
			744,735	648,560
Consumer discretionary (4.8%):				
Diversified Royalty Corp.		65,828	156,085	185,635
Nova Cannabis Inc.		178,669	494,172	502,060
Pollard Banknote Limited		12,300	340,408	490,155
			990,665	1,177,850
Diversified financials (9.7%):				
Alaris Equity Partners Income Trust		44,900	678,296	843,671
Fiera Capital Corporation		57,700	639,340	605,273
Onex Corporation		9,100	869,048	903,448
			2,186,684	2,352,392
Energy (4.8%):				
Computer Modelling Group Ltd.		103,100	546,825	439,206
Spartan Delta Corp.		122,770	489,605	732,937
			1,036,430	1,172,143
Health care (3.4%):				
Hamilton Thorne Ltd.		399,100	622,018	822,146
			622,018	822,146
Industrials (23.1%):				
Chorus Aviation Inc.		153,399	581,642	509,285
Exchange Income Corporation		15,500	609,893	653,170
GDI Integrated Facility Services Inc.		15,100	615,537	812,531
Hardwoods Distribution Inc.		18,900	432,697	846,720
Héroux-Devtek Inc.		48,200	804,178	867,600
IBI Group Inc.		65,400	476,942	885,516
K-Bro Linen Inc.		8,840	297,328	302,328
Mullen Group Ltd.		65,500	625,932	761,765
			4,444,149	5,638,915
Information technology (11.1%):				
Dye & Durham Limited		16,562	505,554	743,303
Enghouse Systems Limited		8,600	434,849	416,498
Evertz Technologies Limited		20,900	277,163	274,626
Sylogist Ltd.		70,482	765,210	908,512
Vecima Networks Inc.		26,500	307,472	379,215
			2,290,248	2,722,154
Materials (8.9%):				
Intertape Polymer Group Inc.		25,200	534,589	663,264
Richards Packaging Income Fund		13,700	819,302	846,112
Transcontinental Inc., Class 'A'		18,600	380,898	377,766
Winpak Ltd.		8,100	331,429	301,077
			2,066,218	2,188,219
Real estate (13.9%):				
Colliers International Group Inc.		4,300	467,748	810,034
Dream Unlimited Corp., Class 'A'		21,740	560,045	844,164
FirstService Corporation		2,700	453,247	671,220
Flagship Communities REIT		25,000	602,357	610,338
Information Services Corporation, Class 'A'		17,900	284,856	469,875
			2,368,253	3,405,631

The accompanying notes are an integral part of these financial statements.

Pender Small/Mid Cap Dividend Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2021

	Issue currency	Number of shares/units	Cost (\$)	Fair value (\$)
Utilities (6.1%):				
Altius Renewable Royalties Corp.		71,700	722,341	787,983
Polaris Infrastructure Inc.		41,500	776,430	699,690
			1,498,771	1,487,673
Total equities (88.4%)			18,248,171	21,615,683
Warrants:				
Chorus Aviation Inc., strike price \$6.20, expiry 2022/04/06	CAD	11,400	-	912
Total warrants (0.0%)			-	912
Less: Transaction costs included in cost of investments			(15,215)	
Total Investments (88.4%)			18,232,956	21,616,595
Cash (11.6%)				2,847,810
Other assets less liabilities (0.0%)				9,989
Total net assets attributable to holders of redeemable units (100.0%)				\$24,474,394

Pender Special Situations Fund (formerly Pender Strategic Investment Fund)

Statements of Financial Position

December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Assets		
Cash	32,738	6,860
Dividends receivable	460	229
Investments	1,831,675	255,524
	1,864,873	262,613
Liabilities		
Payable for investments purchased	5,299	-
	5,299	-
Net assets attributable to holders of redeemable units	1,859,574	262,613
Net assets attributable to holders of redeemable units per class:		
Class A	420,058	131,305
Class D	101,130	-
Class E	120,043	-
Class F	354,001	131,308
Class H	469,799	-
Class I	383,721	-
Class N	5,411	-
Class O	5,411	-
	1,859,574	262,613
Net assets attributable to holders of redeemable units per unit:		
Class A	18.75	14.80
Class D	10.00	-
Class E	10.00	-
Class F	18.75	14.80
Class H	10.00	-
Class I	10.00	-
Class N	10.00	-
Class O	10.00	-

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Special Situations Fund (formerly Pender Strategic Investment Fund)

Statements of Comprehensive Income

For the year ended December 31, 2021 and period from July 10, 2020 (commencement of operations) to December 31, 2020

	2021 (\$)	2020 (\$)
Revenue		
Dividend income	8,745	1,220
Foreign exchange gain (loss)	112	(86)
Changes in fair value of investments:		
Net realized gain (loss)	136,788	40,041
Net change in unrealized appreciation (depreciation)	(61,008)	72,060
Total revenue	84,637	113,235
Expenses		
Transaction costs	9,405	1,142
Management fees (note 4)	8,624	1,453
Administration fees (note 4)	3,638	485
Independent review committee fees	35	6
Withholding taxes (recovery) (note 6)	8	21
Total expenses	21,710	3,107
Less: Fees waived and expenses absorbed by the Manager (note 4)	(14,768)	(2,485)
Net expenses	6,942	622
Increase (decrease) in net assets attributable to holders of redeemable units	77,695	112,613
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	43,752	56,305
Class D	(4,329)	-
Class E	6,400	-
Class F	39,330	56,308
Class H	14,798	-
Class I	(23,078)	-
Class N	411	-
Class O	411	-
	77,695	112,613
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	4.01	7.51
Class D	(1.09)	-
Class E	1.09	-
Class F	3.72	7.51
Class H	0.70	-
Class I	(2.26)	-
Class N	0.82	-
Class O	0.82	-

Pender Special Situations Fund (formerly Pender Strategic Investment Fund)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the year ended December 31, 2021 and period from July 10, 2020 (commencement of operations) to December 31, 2020

	2021 (\$)	2020 (\$)
Class A		
Balance, beginning of year/period	131,305	-
Increase (decrease) in net assets attributable to holders of redeemable units	43,752	56,305
Unit transactions:		
Proceeds from issue of redeemable units	245,001	75,000
Issued on reinvestment of distributions	32,070	20,281
Amounts paid on redemption of redeemable units	-	-
	277,071	95,281
Distributions paid from:		
Net investment income	(1,921)	(486)
Realized gains on sale of investments	(30,149)	(19,795)
Return of capital	-	-
	(32,070)	(20,281)
Balance, end of year/period	420,058	131,305
Class D		
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	(4,329)	-
Unit transactions:		
Proceeds from issue of redeemable units	115,459	-
Issued on reinvestment of distributions	7,723	-
Amounts paid on redemption of redeemable units	(10,000)	-
	113,182	-
Distributions paid from:		
Net investment income	(463)	-
Realized gains on sale of investments	(7,260)	-
Return of capital	-	-
	(7,723)	-
Balance, end of period	101,130	-
Class E		
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	6,400	-
Unit transactions:		
Proceeds from issue of redeemable units	113,643	-
Issued on reinvestment of distributions	9,168	-
Amounts paid on redemption of redeemable units	-	-
	122,811	-
Distributions paid from:		
Net investment income	(549)	-
Realized gains on sale of investments	(8,619)	-
Return of capital	-	-
	(9,168)	-
Balance, end of period	120,043	-

Pender Special Situations Fund (formerly Pender Strategic Investment Fund)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

For the year ended December 31, 2021 and period from July 10, 2020 (commencement of operations) to December 31, 2020

	2021 (\$)	2020 (\$)
Class F		
Balance, beginning of year/period	131,308	-
Increase (decrease) in net assets attributable to holders of redeemable units	39,330	56,308
Unit transactions:		
Proceeds from issue of redeemable units	190,863	75,000
Issued on reinvestment of distributions	27,031	20,284
Amounts paid on redemption of redeemable units	(7,500)	-
	210,394	95,284
Distributions paid from:		
Net investment income	(1,619)	(486)
Realized gains on sale of investments	(25,412)	(19,798)
Return of capital	-	-
	(27,031)	(20,284)
Balance, end of year/period	354,001	131,308
Class H		
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	14,798	-
Unit transactions:		
Proceeds from issue of redeemable units	455,001	-
Issued on reinvestment of distributions	35,870	-
Amounts paid on redemption of redeemable units	-	-
	490,871	-
Distributions paid from:		
Net investment income	(2,149)	-
Realized gains on sale of investments	(33,721)	-
Return of capital	-	-
	(35,870)	-
Balance, end of period	469,799	-
Class I		
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	(23,078)	-
Unit transactions:		
Proceeds from issue of redeemable units	406,799	-
Issued on reinvestment of distributions	29,301	-
Amounts paid on redemption of redeemable units	-	-
	436,100	-
Distributions paid from:		
Net investment income	(1,755)	-
Realized gains on sale of investments	(27,546)	-
Return of capital	-	-
	(29,301)	-
Balance, end of period	383,721	-

Pender Special Situations Fund (formerly Pender Strategic Investment Fund)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

For the year ended December 31, 2021 and period from July 10, 2020 (commencement of operations) to December 31, 2020

Class N	2021 (\$)	2020 (\$)
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	411	-
Unit transactions:		
Proceeds from issue of redeemable units	5,000	-
Issued on reinvestment of distributions	413	-
Amounts paid on redemption of redeemable units	-	-
	5,413	-
Distributions paid from:		
Net investment income	(25)	-
Realized gains on sale of investments	(388)	-
Return of capital	-	-
	(413)	-
Balance, end of period	5,411	-
Class O	2021 (\$)	2020 (\$)
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	411	-
Unit transactions:		
Proceeds from issue of redeemable units	5,000	-
Issued on reinvestment of distributions	414	-
Amounts paid on redemption of redeemable units	-	-
	5,414	-
Distributions paid from:		
Net investment income	(25)	-
Realized gains on sale of investments	(389)	-
Return of capital	-	-
	(414)	-
Balance, end of period	5,411	-
Total Fund	2021 (\$)	2020 (\$)
Balance, beginning of year/period	262,613	-
Increase (decrease) in net assets attributable to holders of redeemable units	77,695	112,613
Unit transactions:		
Proceeds from issue of redeemable units	1,536,766	150,000
Issued on reinvestment of distributions	141,990	40,565
Amounts paid on redemption of redeemable units	(17,500)	-
	1,661,256	190,565
Distributions paid from:		
Net investment income	(8,506)	(972)
Realized gains on sale of investments	(133,484)	(39,593)
Return of capital	-	-
	(141,990)	(40,565)
Balance, end of year/period	1,859,574	262,613

Pender Special Situations Fund (formerly Pender Strategic Investment Fund)

Statements of Cash Flows

For the year ended December 31, 2021 and period from July 10, 2020 (commencement of operations) to December 31, 2020

	2021 (\$)	2020 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	77,695	112,613
Adjustments for:		
Dividend income	(8,745)	(1,220)
Foreign exchange (gain) loss on cash	(112)	86
Net realized (gain) loss on sale of investments	(136,788)	(40,041)
Net change in unrealized (appreciation) depreciation of investments	61,008	(72,060)
	(6,942)	(622)
Proceeds on disposal of investments	1,008,765	146,965
Amounts paid on purchase of investments	(2,503,837)	(290,388)
Dividends received	8,514	991
	(1,493,500)	(143,054)
Financing:		
Proceeds from issue of redeemable units	1,536,766	150,000
Payments on redemption of redeemable units	(17,500)	-
	1,519,266	150,000
Net increase (decrease) in cash	25,766	6,946
Cash, beginning of year/period	6,860	-
Effect of exchange rate fluctuations on cash	112	(86)
Cash, end of year/period	32,738	6,860

Pender Special Situations Fund (formerly Pender Strategic Investment Fund)

Schedule of Investment Portfolio

December 31, 2021

	Number of Shares	Cost (\$)	Fair Value (\$)
Equities:			
Banks (2.8%):			
Federal National Mortgage Association, Preferred, Series 'S', 8.25%	13,000	44,946	51,306
		44,946	51,306
Communication services (14.2%):			
Aimia Inc.	15,200	75,430	75,240
Anterix Inc.	700	49,172	52,030
Baidu, Inc., ADR	200	39,315	37,642
Cineplex Inc.	1,400	17,909	19,054
Corus Entertainment Inc., Class 'B'	6,600	31,883	31,416
IAC/InterActiveCorp	300	50,068	49,602
		263,777	264,984
Consumer discretionary (9.9%):			
Aritzia Inc.	700	24,603	36,645
ATD New Holdings Inc.	190	11,036	20,489
Nova Cannabis Inc.	25,700	86,839	72,217
Stitch Fix, Inc., Class 'A'	2,300	78,156	55,046
		200,634	184,397
Consumer staples (3.8%):			
MAV Beauty Brands Inc.	11,900	28,130	13,923
SOL Cuisine Ltd.	28,045	53,552	57,072
		81,682	70,995
Diversified financials (8.7%):			
Burford Capital Limited	8,300	110,082	110,870
Partners Value Investments LP	650	44,109	51,350
		154,191	162,220
Energy (14.6%):			
ARC Resources Ltd.	4,600	48,304	52,900
FTS International, Inc., Class 'A'	1,700	55,917	56,448
MEG Energy Corp.	5,100	50,330	59,670
Spartan Delta Corp.	17,100	90,675	102,087
		245,226	271,105
Health care (7.0%):			
Ayr Wellness Inc.	1,000	18,910	19,140
Bausch Health Companies Inc.	2,225	74,911	77,742
Columbia Care Inc.	4,900	18,052	17,738
Jushi Holdings Inc., Class 'B'	4,000	18,440	16,400
		130,313	131,020
Industrials (12.0%):			
Aerojet Rocketdyne Holdings, Inc.	1,000	53,589	59,149
Bombardier Inc., Class 'B'	23,500	37,645	39,480
Harbor Diversified, Inc.	22,500	53,198	58,630
Inscap Corporation, Class 'B'	7,600	3,505	8,550
Maxar Technologies Inc.	1,400	50,632	52,332
Spire Global, Inc.	1,098	6,329	4,695
		204,898	222,836
Information technology (13.8%):			
Enghouse Systems Limited	700	35,313	33,901
Intermap Technologies Corporation, Class 'A'	65,600	59,178	48,544
Magnachip Semiconductor Corporation	2,100	46,788	55,705

The accompanying notes are an integral part of these financial statements.

Pender Special Situations Fund (formerly Pender Strategic Investment Fund)

Schedule of Investment Portfolio (cont'd)

December 31, 2021

	Number of Shares	Cost (\$)	Fair Value (\$)
Information technology (13.8%): (cont'd)			
MoneyGram International, Inc.	4,600	37,345	45,910
Sangoma Technologies Corporation	1,271	30,878	27,733
WeCommerce Holdings Ltd., Class 'A'	3,400	35,815	45,356
		245,317	257,149
Materials (3.8%):			
5N Plus Inc.	14,400	36,576	34,272
Copper Mountain Mining Corporation	10,400	30,053	35,568
		66,629	69,840
Utilities (7.9%):			
Altius Renewable Royalties Corp.	5,639	54,982	61,973
Spark Power Group Inc.	64,500	131,258	80,625
Spark Power Group Inc., Rights, 2022/01/26	64,500	-	3,225
		186,240	145,823
Total equities (98.5%)		1,823,853	1,831,675
Less: Transaction costs included in cost of investments		(3,230)	
Total investments (98.5%)		1,820,623	1,831,675
Cash (1.8%)			32,738
Other assets less liabilities (-0.3%)			(4,839)
Total net assets attributable to holders of redeemable units (100.0%)			1,859,574

Pender Strategic Growth and Income Fund

Statements of Financial Position

December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Assets		
Cash	295,806	136,150
Dividends receivable	21,995	15,340
Subscriptions receivable	100	17,900
Other receivable	60	16
Investments	20,461,734	10,360,045
	20,779,695	10,529,451
Liabilities		
Management and administration fees payable (note 4)	28,895	16,521
Redemptions payable to holders of redeemable units	60,617	6,772
Accrued expenses	131	176
	89,643	23,469
Net assets attributable to holders of redeemable units	20,690,052	10,505,982
Net assets attributable to holders of redeemable units per class:		
Class A	7,681,703	6,227,856
Class D	162,938	32,699
Class E	185,744	96,579
Class F	5,309,368	2,367,806
Class H	1,463,409	867,521
Class I	5,877,561	905,795
Class O	9,329	7,726
	20,690,052	10,505,982
Net assets attributable to holders of redeemable units per unit:		
Class A	14.85	13.42
Class D	12.83	11.51
Class E	12.11	11.04
Class F	15.66	13.70
Class H	10.74	9.78
Class I	11.21	10.11
Class O	13.06	11.90

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Strategic Growth and Income Fund

Statements of Comprehensive Income

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Revenue		
Distribution from underlying funds	369,727	224,909
Interest for distribution purposes	-	763
Dividend income	220,007	206,393
Securities lending income (note 5)	1,403	4,225
Foreign exchange gain (loss)	(3,746)	(9,471)
Changes in fair value of investments:		
Net realized gain (loss)	1,324,902	233,977
Net change in unrealized appreciation (depreciation)	1,052,958	49,524
Total revenue	2,965,251	710,320
Expenses		
Management fees (note 4)	207,215	145,733
Administration fees (note 4)	102,558	52,796
Withholding taxes (recovery) (note 6)	12,986	11,485
Transaction costs	9,574	4,941
Independent review committee fees	420	266
Total expenses	332,753	215,221
Less: Expenses absorbed by the Manager (note 4)	(420)	(266)
Net expenses	332,333	214,955
Increase (decrease) in net assets attributable to holders of redeemable units	2,632,918	495,365
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	1,128,185	270,127
Class D	13,205	286
Class E	23,416	8,506
Class F	873,652	140,012
Class H	167,554	50,543
Class I	425,303	25,251
Class O	1,603	640
	2,632,918	495,365
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	2.40	0.51
Class D	1.40	0.14
Class E	1.87	1.00
Class F	2.47	0.64
Class H	1.51	0.54
Class I	1.08	0.27
Class O	2.43	1.02

Pender Strategic Growth and Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2021 and 2020

Class A	2021 (\$)	2020 (\$)
Balance, beginning of year	6,227,856	7,665,409
Increase (decrease) in net assets attributable to holders of redeemable units	1,128,185	270,127
Unit transactions:		
Proceeds from issue of redeemable units	1,516,917	470,693
Issued on reinvestment of distributions	432,823	133,758
Amounts paid on redemption of redeemable units	(1,158,860)	(2,166,586)
	790,880	(1,562,135)
Distributions paid from:		
Net investment income	(43,562)	(106,284)
Realized gains on sale of investments	(421,656)	(39,261)
Return of capital	-	-
	(465,218)	(145,545)
Balance, end of year	7,681,703	6,227,856
Class D	2021 (\$)	2020 (\$)
Balance, beginning of year	32,699	21,714
Increase (decrease) in net assets attributable to holders of redeemable units	13,205	286
Unit transactions:		
Proceeds from issue of redeemable units	140,333	29,500
Issued on reinvestment of distributions	10,120	583
Amounts paid on redemption of redeemable units	(23,299)	(18,801)
	127,154	11,282
Distributions paid from:		
Net investment income	(2,564)	(583)
Realized gains on sale of investments	(7,556)	-
Return of capital	-	-
	(10,120)	(583)
Balance, end of year	162,938	32,699
Class E	2021 (\$)	2020 (\$)
Balance, beginning of year	96,579	75,926
Increase (decrease) in net assets attributable to holders of redeemable units	23,416	8,506
Unit transactions:		
Proceeds from issue of redeemable units	65,749	18,867
Issued on reinvestment of distributions	15,580	4,544
Amounts paid on redemption of redeemable units	-	(6,720)
	81,329	16,691
Distributions paid from:		
Net investment income	(3,906)	(2,989)
Realized gains on sale of investments	(11,674)	(1,555)
Return of capital	-	-
	(15,580)	(4,544)
Balance, end of year	185,744	96,579

Pender Strategic Growth and Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class F	2021 (\$)	2020 (\$)
Balance, beginning of year	2,367,806	3,287,412
Increase (decrease) in net assets attributable to holders of redeemable units	873,652	140,012
Unit transactions:		
Proceeds from issue of redeemable units	9,165,575	653,322
Issued on reinvestment of distributions	204,640	56,730
Amounts paid on redemption of redeemable units	(7,062,262)	(1,700,137)
	2,307,953	(990,085)
Distributions paid from:		
Net investment income	(110,287)	(69,533)
Realized gains on sale of investments	(129,756)	-
Return of capital	-	-
	(240,043)	(69,533)
Balance, end of year	5,309,368	2,367,806

Class H	2021 (\$)	2020 (\$)
Balance, beginning of year	867,521	582,383
Increase (decrease) in net assets attributable to holders of redeemable units	167,554	50,543
Unit transactions:		
Proceeds from issue of redeemable units	475,576	393,204
Issued on reinvestment of distributions	76,213	24,865
Amounts paid on redemption of redeemable units	(18,864)	(145,038)
	532,925	273,031
Distributions paid from:		
Net investment income	(13,098)	(19,439)
Realized gains on sale of investments	(91,493)	(18,997)
Return of capital	-	-
	(104,591)	(38,436)
Balance, end of year	1,463,409	867,521

Class I	2021 (\$)	2020 (\$)
Balance, beginning of year	905,795	963,659
Increase (decrease) in net assets attributable to holders of redeemable units	425,303	25,251
Unit transactions:		
Proceeds from issue of redeemable units	5,194,283	274,437
Issued on reinvestment of distributions	379,955	15,301
Amounts paid on redemption of redeemable units	(623,927)	(348,275)
	4,950,311	(58,537)
Distributions paid from:		
Net investment income	(93,752)	(24,578)
Realized gains on sale of investments	(310,096)	-
Return of capital	-	-
	(403,848)	(24,578)
Balance, end of year	5,877,561	905,795

Pender Strategic Growth and Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class O	2021 (\$)	2020 (\$)
Balance, beginning of year	7,726	7,086
Increase (decrease) in net assets attributable to holders of redeemable units	1,603	640
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	841	413
Amounts paid on redemption of redeemable units	-	-
	841	413
Distributions paid from:		
Net investment income	(255)	(264)
Realized gains on sale of investments	(586)	(149)
Return of capital	-	-
	(841)	(413)
Balance, end of year	9,329	7,726
Total Fund	2021 (\$)	2020 (\$)
Balance, beginning of year	10,505,982	12,603,589
Increase (decrease) in net assets attributable to holders of redeemable units	2,632,918	495,365
Unit transactions:		
Proceeds from issue of redeemable units	16,558,433	1,840,023
Issued on reinvestment of distributions	1,120,172	236,194
Amounts paid on redemption of redeemable units	(8,887,212)	(4,385,557)
	8,791,393	(2,309,340)
Distributions paid from:		
Net investment income	(267,424)	(223,670)
Realized gains on sale of investments	(972,817)	(59,962)
Return of capital	-	-
	(1,240,241)	(283,632)
Balance, end of year	20,690,052	10,505,982

Pender Strategic Growth and Income Fund

Statements of Cash Flows

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	2,632,918	495,365
Adjustments for:		
Dividend income	(219,944)	(206,393)
Interest for distribution purposes	123	(763)
Foreign exchange (gain) loss on cash	3,746	9,471
Net realized (gain) loss on sale of investments	(1,324,902)	(233,977)
Net change in unrealized (appreciation) depreciation of investments	(1,052,958)	(49,524)
Other receivable	(44)	1,555
Distributions from underlying funds	(369,727)	(224,909)
Management and administration fees payable	12,374	(3,560)
Accrued expenses	(45)	(97)
	(318,459)	(212,832)
Proceeds on disposal of investments	3,919,780	4,392,178
Amounts paid on purchase of investments	(11,643,609)	(2,070,759)
Dividends received	213,300	210,244
Distributions received from underlying funds	369,727	224,909
Interest received	(134)	763
	(7,459,395)	2,544,503
Financing:		
Proceeds from issue of redeemable units	15,404,558	959,431
Payments on redemption of redeemable units	(7,661,692)	(3,517,093)
Distributions paid to unitholders	(120,069)	(47,438)
	7,622,797	(2,605,100)
Net increase (decrease) in cash	163,402	(60,597)
Cash, beginning of year	136,150	206,218
Effect of exchange rate fluctuations on cash	(3,746)	(9,471)
Cash, end of year	295,806	136,150

The accompanying notes are an integral part of these financial statements.

Pender Strategic Growth and Income Fund

Schedule of Investment Portfolio

December 31, 2021

	Issue currency	Number of units / shares	Cost (\$)	Fair value (\$)
Mutual funds:				
Pender Corporate Bond Fund, Class 'O'		719,823	7,938,397	8,166,322
Pender Small Cap Opportunities Fund, Class 'O'		42,323	1,382,109	1,493,578
Total mutual funds (46.7%)			9,320,506	9,659,900
Equities:				
Communication services (4.5%):				
Baidu, Inc., ADR		2,000	507,836	376,424
Corus Entertainment Inc., Class 'B'		40,900	211,999	194,684
Nintendo Co., Ltd., ADR		4,800	430,989	354,409
			1,150,824	925,517
Consumer discretionary (1.2%):				
Alibaba Group Holding Limited, ADR		1,700	427,922	255,448
			427,922	255,448
Consumer staples (0.3%):				
MAV Beauty Brands Inc.		49,856	232,034	58,332
			232,034	58,332
Diversified financials (21.7%):				
Brookfield Asset Management Inc., Class 'A'		14,300	580,937	1,092,377
Burford Capital Limited		44,200	467,744	590,418
Exor N.V.		3,600	310,726	409,370
Fiera Capital Corporation		42,900	452,562	450,021
KKR & Co. Inc.		10,400	494,108	980,083
Onex Corporation		6,300	500,708	625,464
Starwood Property Trust, Inc.		11,050	269,460	339,658
			3,076,245	4,487,391
Energy (5.1%):				
ARC Resources Ltd.		50,900	379,400	585,350
Spartan Delta Corp.		44,100	179,388	263,277
Texas Pacific Land Corporation		140	170,179	221,166
			728,967	1,069,793
Industrials (5.2%):				
Chorus Aviation Inc.		47,395	190,916	157,351
Exchange Income Corporation		8,400	341,264	353,976
Northrop Grumman Corporation		1,160	468,808	567,964
			1,000,988	1,079,291
Information technology (2.8%):				
MicroStrategy Incorporated, Class 'A'		300	244,630	206,626
SS&C Technologies Holdings, Inc.		3,500	313,810	362,952
			558,440	569,578
Materials (4.5%):				
CCL Industries Inc., Class 'B'		6,600	429,119	447,678
Richards Packaging Income Fund		7,954	524,177	491,239
			953,296	938,917
Real estate (4.9%):				
Information Services Corporation, Class 'A'		21,197	416,151	556,421
Kennedy-Wilson Holdings, Inc.		14,900	307,178	450,084
			723,329	1,006,505

The accompanying notes are an integral part of these financial statements.

Pender Strategic Growth and Income Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2021

	Issue currency	Number of units / shares	Cost (\$)	Fair value (\$)
Utilities (2.0%):				
Altius Renewable Royalties Corp.		37,313	338,854	410,070
			338,854	410,070
Total equities (52.2%)			9,190,899	10,800,842
Warrants:				
Chorus Aviation Inc., strike price \$6.20, expiry 2022/04/06	CAD	12,400	-	992
Total warrants (0.0%)			-	992
Less: Transaction costs included in cost of investments			(6,858)	
Total investments (98.9%)			18,504,547	20,461,734
Cash (1.4%)				295,806
Other assets less liabilities (-0.3%)				(67,488)
Total net assets attributable to holders of redeemable units (100.0%)				20,690,052

Pender Value Fund

Statements of Financial Position

December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Assets		
Cash	31,620	8,400,630
Interest receivable	-	484,750
Dividends receivable	147,743	71,670
Receivable for investments sold	700,012	-
Subscriptions receivable	259,505	90,565
Investments	265,093,693	273,204,054
	266,232,573	282,251,669
Liabilities		
Management and administration fees payable (note 4)	344,439	336,608
Distributions payable to holders of redeemable units	1,189	1,313
Redemptions payable to holders of redeemable units	578,123	383,120
Accrued expenses	863	853
	924,614	721,894
Net assets attributable to holders of redeemable units	265,307,959	281,529,775
Net assets attributable to holders of redeemable units per class:		
Class A	43,761,108	50,955,672
Class D	2,202,286	2,208,560
Class E	896,075	860,592
Class F	94,884,680	107,636,584
Class H	13,547,045	12,283,446
Class I	91,624,807	90,635,563
Class N	1,564,976	6,267
Class O	16,826,982	16,943,091
	265,307,959	281,529,775
Net assets attributable to holders of redeemable units per unit:		
Class A	21.26	22.54
Class D	13.16	13.58
Class E	12.46	13.19
Class F	21.81	22.85
Class H	15.32	16.33
Class I	15.92	16.76
Class N	11.36	12.15
Class O	18.24	19.34

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Value Fund

Statements of Comprehensive Income

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Revenue		
Distribution from underlying funds	111,049	-
Interest for distribution purposes	853,520	1,238,150
Dividend income	2,614,627	2,684,172
Foreign exchange gain (loss)	(4,168)	464,374
Changes in fair value of investments:		
Net realized gain (loss)	22,691,680	(4,894,534)
Net change in unrealized appreciation (depreciation)	(23,833,379)	40,113,470
Total revenue	2,433,329	39,605,632
Expenses		
Management fees (note 4)	2,942,823	2,482,479
Administration fees (note 4)	1,581,511	1,158,647
Transaction costs	327,311	329,272
Withholding taxes (recovery) (note 6)	81,570	52,802
Independent review committee fees	5,373	7,134
Total expenses	4,938,588	4,030,334
Less: Expenses absorbed by the Manager (note 4)	(5,373)	(7,134)
Net expenses	4,933,215	4,023,200
Increase (decrease) in net assets attributable to holders of redeemable units	(2,499,886)	35,582,432
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	(351,611)	6,229,130
Class D	(23,871)	282,988
Class E	(2,088)	165,216
Class F	(253,183)	13,233,989
Class H	(434,309)	1,708,742
Class I	(1,390,802)	10,994,753
Class N	(158,612)	1,077
Class O	114,590	2,966,537
	(2,499,886)	35,582,432
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	(0.16)	2.37
Class D	(0.13)	1.55
Class E	(0.03)	2.46
Class F	(0.06)	2.29
Class H	(0.52)	2.22
Class I	(0.23)	1.86
Class N	(2.11)	2.09
Class O	0.13	3.19

Pender Value Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2021 and 2020

Class A	2021 (\$)	2020 (\$)
Balance, beginning of year	50,955,672	59,409,586
Increase (decrease) in net assets attributable to holders of redeemable units	(351,611)	6,229,130
Unit transactions:		
Proceeds from issue of redeemable units	5,949,251	3,138,556
Issued on reinvestment of distributions	1,567,102	-
Amounts paid on redemption of redeemable units	(12,663,961)	(17,821,600)
	(5,147,608)	(14,683,044)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(1,695,345)	-
Return of capital	-	-
	(1,695,345)	-
Balance, end of year	43,761,108	50,955,672
Class D	2021 (\$)	2020 (\$)
Balance, beginning of year	2,208,560	3,254,784
Increase (decrease) in net assets attributable to holders of redeemable units	(23,871)	282,988
Unit transactions:		
Proceeds from issue of redeemable units	1,042,411	218,215
Issued on reinvestment of distributions	47,172	-
Amounts paid on redemption of redeemable units	(1,022,757)	(1,547,427)
	66,826	(1,329,212)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(49,229)	-
Return of capital	-	-
	(49,229)	-
Balance, end of year	2,202,286	2,208,560
Class E	2021 (\$)	2020 (\$)
Balance, beginning of year	860,592	683,871
Increase (decrease) in net assets attributable to holders of redeemable units	(2,088)	165,216
Unit transactions:		
Proceeds from issue of redeemable units	106,279	73,088
Issued on reinvestment of distributions	49,133	-
Amounts paid on redemption of redeemable units	(68,708)	(61,583)
	86,704	11,505
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(49,133)	-
Return of capital	-	-
	(49,133)	-
Balance, end of year	896,075	860,592

Pender Value Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class F	2021 (\$)	2020 (\$)
Balance, beginning of year	107,636,584	144,360,023
Increase (decrease) in net assets attributable to holders of redeemable units	(253,183)	13,233,989
Unit transactions:		
Proceeds from issue of redeemable units	24,385,264	16,982,129
Issued on reinvestment of distributions	2,787,411	4,299
Amounts paid on redemption of redeemable units	(36,106,108)	(66,939,416)
	(8,933,433)	(49,952,988)
Distributions paid from:		
Net investment income	(5,636)	(4,440)
Realized gains on sale of investments	(3,559,652)	-
Return of capital	-	-
	(3,565,288)	(4,440)
Balance, end of year	94,884,680	107,636,584

Class H	2021 (\$)	2020 (\$)
Balance, beginning of year	12,283,446	11,561,220
Increase (decrease) in net assets attributable to holders of redeemable units	(434,309)	1,708,742
Unit transactions:		
Proceeds from issue of redeemable units	4,305,393	1,692,707
Issued on reinvestment of distributions	600,412	-
Amounts paid on redemption of redeemable units	(2,592,422)	(2,679,223)
	2,313,383	(986,516)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(615,475)	-
Return of capital	-	-
	(615,475)	-
Balance, end of year	13,547,045	12,283,446

Class I	2021 (\$)	2020 (\$)
Balance, beginning of year	90,635,563	83,532,012
Increase (decrease) in net assets attributable to holders of redeemable units	(1,390,802)	10,994,753
Unit transactions:		
Proceeds from issue of redeemable units	22,228,989	33,305,783
Issued on reinvestment of distributions	3,198,970	-
Amounts paid on redemption of redeemable units	(19,091,348)	(37,196,985)
	6,336,611	(3,891,202)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(3,956,565)	-
Return of capital	-	-
	(3,956,565)	(3,891,202)
Balance, end of year	91,624,807	90,635,563

Pender Value Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class N	2021 (\$)	2020 (\$)
Balance, beginning of year	6,267	5,190
Increase (decrease) in net assets attributable to holders of redeemable units	(158,612)	1,077
Unit transactions:		
Proceeds from issue of redeemable units	1,717,321	-
Issued on reinvestment of distributions	95,165	-
Amounts paid on redemption of redeemable units	-	-
	1,812,486	-
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(95,165)	-
Return of capital	-	-
	(95,165)	-
Balance, end of year	1,564,976	6,267

Class O	2021 (\$)	2020 (\$)
Balance, beginning of year	16,943,091	15,480,316
Increase (decrease) in net assets attributable to holders of redeemable units	114,590	2,966,537
Unit transactions:		
Proceeds from issue of redeemable units	285,630	334,097
Issued on reinvestment of distributions	828,605	-
Amounts paid on redemption of redeemable units	(311,009)	(1,837,859)
	803,226	(1,503,762)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(1,033,925)	-
Return of capital	-	-
	(1,033,925)	-
Balance, end of year	16,826,982	16,943,091

Total Fund	2021 (\$)	2020 (\$)
Balance, beginning of year	281,529,775	318,287,002
Increase (decrease) in net assets attributable to holders of redeemable units	(2,499,886)	35,582,432
Unit transactions:		
Proceeds from issue of redeemable units	60,020,538	55,744,575
Issued on reinvestment of distributions	9,173,970	4,299
Amounts paid on redemption of redeemable units	(71,856,313)	(128,084,093)
	(2,661,805)	(72,335,219)
Distributions paid from:		
Net investment income	(5,636)	(4,440)
Realized gains on sale of investments	(11,054,489)	-
Return of capital	-	-
	(11,060,125)	(4,440)
Balance, end of year	265,307,959	281,529,775

Pender Value Fund

Statements of Cash Flows

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	(2,499,886)	35,582,432
Adjustments for:		
Distribution from underlying funds	(111,049)	-
Dividend income	(2,614,627)	(2,684,172)
Interest for distribution purposes	(853,520)	(1,238,150)
Foreign exchange (gain) loss on cash	4,168	(464,374)
Net realized (gain) loss on sale of investments	(22,691,680)	4,894,534
Net change in unrealized (appreciation) depreciation of investments	23,833,379	(40,113,470)
Management and administration fees payable	7,831	(63,792)
Accrued expenses	10	(40)
	(4,925,374)	(4,087,032)
Proceeds on disposal of investments	207,828,569	239,122,301
Amounts paid on purchase of investments	(201,559,919)	(184,776,108)
Dividends received	2,538,554	2,805,946
Distributions received from underlying funds	111,049	-
Interest received	1,338,270	766,250
	5,331,149	53,831,357
Financing:		
Proceeds from issue of redeemable units	52,087,764	28,143,847
Amounts paid on redemption of redeemable units	(63,897,476)	(100,307,823)
Distributions paid to unitholders	(1,886,279)	-
	(13,695,991)	(72,163,976)
Net increase (decrease) in cash	(8,364,842)	(18,332,619)
Cash, beginning of year	8,400,630	26,268,875
Effect of exchange rate fluctuations on cash	(4,168)	464,374
Cash, end of year	31,620	8,400,630

Pender Value Fund

Schedule of Investment Portfolio

December 31, 2021

	Issue Currency	Number of shares / units	Cost (\$)	Fair value (\$)
Mutual funds:				
Pender Alternative Absolute Return Fund, Class 'O'		478,245	4,782,049	4,777,952
Total mutual funds (1.8%)			4,782,049	4,777,952
Equities:				
Banks (3.5%):				
Federal National Mortgage Association, Preferred, Series 'S', 8.25%		2,382,134	7,150,905	9,401,435
			7,150,905	9,401,435
Communication services (10.6%):				
Baidu, Inc., ADR		45,500	9,268,858	8,563,642
IAC/InterActiveCorp		28,900	3,412,245	4,778,373
Nintendo Co., Ltd., ADR		82,100	6,923,964	6,061,864
TeraGo Inc.		703,088	4,826,750	3,866,984
Twitter, Inc.		89,000	4,818,540	4,865,731
			29,250,357	28,136,594
Consumer discretionary (15.8%):				
ASOS Plc		118,800	5,602,145	4,863,441
D2L Inc.		340,326	5,785,542	4,679,483
JD.com, Inc., ADR		69,905	3,537,881	6,196,033
Peloton Interactive, Inc., Class 'A'		178,315	13,430,051	8,066,010
Stitch Fix, Inc., Class 'A'		332,055	12,263,293	7,947,024
Universal Technical Institute, Inc.		1,024,507	8,534,673	10,134,330
			49,153,585	41,886,321
Consumer staples (6.7%):				
CareRx Corporation		787,400	3,979,751	4,480,306
GreenSpace Brands Inc.		45,327,028	2,618,523	2,719,622
MAV Beauty Brands Inc.		2,102,591	5,604,750	2,460,031
Premium Brands Holdings Corporation		64,600	5,778,066	8,168,024
			17,981,090	17,827,983
Diversified financials (20.0%):				
Alaris Equity Partners Income Trust		323,400	5,091,159	6,076,686
Burford Capital Limited		969,091	13,823,945	12,944,994
Exor N.V.		87,300	7,768,819	9,927,223
Interactive Brokers Group, Inc., Class 'A'		113,400	8,007,624	11,392,428
KKR & Co. Inc.		65,340	2,149,659	6,157,562
Onex Corporation		67,300	5,231,378	6,681,544
			42,072,584	53,180,437
Energy (1.9%):				
Texas Pacific Land Corporation		3,145	5,257,209	4,968,339
			5,257,209	4,968,339
Health care (2.3%):				
Bausch Health Companies Inc.		176,900	4,116,904	6,180,886
			4,116,904	6,180,886
Information technology (29.1%):				
Block, Inc.		26,700	4,410,458	5,454,865
Dye & Durham Limited		222,895	7,436,026	10,003,528
Ebix, Inc.		137,623	5,210,578	5,292,221
eGain Corporation		548,498	6,575,862	6,924,349
Kaleyra, Inc.		57,314	865,477	727,893
Optiva Inc., Restricted		419,620	10,947,040	11,480,803
ProntoForms Corporation		7,398,600	2,969,400	6,584,754

The accompanying notes are an integral part of these financial statements.

Pender Value Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2021

	Issue Currency	Number of shares / units	Cost (\$)	Fair value (\$)
Information technology (29.1%): (cont'd)				
Redline Communications Group Inc.		981,785	2,336,281	765,792
Sangoma Technologies Corporation		423,250	5,514,548	9,235,315
SS&C Technologies Holdings, Inc.		107,200	7,916,191	11,116,704
Sylogist Ltd.		603,000	6,801,840	7,772,670
Tantalus Systems Holding Inc.		1,006,134	2,290,110	1,861,348
			63,273,811	77,220,242
Materials (2.4%):				
CCL Industries Inc., Class 'B'		93,855	5,570,495	6,366,185
			5,570,495	6,366,185
Real estate (5.6%):				
The Howard Hughes Corporation		49,574	7,162,203	6,382,485
Zillow Group, Inc.		103,471	8,635,990	8,357,048
			15,798,193	14,739,533
Total equities (97.9%)			239,625,133	259,907,955
Warrants:				
BuildDirect.com Technologies Inc., strike price \$6.90, expiry 2023/08/13	CAD	1,636,400	-	-
Cano Health, Inc., strike price \$11.50, expiry 2026/06/03	USD	50,232	-	151,863.00
GreenSpace Brands Inc., strike price \$0.08, expiry 2022/12/23	CAD	21,936,514	-	-
GreenSpace Brands Inc., Restricted, strike price \$0.10, expiry 2023/03/30	CAD	2,142,857	-	-
GreenSpace Brands Inc., Restricted, strike price \$0.09, expiry 2023/09/28	CAD	2,011,500	-	-
Lux Health Tech Acquisition Corp., strike price \$11.50, expiry 2027/11/30	USD	28,733	-	30,887
Pershing Square Tontine Holdings, Ltd., strike price \$23.00, expiry 2025/07/24	USD	9,444	-	15,770
Social Capital Hedosophia Holdings Corp. VI, Class 'A', strike price \$11.50, expiry 2025/10/14	USD	44,375	-	110,019
Taiga Motors Corporation, strike price \$17.25, expiry 2026/12/31	CAD	82,706	407,724	99,247
Total warrants (0.2%)			407,724	407,786
Less: Transaction costs included in cost of investments			(184,204)	
Total investments (99.9%)			244,630,702	265,093,693
Cash (0.0%)				31,620
Other assets less liabilities (0.1%)				182,646
Total net assets attributable to holders of redeemable units (100.0%)				265,307,959

Pender Value Fund II

Statements of Financial Position

December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Assets		
Cash	-	30,393
Interest receivable	-	47,797
Dividends receivable	8,859	6,266
Receivable from investments sold	248,093	49,814
Other receivable	-	100
Investments	15,744,912	24,071,978
	16,001,864	24,206,348
Liabilities		
Bank overdraft	170,411	-
Management and administration fees payable (note 4)	25,743	35,659
Redemptions payable to holders of redeemable units	3,874	51,086
Accrued expenses	1,294	1,024
	201,322	87,769
Net assets attributable to holders of redeemable units	15,800,542	24,118,579
Net assets attributable to holders of redeemable units per class:		
Class A	7,173,180	11,343,918
Class A1	283,141	204,325
Class E	5,975	5,969
Class F	3,741,359	7,239,440
Class F1	1,109,543	1,945,831
Class I	2,177,025	2,076,611
Class N	5,932	5,947
Class O	1,304,387	1,296,538
	15,800,542	24,118,579
Net assets attributable to holders of redeemable units per unit:		
Class A	16.26	16.57
Class A1	11.49	11.71
Class E	11.95	11.94
Class F	17.44	17.58
Class F1	11.73	11.83
Class I	11.78	11.86
Class N	11.86	11.89
Class O	12.07	12.00

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Value Fund II

Statements of Comprehensive Income

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Revenue		
Distribution from underlying funds	7,822	-
Interest for distribution purposes	75,194	148,209
Dividend income	193,746	244,727
Securities lending income (note 5)	1,009	4,413
Foreign exchange gain (loss)	6,795	43,723
Changes in fair value of investments:		
Net realized gain (loss)	3,722,155	(4,131,657)
Net change in unrealized appreciation (depreciation)	(3,271,842)	6,121,900
Total revenue	734,879	2,431,315
Expenses		
Management fees (note 4)	285,360	317,650
Administration fees (note 4)	120,503	112,830
Transaction costs	36,456	43,051
Withholding taxes (recovery) (note 6)	5,833	(5,256)
Independent review committee fees	320	611
Other administrative expenses	-	(13,080)
Other taxes (recovery)	-	(68,168)
Total expenses	448,472	387,638
Less: Expenses absorbed by the Manager (note 4)	(320)	(611)
Net expenses	448,152	387,027
Increase (decrease) in net assets attributable to holders of redeemable units	286,727	2,044,288
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	183,257	854,970
Class A1	(20,078)	37,766
Class E	6	969
Class F	329,773	416,777
Class F1	(38,915)	276,993
Class I	(175,150)	173,544
Class N	(15)	947
Class O	7,849	282,322
	286,727	2,044,288
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	0.32	0.93
Class A1	(0.83)	3.23
Class E	0.02	1.94
Class F	1.17	0.72
Class F1	(0.22)	1.81
Class I	(0.73)	0.97
Class N	(0.04)	1.88
Class O	0.08	3.14

Pender Value Fund II

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Class A		
Balance, beginning of year	11,343,918	16,941,045
Increase (decrease) in net assets attributable to holders of redeemable units	183,257	854,970
Unit transactions:		
Proceeds from issue of redeemable units	13,900	50,091
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(4,367,895)	(6,502,188)
	(4,353,995)	(6,452,097)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	7,173,180	11,343,918
Class A1		
Balance, beginning of year	204,325	5,000
Increase (decrease) in net assets attributable to holders of redeemable units	(20,078)	37,766
Unit transactions:		
Proceeds from issue of redeemable units	162,658	166,559
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(63,764)	(5,000)
	98,894	161,559
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	283,141	204,325
Class E		
Balance, beginning of year	5,969	5,000
Increase (decrease) in net assets attributable to holders of redeemable units	6	969
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	-	-
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	5,975	5,969

Pender Value Fund II

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class F	2021 (\$)	2020 (\$)
Balance, beginning of year	7,239,440	11,795,345
Increase (decrease) in net assets attributable to holders of redeemable units	329,773	416,777
Unit transactions:		
Proceeds from issue of redeemable units	35,770	341,527
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(3,863,624)	(5,314,209)
	(3,827,854)	(4,972,682)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	3,741,359	7,239,440

Class F1	2021 (\$)	2020 (\$)
Balance, beginning of year	1,945,831	5,000
Increase (decrease) in net assets attributable to holders of redeemable units	(38,915)	276,993
Unit transactions:		
Proceeds from issue of redeemable units	1,642,672	2,148,335
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(2,440,045)	(484,497)
	(797,373)	1,663,838
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	1,109,543	1,945,831

Class I	2021 (\$)	2020 (\$)
Balance, beginning of year	2,076,611	5,000
Increase (decrease) in net assets attributable to holders of redeemable units	(175,150)	173,544
Unit transactions:		
Proceeds from issue of redeemable units	2,283,098	2,698,558
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(2,007,534)	(800,491)
	275,564	1,898,067
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	2,177,025	2,076,611

Pender Value Fund II

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2021 and 2020

Class N	2021 (\$)	2020 (\$)
Balance, beginning of year	5,947	5,000
Increase (decrease) in net assets attributable to holders of redeemable units	(15)	947
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	-	-
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	5,932	5,947

Class O	2021 (\$)	2020 (\$)
Balance, beginning of year	1,296,538	5,000
Increase (decrease) in net assets attributable to holders of redeemable units	7,849	282,322
Unit transactions:		
Proceeds from issue of redeemable units	-	1,009,216
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	1,304,387	1,009,216
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	1,304,387	1,296,538

Total Fund	2021 (\$)	2020 (\$)
Balance, beginning of year	24,118,579	28,766,390
Increase (decrease) in net assets attributable to holders of redeemable units	286,727	2,044,288
Unit transactions:		
Proceeds from issue of redeemable units	4,138,098	6,414,286
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(12,742,862)	(13,106,385)
	(8,604,764)	(6,692,099)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	15,800,542	24,118,579

Pender Value Fund II

Statements of Cash Flows

Years ended December 31, 2021 and 2020

	2021 (\$)	2020 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	286,727	2,044,288
Adjustments for:		
Dividend income	(193,746)	(244,727)
Interest for distribution purposes	(75,194)	(148,209)
Distributions from underlying funds	(7,822)	-
Foreign exchange (gain) loss on cash	(6,795)	(43,723)
Net realized (gain) loss on sale of investments	(3,722,155)	4,131,657
Net change in unrealized (appreciation) depreciation of investments	3,271,842	(6,121,900)
Other receivable	100	(100)
Management and administration fees payable	(9,916)	(16,878)
Accrued expenses	270	(53,164)
	(456,689)	(452,756)
Proceeds on disposal of investments	23,381,709	24,814,366
Amounts paid on purchase of investments	(14,802,609)	(19,384,991)
Dividends received	191,166	253,869
Distributions from underlying funds	7,822	-
Interest received	122,978	100,535
	8,444,377	5,331,023
Financing:		
Proceeds from issue of redeemable units	3,918,756	6,303,384
Amounts paid on redemption of redeemable units	(12,570,732)	(13,039,158)
	(8,651,976)	(6,735,774)
Net increase (decrease) in cash	(207,599)	(1,404,751)
Cash, beginning of year	30,393	1,391,421
Effect of exchange rate fluctuations on cash	6,795	43,723
Cash (Bank overdraft), end of year	(170,411)	30,393

Pender Value Fund II

Schedule of Investment Portfolio

December 31, 2021

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Mutual funds:				
Pender Alternative Absolute Return Fund, Class 'O'		33,685	336,822	336,533
Total mutual funds (2.1%)			336,822	336,533
Equities:				
Banks (3.6%):				
Federal National Mortgage Association, Preferred, Series 'S', 8.25%		145,397	436,482	573,830
			436,482	573,830
Communication services (10.3%):				
Baidu, Inc., ADR		2,600	526,701	489,351
IAC/InterActiveCorp		1,700	200,933	281,081
Nintendo Co., Ltd., ADR		4,800	406,175	354,409
TeraGo Inc.		38,874	300,160	213,807
Twitter, Inc.		5,200	276,746	284,290
			1,710,715	1,622,938
Consumer discretionary (15.8%):				
ASOS Plc		7,200	321,966	294,754
D2L Inc.		20,452	347,684	281,215
JD.com, Inc., ADR		4,100	233,293	363,404
Peloton Interactive, Inc., Class 'A'		10,685	819,449	483,332
Stitch Fix, Inc., Class 'A'		19,461	760,473	465,757
Universal Technical Institute, Inc.		61,578	513,903	609,124
			2,996,768	2,497,586
Consumer staples (6.9%):				
CareRx Corporation		47,700	240,885	271,413
GreenSpace Brands Inc.		3,128,840	185,720	187,730
MAV Beauty Brands Inc.		124,365	323,712	145,507
Premium Brands Holdings Corporation		3,800	340,041	480,472
			1,090,358	1,085,122
Diversified financials (20.0%):				
Alaris Equity Partners Income Trust		19,300	303,697	362,647
Burford Capital Limited		58,205	790,390	777,496
Exor N.V.		5,200	479,363	591,312
Interactive Brokers Group, Inc., Class 'A'		6,700	466,299	673,098
KKR & Co. Inc.		3,868	137,705	364,516
Onex Corporation		4,000	318,782	397,120
			2,496,236	3,166,189
Energy (1.8%):				
Secure Energy Services Inc.		360,677	180,339	1,803
Texas Pacific Land Corporation		180	334,425	284,356
			514,764	286,159
Health care (2.3%):				
Bausch Health Companies Inc.		10,500	244,387	366,870
			244,387	366,870
Information technology (28.7%):				
Block, Inc.		1,640	274,276	335,055
Dye & Durham Limited		13,105	421,882	588,152
Ebix, Inc.		8,202	303,439	315,404
eGain Corporation		32,520	388,005	410,539
Optiva Inc., Restricted		24,831	671,913	679,376

The accompanying notes are an integral part of these financial statements.

Pender Value Fund II

Schedule of Investment Portfolio (cont'd)

December 31, 2021

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Information technology (28.7%): (cont'd)				
ProntoForms Corporation		447,100	335,393	397,919
Sangoma Technologies Corporation		25,414	352,496	554,533
SS&C Technologies Holdings, Inc.		6,400	495,847	663,684
Sylogist Ltd.		36,400	410,592	469,196
Tantalus Systems Holding Inc.		67,100	150,975	124,135
			3,804,818	4,537,993
Materials (2.4%):				
CCL Industries Inc., Class 'B'		5,500	358,084	373,065
Red Eagle Mining Corporation		428,759	215,951	-
			574,035	373,065
Real estate (5.5%):				
The Howard Hughes Corporation		2,958	470,128	380,832
Zillow Group, Inc.		5,999	519,060	484,522
			989,188	865,354
Total equities (97.3%)			14,857,751	15,375,106
Warrants:				
BuildDirect.com Technologies Inc., strike price \$6.90, expiry 2023/08/13	CAD	129,600	-	-
Cano Health, Inc., strike price \$11.50, expiry 2026/06/03	USD	3,600	-	10,884
GreenSpace Brands Inc., strike price \$0.08, expiry 2022/12/23	CAD	999,640	-	-
GreenSpace Brands Inc., Restricted, strike price \$0.09, expiry 2023/09/28	CAD	266,000	-	-
Lux Health Tech Acquisition Corp., strike price \$11.50, expiry 2027/11/30	USD	2,366	-	2,543
Pershing Square Tontine Holdings, Ltd., strike price \$23.00, expiry 2025/07/24	USD	888	-	1,483
Red Eagle Mining Corporation, strike price \$0.50, expiry 2022/08/07	CAD	8,079,644	-	8
Social Capital Hedosophia Holdings Corp. VI, Class 'A', strike price \$11.50, expiry 2025/10/14	USD	4,125	-	10,227
Taiga Motors Corporation, strike price \$17.25, expiry 2026/12/31	CAD	6,773	33,393	8,128
Total warrants (0.2%)			33,393	33,273
Less: Transaction costs included in cost of investments			(11,377)	
Total investments (99.6%)			15,216,589	15,744,912
Cash (-1.1%)				(170,411)
Other assets less liabilities (1.5%)				226,041
Total net assets attributable to holders of redeemable units (100.0%)				15,800,542

PENDER MUTUAL FUNDS: Notes to Financial Statements

Year/Period ended December 31, 2021

1. The Funds

The Pender Mutual Funds (individually a “Fund” and collectively the “Funds”) include the following:

	Commencement of operations	Classes
Bond Universe Fund	January 31, 2020	A, D, E, F, H, I, N, O
Corporate Bond Fund	June 1, 2009	A, A(USD), D, E, F, F(USD), H, H(USD), I, I(USD), N, N(USD), O, U
Enhanced Income Fund	September 21, 2009	A, A1, E, F, F1, I, N, O
Global Focused Fund (formerly US All Cap Equity Fund)	June 28, 2013	A, A(USD), D, E, F, F(USD), H, I, N, N(USD), O
Small Cap Opportunities Fund	June 1, 2009	A, B, E, F, G, I, M, N, O
Small/Mid Cap Dividend Fund	January 31, 2020	A, D, E, F, H, I, N, O
Special Situations Fund (formerly Strategic Investment Fund)	July 10, 2020	A, D, E, F, H, I, N, O
Strategic Growth and Income Fund	November 24, 2010	A, D, E, F, H, I, O
Value Fund	June 28, 2013	A, D, E, F, H, I, N, O
Value Fund II	September 21, 2009	A, A1, E, F, F1, I, N, O

Effective September 1, 2021, Class H and Class I units of the Pender Bond Universe Fund were closed. Effective June 25, 2021, the Pender US All Cap Equity Fund was renamed the Pender Global Focused Fund and the Pender Strategic Investment Fund was renamed the Pender Special Situations Fund. The Pender Special Situations Fund commenced operations on July 10, 2020. The Pender Bond Universe Fund and the Pender Small/Mid Cap Dividend Fund commenced operations on January 31, 2020. Each of the Funds is an open-end investment trust governed under the laws of the Province of British Columbia pursuant to the Sixteenth Amended and Restated Mutual Fund Trust Agreement dated December 22, 2021 (previously the Fifteenth Amended and Restated Mutual Fund Trust Agreement dated July 19, 2021).

The Funds' registered office is located at 1830 - 1066 West Hastings Street, Vancouver, BC, V6E 3X2.

The Manager of the Funds is PenderFund Capital Management Ltd.

2. Basis of preparation:

(a) Statement of compliance:

The annual financial statements of the Funds are prepared under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. These financial statements were authorized for issue by the Manager on March 30, 2022.

(b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments, investments sold short and derivatives, which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, the Funds' functional currency.

(d) Use of estimates and judgment:

The preparation of these financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

The Funds may hold financial instruments that are not quoted in an active market, including derivatives.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

The determination of the fair value of these investments is the area with the Manager's most significant accounting judgements and estimates in preparing these financial statements.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments:

(i) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL for which transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the particular Fund becomes a party to the contractual provisions of the instrument. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position only when the Funds have a legal right to offset the amounts and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and/or interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is both to hold assets to collect contractual cash flows and to potentially sell financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and/or interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Funds may irrevocably elect to measure financial assets that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets are not reclassified subsequent to their initial recognition, unless the Funds change their business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Funds may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

(ii) Amortized cost:

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Funds classify cash, dividends receivable, interest receivable, other receivable, subscriptions receivable, management and administration fees payable, performance fees payable, redemptions payable to holders of redeemable units, distributions payable to holders of redeemable units, and accrued expenses as amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

(iii) Fair value through profit and loss:

Financial assets and liabilities classified as FVTPL are recognized initially at fair value at each reporting period with changes in fair value recognized in the Statements of Comprehensive Income in the period in which they occur. The Funds' derivative assets and derivative liabilities, investments in securities, and investments sold short are classified as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) is based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities. In circumstances where there is no closing price, the average of the closing bid and the closing ask price on the valuation date is used. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels described in Note 10(a) as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative instruments, is determined using valuation techniques. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and other methods commonly used by market participants that make the maximum use of observable inputs. Where the value of a financial asset or liability is not readily available or where the Manager is of the opinion that the value available is inaccurate or unreliable, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

(iv) Fair Value through other comprehensive income:

The Funds have not classified any of their financial assets or liabilities as FVOCI.

(b) Redeemable units

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Funds have designated redeemable units as financial liabilities at FVTPL because they are managed, and their performance is evaluated on a fair value basis. The redeemable units provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Funds' valuation policies at each redemption date. Distributions to holders of redeemable units are recognized in comprehensive income when they are authorized and no longer at the discretion of the Manager.

(c) Per unit amounts:

Net assets attributable to holders of redeemable units is calculated based on the number of units outstanding at the end of the period. The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the period.

(d) Securities lending transactions:

The Funds are permitted to enter into securities lending transactions as set out in the Funds' Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

Securities lending transactions are administered by Canadian Imperial Bank of Commerce and The Bank of New York Mellon (collectively the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statements of Comprehensive Income as securities lending income and recognized when earned.

Note 5 summarizes the details of securities loaned and collateral received, and presents a reconciliation of the gross amount generated from securities lending to the securities lending income earned by the Funds.

(e) Foreign exchange:

The financial statements of the Funds are denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the Statements of Comprehensive Income.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

(f) Income recognition:

Interest for distribution purposes shown on the Statements of Comprehensive Income is recognized on an accrual basis. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments.

(g) Income taxes:

The Funds qualify as unit trusts under the Income Tax Act (Canada). All of the Funds' net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Funds. As a result, the Funds do not record income taxes.

4. Related party transactions

(a) Management fees:

Each Fund pays management fees calculated as a percentage of the net asset value of each respective class. Management fees are subject to applicable taxes such as GST or HST. The fees are calculated at the close of business on each valuation day and are paid monthly. The management fees charged to the Fund by the Manager are intended to cover, among other things, investment management costs, including any portfolio advisory fees, as well as distribution, marketing and promotion of the Fund. The management fees for Class E and Class O units are negotiable and paid directly by the investors and not by the Funds. The annual management fee percentages before applicable taxes such as GST or HST of the remaining classes as at December 31, 2021 and 2020 are as follows:

2021	Class A/ A (USD)/ A1/ B	Class D (%)	Class F/ F (USD)/ F1/ G	Class H/ H (USD) (%)
	(%)		(%)	
Bond Universe Fund*	0.60	0.25	0.10	-
Corporate Bond Fund	1.40	0.60	0.60	1.10
Enhanced Income Fund	1.70	-	0.70	-
Global Focused Fund	1.80	0.80	0.80	1.50
Small Cap Opportunities Fund	1.95	-	0.95	-
Small/Mid Cap Dividend Fund*	1.95	0.95	0.95	1.65
Special Situations Fund*	1.95	0.95	0.95	1.65
Strategic Growth and Income Fund	1.70	0.70	0.70	1.40
Value Fund	1.85	0.85	0.85	1.55
Value Fund II	1.85	-	0.85	-

2021 (cont'd)	Class I/ I (USD) (%)	Class N/ N (USD)/ M	Class U (%)
		(%)	
Bond Universe Fund*	-	0.10	-
Corporate Bond Fund	0.45	0.20	0.60
Enhanced Income Fund	0.55	0.30	-
Global Focused Fund	0.65	0.30	-
Small Cap Opportunities Fund	0.80	0.45	-
Small/Mid Cap Dividend Fund*	0.80	0.45	-
Special Situations Fund*	0.80	0.45	-
Strategic Growth and Income Fund	0.55	-	-
Value Fund	0.70	0.30	-
Value Fund II	0.70	0.30	-

* Refer to note 4 (b) below for further details.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

	Class A/ A (USD)/ A1/ B (%)	Class D (%)	Class F/ F (USD)/ F1/ G (%)	Class H/ H (USD) (%)
2020				
Bond Universe Fund*	0.95	0.45	0.45	0.65
Corporate Bond Fund	1.45	0.65	0.65	1.15
Enhanced Income Fund	1.75	-	0.75	-
Global Focused Fund	1.85	0.85	0.85	1.55
Small Cap Opportunities Fund	2.00	-	1.00	-
Small/Mid Cap Dividend Fund*	2.00	1.00	1.00	1.70
Special Situations Fund*	2.00	-	1.00	-
Strategic Growth and Income Fund	1.75	0.75	0.75	1.45
Value Fund	1.90	0.90	0.90	1.60
Value Fund II	1.90	-	0.90	-

	Class I/ I (USD) (%)	Class N (%)	Class U (%)
2020 (cont'd)			
Bond Universe Fund*	0.40	0.25	-
Corporate Bond Fund	0.50	0.25	0.65
Enhanced Income Fund	0.60	0.35	-
Global Focused Fund	0.70	0.35	-
Small Cap Opportunities Fund	0.85	0.50	-
Small/Mid Cap Dividend Fund*	0.85	0.50	-
Special Situations Fund*	-	-	-
Strategic Growth and Income Fund	0.60	-	-
Value Fund	0.75	0.35	-
Value Fund II	0.75	0.35	-

* Refer to note 4 (b) below for further details.

The Management Expense Ratio ("MER") before applicable taxes such as GST or HST for each class does not exceed certain levels as set out in the Fund's offering documents. Please refer to the tables in note 4 (b) below.

(b) Administration fees and other expenses:

Each Fund pays an administration fee calculated as a percentage of the net asset value of each respective class equal to 0.50%. Administration fees are subject to applicable taxes such as GST or HST. The fees are calculated at the close of business on each valuation day and are paid monthly. In exchange for the fee, the Manager will pay for the operating costs of each Fund (including administrative and operating expenses, registrar and transfer agency fees, custody fees, unitholder servicing costs, costs of prospectus and reports, regulatory fees, and audit and legal fees) other than taxes, brokerage commissions, transaction costs and Independent Review Committee ("IRC") fees. The administration fees for Class O units are negotiable and paid directly by the investors and not by the Funds.

The Management Expense Ratio ("MER") before applicable taxes such as GST or HST for each class does not exceed certain levels as set out in the Fund's offering documents. The Manager has agreed to cap the management fees, administration fees and other expenses before applicable taxes such as GST or HST charged to each Fund class so that the management expense ratio ("MER") before applicable taxes such as GST or HST as at December 31, 2021 and 2020, expressed as a percentage of average NAV, does not exceed the following rates:

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

2021	Class A/ A (USD)/ A1/ B (%)	Class D (%)	Class E (%)	Class F/ F (USD)/ F1/ G (%)
Bond Universe Fund*	1.10	0.75	0.50	0.60
Corporate Bond Fund	1.90	1.10	0.50	1.10
Enhanced Income Fund	2.20	-	0.50	1.20
Global Focused Fund	2.30	1.30	0.50	1.30
Small Cap Opportunities Fund	2.45	-	0.50	1.45
Small/Mid Cap Dividend Fund*	2.45	1.45	0.50	1.45
Special Situations Fund*	2.45	1.45	0.50	1.45
Strategic Growth and Income Fund	2.20	1.20	0.50	1.20
Value Fund	2.35	1.35	0.50	1.35
Value Fund II	2.35	-	0.50	1.35

2021 (cont'd)	Class H/ H (USD) (%)	Class I/ I (USD) (%)	Class N/ N (USD)/ M (%)	Class U (%)
Bond Universe Fund*	-	-	0.60	-
Corporate Bond Fund	1.60	0.95	0.70	1.10
Enhanced Income Fund	-	1.05	0.80	-
Global Focused Fund	2.00	1.15	0.80	-
Small Cap Opportunities Fund	-	1.30	0.95	-
Small/Mid Cap Dividend Fund*	2.15	1.30	0.95	-
Special Situations Fund*	2.15	1.30	0.95	-
Strategic Growth and Income Fund	1.90	1.05	-	-
Value Fund	2.05	1.20	0.80	-
Value Fund II	-	1.20	0.80	-

2020	Class A/ A (USD)/ A1/ B (%)	Class D (%)	Class E (%)	Class F/ F (USD)/ F1/ G (%)
Bond Universe Fund*	1.45	0.95	0.50	0.95
Corporate Bond Fund	1.95	1.15	0.50	1.15
Enhanced Income Fund	2.25	-	0.50	1.25
Global Focused Fund	2.35	1.35	0.50	1.35
Small Cap Opportunities Fund	2.50	-	0.50	1.50
Small/Mid Cap Dividend Fund*	2.50	1.50	0.50	1.50
Special Situations Fund*	2.50	-	-	1.50
Strategic Growth and Income Fund	2.25	1.25	0.50	1.25
Value Fund	2.40	1.40	0.50	1.40
Value Fund II	2.40	-	0.50	1.40

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

2020 (cont'd)	Class H/ H (USD) (%)	Class I/ I (USD) (%)	Class N (%)	Class U (%)
Bond Universe Fund*	1.15	0.90	0.75	-
Corporate Bond Fund	1.65	1.00	0.75	1.15
Enhanced Income Fund	-	1.10	0.85	-
Global Focused Fund	2.05	1.20	0.85	-
Small Cap Opportunities Fund	-	1.35	1.00	-
Small/Mid Cap Dividend Fund*	2.20	1.35	1.00	-
Special Situations Fund*	-	-	-	-
Strategic Growth and Income Fund	1.95	1.10	-	-
Value Fund	2.10	1.25	0.85	-
Value Fund II	-	1.25	0.85	-

* The Manager, at its discretion, may reduce or waive management fees and reimburse the Funds for any expenses. During the period from commencement of operations through to December 31, 2021 the Manager waived all management and administration fees and custody related transaction costs for Pender Special Situations Fund. During the period from commencement of operations to October 31, 2020, the Manager waived all management and administration fees and custody related transaction costs for the Pender Small/Mid Cap Dividend Fund. During the period from commencement of operations through to December 31, 2020, the Manager waived all management and administration fees and custody related transaction costs for the Pender Bond Universe Fund. During the period of January 1, 2021 to June 30, 2021, the Manager partially waived management fees for the Pender Bond Universe Fund.

(c) Performance fees:

The Manager is also entitled to a performance fee plus applicable taxes such as GST or HST in respect of Class B, Class G and Class M units of the Pender Small Cap Opportunities Fund. The performance fee is equal to 20% of the amount by which the total return of the class of units exceeds the total percentage increase or decrease in the Fund's benchmark for the period since the performance fee was last paid, subject to a relative high-water mark. The high-water mark is the net asset value of the applicable class of units to which it applies as at the most recent determination date on which the performance fee was payable. Performance fees are subject to applicable taxes such as GST or HST. The performance fee is calculated and accrued weekly and such accrued fees will be paid by the Fund at the end of each year. The Manager has reserved the right to change the period for which any performance fee may be paid by a Fund. The Manager, at its discretion, may reduce or waive performance fees.

As at December 31, 2021 no performance fee was accrued for Class B, Class G or Class M. During the year ended December 31, 2021, \$133,044 of performance fees was crystallized in Class B and Class G due to redemptions during the year. A performance fee was accrued for Class B and Class G for the year ended December 31, 2020 and was payable to the Manager as at December 31, 2020.

There was no change to the high-water marks for the Pender Small Cap Opportunities Fund which were reset on December 31, 2020, to be \$12.02 per unit for Class B, \$12.54 per unit for Class G and Class M remained at \$10.00 per unit since the class commenced operations on June 25, 2021. However, the adjusted high-water marks, which reflect the distributions that were paid out to investors, including that of December 2021, result in the adjusted high-water marks to be \$9.83 per unit for Class B, \$9.79 per unit for Class G and \$7.69 per unit for Class M.

As at December 31 2021 and December 31, 2020, the Fund incurred the following performance fees:

	2021 (\$)	2020 (\$)
Small Cap Opportunities Fund Class B	43,394	812,648
Small Cap Opportunities Fund Class G	94,650	2,326,449
Total	138,044	3,139,097

(d) Amounts payable to the Manager:

As at December 31, 2021 and 2020, the Funds had the following amounts payable to the Manager relating to management fees, administration fees and other expenses, and related taxes, incurred by the Manager on behalf of the Funds:

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

	2021 (\$)	2020 (\$)
Bond Universe Fund	49,482	-
Corporate Bond Fund	1,380,738	964,724
Enhanced Income Fund	52,954	51,052
Global Focused Fund	22,460	20,709
Small Cap Opportunities Fund	138,821	236,000
Small/Mid Cap Dividend Fund	27,078	10,145
Special Situations Fund	-	-
Strategic Growth and Income Fund	28,895	16,521
Value Fund	344,439	336,608
Value Fund II	25,743	35,659

From time to time the Manager may reduce the effective management fee payable by some unitholders by reducing the management fee it charges to the Funds, and directing the Funds to make distributions to these unitholders in amounts equal to the management fee reduction.

(e) Related party holdings:

As at December 31, 2021 and 2020, parties related to the Manager directly or indirectly held the following percentages of each Fund's outstanding units. Subscriptions and redemptions of related parties are subject to the same terms and conditions as those of arm's length investors in the Funds.

	2021 (%)	2020 (%)
Bond Universe Fund	<1%	3%
Corporate Bond Fund	<1%	<1%
Enhanced Income Fund	<1%	<1%
Global Focused Fund	9%	13%
Small Cap Opportunities Fund	2%	2%
Small/Mid Cap Dividend Fund	5%	8%
Special Situations Fund	22%	100%
Strategic Growth and Income Fund	4%	6%
Value Fund	1%	1%
Value Fund II	<1%	<1%

5. Securities lending transactions:

The following table shows the value of securities loaned and collateral received from securities lending as at December 31, 2021 and 2020 for certain Funds. The remaining Funds did not have any securities loaned or collateral received as at December 31, 2021 and 2020.

2021	Securities loaned (\$)	Collateral received (\$)
Enhanced Income Fund	1,988,964	2,089,027
Global Focused Fund	6,911,059	7,271,149
Small/Mid Cap Dividend Fund	1,495,454	1,570,563
Strategic Growth and Income Fund	1,031,247	1,083,285

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

	Securities loaned (\$)	Collateral received (\$)
2020		
Bond Universe Fund	536,229	563,363
Global Focused Fund	3,925,185	4,144,706
Small/Mid Cap Dividend Fund	465,569	488,847
Strategic Growth and Income Fund	23,198	24,361
Value Fund II	715,641	751,423

Collateral received on securities lending may be comprised of debt obligations of the Government of Canada and other countries, Canadian provincial or territorial governments, governments of states of the United States of America, and evidence of indebtedness of financial institutions whose short-term debt is rated A-1 or R-1 or equivalent by a recognized, widely followed North American credit rating agency.

The following table presents a reconciliation of the gross amount generated from securities lending transactions to the securities lending income earned for the years ended December 2021 and 2020 for certain Funds. The remaining Funds did not have any securities lending income earned for the years ended December 31, 2021 and 2020.

	Gross income (\$)	Withholding taxes (\$)	Agent fees (\$)	Net income (\$)
2021				
Bond Universe Fund	133	-	(53)	80
Enhanced Income Fund	7,218	(100)	(2,847)	4,271
Global Focused Fund	14,575	(731)	(5,537)	8,307
Small/Mid Cap Dividend Fund	5,000	(101)	(1,959)	2,940
Strategic Growth and Income Fund	2,391	(53)	(935)	1,403
Value Fund II	1,892	(211)	(672)	1,009

	Gross income (\$)	Withholding taxes (\$)	Agent fees (\$)	Net income (\$)
2020				
Bond Universe Fund	365	-	(146)	219
Enhanced Income Fund	1,389	(75)	(502)	812
Global Focused Fund	19,315	(2,404)	(6,763)	10,148
Small/Mid Cap Dividend Fund	1,112	-	(444)	668
Strategic Growth and Income Fund	7,069	(29)	(2,815)	4,225
Value Fund II	7,815	(460)	(2,942)	4,413

Agent fees were paid to the Securities Lending Agent (see Note 3(d)) and represented 40% of the gross securities lending income net of withholding taxes through to March 31, 2020, and 35% of the gross securities lending income net of withholding taxes thereafter.

6. Withholding tax expense

Certain dividend and interest income received by the Funds is subject to withholding tax imposed in the country of origin. During the year, withholding tax rates were between 0% and 35% (2020 - between 0% and 35%).

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

7. Redeemable units:

The Funds are authorized to issue an unlimited number of redeemable units in an unlimited number of classes. The redeemable unit transactions for the Funds during the years ended December 31, 2021 and 2020 were as follows:

2021	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
Bond Universe Fund:					
Class A	123,165	303,336	6,592	(59,244)	373,849
Class D	513	-	21	-	534
Class E	26,956	4,140	1,253	(1,514)	30,835
Class F	343,036	8,843,382	41,282	(1,343,774)	7,883,926
Class H	362,168	-	3,555	(365,723)	-
Class I	123,253	1,510,742	14,672	(1,648,667)	-
Class N	513	1	22	-	536
Class O	83,800	102,102	3,230	(83,603)	105,529
Corporate Bond Fund:					
Class A	7,165,766	3,529,263	576,341	(2,663,600)	8,607,770
Class A (USD)	179,642	149,565	6,073	(132,784)	202,496
Class D	243,197	645,858	44,196	(193,000)	740,251
Class E	318,107	187,948	42,037	(147,266)	400,826
Class F	26,636,091	15,906,546	1,671,498	(11,432,282)	32,781,853
Class F (USD)	815,559	871,614	30,943	(627,107)	1,091,009
Class H	5,749,645	3,557,187	571,698	(874,015)	9,004,515
Class H (USD)	494,651	196,876	25,306	(127,145)	589,688
Class I	37,250,197	26,147,220	2,863,405	(12,132,856)	54,127,966
Class I (USD)	1,724,282	1,639,119	71,797	(912,815)	2,522,383
Class U	3,876	1,096,484	300	(15,029)	1,085,631
Class N	336,405	-	13,864	(79,493)	270,776
Class N (USD)	202,357	-	-	(12,096)	190,261
Class O	2,661,770	3,188,530	418,919	(1,107,242)	5,161,977
Enhanced Income Fund:					
Class A	1,557,614	5,157	63,279	(382,857)	1,243,193
Class A1	525	327,622	6,148	(295,179)	39,116
Class E	525	-	27	-	552
Class F	3,984,231	950	73,840	(3,293,161)	765,860
Class F1	11,801	146,189	2,115	(43,697)	116,408
Class I	525	2,318,117	81,871	(168,214)	2,232,299
Class N	525	-	27	-	552
Class O	525	-	27	-	552
Global Focused Fund:					
Class A	412,533	25,524	12,041	(81,323)	368,775
Class A (USD)	18,839	7,934	738	(3,835)	23,676
Class D	11,945	114,951	1,766	(50,194)	78,468
Class E	130,483	5,587	9,297	(4,441)	140,926
Class F	315,253	85,900	21,756	(61,745)	361,164
Class F (USD)	11,162	277	680	-	12,119
Class H	8,648	31,893	1,427	(6,011)	35,957
Class I	500	16,732	1,042	(500)	17,774
Class N	500	-	34	-	534
Class N (USD)	501	(1)	34	-	534
Class O	393,383	344,400	59,290	(4,300)	792,773

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

2021	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
Small Cap Opportunities Fund:					
Class A	939,040	964	221,892	(69,587)	1,092,309
Class B	1,425,182	719,385	298,745	(381,089)	2,062,223
Class E	168,853	24,746	55,415	(7,135)	241,879
Class F	2,442,676	31,475	532,378	(227,302)	2,779,227
Class G	3,550,898	4,109,607	1,192,163	(1,077,777)	7,774,891
Class I	1,157,501	9,258	304,846	(66,440)	1,405,165
Class M	-	975,462	293,445	-	1,268,907
Class N	360,632	51,503	-	(380,969)	31,166
Class O	388,863	236,692	182,572	(25,397)	782,730
Small/Mid Cap Dividend Fund:					
Class A	36,153	29,920	3,418	(9,611)	59,880
Class D	22,220	90,799	1,729	(35,580)	79,168
Class E	128,275	4,137	1,183	(80,186)	53,409
Class F	163,847	201,451	15,720	(63,273)	317,745
Class H	109,612	103,337	9,617	(44,628)	177,938
Class I	332,828	379,583	40,698	(30,959)	722,150
Class N	542	-	48	-	590
Class O	80,269	116,123	1,354	(68,029)	129,717
Special Situations Fund:					
Class A	8,870	11,827	1,711	-	22,408
Class D	-	10,261	773	(917)	10,117
Class E	-	11,092	917	-	12,009
Class F	8,870	8,941	1,442	(368)	18,885
Class H	-	43,410	3,588	-	46,998
Class I	-	35,456	2,931	-	38,387
Class N	-	500	41	-	541
Class O	-	500	41	-	541
Strategic Growth and Income Fund:					
Class A	464,069	98,805	29,698	(75,397)	517,175
Class D	2,842	10,862	800	(1,800)	12,704
Class E	8,747	5,285	1,301	-	15,333
Class F	172,852	607,011	13,300	(454,113)	339,050
Class H	88,736	42,005	7,225	(1,658)	136,308
Class I	89,621	453,649	34,364	(53,216)	524,418
Class O	649	-	65	-	714
Value Fund:					
Class A	2,260,446	240,900	75,742	(518,400)	2,058,688
Class D	162,632	69,065	3,683	(68,071)	167,309
Class E	65,263	7,300	4,055	(4,683)	71,935
Class F	4,710,346	974,909	131,330	(1,465,331)	4,351,254
Class H	752,280	240,678	40,258	(149,178)	884,038
Class I	5,406,414	1,206,405	206,486	(1,064,937)	5,754,368
Class N	516	128,640	8,611	-	137,767
Class O	876,109	13,981	46,701	(14,388)	922,403

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

2021	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
Value Fund II:					
Class A	684,695	775	-	(244,305)	441,165
Class A1	17,447	12,308	-	(5,119)	24,636
Class E	500	-	-	-	500
Class F	411,761	1,923	-	(199,175)	214,509
Class F1	164,502	122,855	-	(192,790)	94,567
Class I	175,090	168,423	-	(158,754)	184,759
Class N	500	-	-	-	500
Class O	108,089	-	-	-	108,089
Bond Universe Fund:					
Class A	-	488,366	8,185	(373,386)	123,165
Class D	-	500	13	-	513
Class E	-	26,288	668	-	26,956
Class F	-	753,413	892	(411,269)	343,036
Class H	-	359,607	2,561	-	362,168
Class I	-	204,441	1,151	(82,339)	123,253
Class N	-	500	13	-	513
Class O	-	82,169	1,631	-	83,800
Corporate Bond Fund:					
Class A	9,281,603	1,657,382	187,483	(3,960,702)	7,165,766
Class A (USD)	440,638	131,218	4,964	(397,178)	179,642
Class D	341,030	174,932	8,777	(281,542)	243,197
Class E	388,330	9,014	16,563	(95,800)	318,107
Class F	32,530,750	9,396,313	631,684	(15,922,656)	26,636,091
Class F (USD)	1,492,314	460,894	23,126	(1,160,775)	815,559
Class H	5,671,949	2,226,218	156,653	(2,305,175)	5,749,645
Class H (USD)	205,849	390,540	14,538	(116,276)	494,651
Class I	35,491,065	20,090,393	891,873	(19,223,134)	37,250,197
Class I (USD)	1,197,716	1,439,229	35,435	(948,098)	1,724,282
Class U	588	3,182	106	-	3,876
Class N	1,719,279	374,601	3,894	(1,761,369)	336,405
Class N (USD)	280,525	15,405	6	(93,579)	202,357
Class O	2,501,605	715,244	141,301	(696,380)	2,661,770
Enhanced Income Fund:					
Class A	2,421,712	8,733	84,123	(956,954)	1,557,614
Class A1	500	-	25	-	525
Class E	500	-	25	-	525
Class F	6,217,314	27,426	217,212	(2,477,721)	3,984,231
Class F1	500	24,416	606	(13,721)	11,801
Class I	500	-	25	-	525
Class N	500	-	25	-	525
Class O	500	-	25	-	525

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

2020	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
Global Focused Fund:					
Class A	530,833	6,441	-	(124,741)	412,533
Class A (USD)	54,748	2,187	-	(38,096)	18,839
Class D	9,416	17,019	-	(14,490)	11,945
Class E	98,020	33,292	-	(829)	130,483
Class F	371,611	10,876	318	(67,552)	315,253
Class F (USD)	8,779	9,983	-	(7,600)	11,162
Class H	24,068	8,648	-	(24,068)	8,648
Class I	17,201	500	-	(17,201)	500
Class N	500	-	-	-	500
Class N (USD)	501	-	-	-	501
Class O	397,813	-	-	(4,430)	393,383
Small Cap Opportunities Fund:					
Class A	1,210,774	1,696	-	(273,430)	939,040
Class B	1,259,935	380,700	-	(215,453)	1,425,182
Class E	145,477	29,156	-	(5,780)	168,853
Class F	3,011,004	75,209	5,175	(648,712)	2,442,676
Class G	2,697,149	1,398,598	(141)	(544,708)	3,550,898
Class I	1,174,990	11,795	745	(30,029)	1,157,501
Class N	3,853,598	173,591	-	(3,666,557)	360,632
Class O	347,146	92,925	-	(51,208)	388,863
Small/Mid Cap Dividend Fund:					
Class A	-	53,124	2,360	(19,331)	36,153
Class D	-	21,225	1,531	(536)	22,220
Class E	-	120,426	9,563	(1,714)	128,275
Class F	-	191,671	10,199	(38,023)	163,847
Class H	-	104,029	7,745	(2,162)	109,612
Class I	-	323,971	9,046	(189)	332,828
Class N	-	500	42	-	542
Class O	-	82,043	4,495	(6,269)	80,269
Special Situations Fund:					
Class A	-	7,500	1,370	-	8,870
Class F	-	7,500	1,370	-	8,870
Strategic Growth and Income Fund:					
Class A	594,180	39,028	11,650	(180,789)	464,069
Class D	1,974	2,838	61	(2,031)	2,842
Class E	7,067	1,912	469	(701)	8,747
Class F	251,027	57,143	5,173	(140,491)	172,852
Class H	61,011	39,951	2,831	(15,057)	88,736
Class I	99,659	27,359	1,873	(39,270)	89,621
Class O	610	-	39	-	649
Value Fund:					
Class A	3,134,001	183,137	-	(1,056,692)	2,260,446
Class D	287,601	19,882	-	(144,851)	162,632
Class E	62,855	7,958	-	(5,550)	65,263
Class F	7,587,835	978,393	256	(3,856,138)	4,710,346
Class H	844,511	134,145	-	(226,376)	752,280
Class I	5,993,732	2,516,224	-	(3,103,542)	5,406,414
Class N	516	-	-	-	516
Class O	975,003	28,934	-	(127,828)	876,109

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

2020	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
Value Fund II:					
Class A	1,190,982	3,848	-	(510,135)	684,695
Class A1	500	17,533	-	(586)	17,447
Class E	500	-	-	-	500
Class F	789,185	23,139	-	(400,563)	411,761
Class F1	500	222,342	-	(58,340)	164,502
Class I	500	266,652	-	(92,062)	175,090
Class N	500	-	-	-	500
Class O	500	107,589	-	-	108,089

8. Capital management

The capital of each Fund is represented by its redeemable units issued. The Funds are not subject to any internally or externally imposed restrictions on their capital. In managing capital, the objective of each Fund is to ensure a stable base to maximize returns to all unitholders, and to manage liquidity risk arising from unitholder redemptions.

9. Financial risk management:

The Funds are exposed to various financial risks associated with their respective investment objectives and strategies, financial instruments and the markets in which they invest. These include credit risk, liquidity risk, and market risk, which consists of currency risk, interest rate risk and other price/market risk.

The Manager manages the potential impact of these financial risks on the Funds' performance by employing professional and experienced portfolio advisors who regularly monitor the Funds' positions and market events and diversify investment portfolios within the constraints of the investment guidelines.

Each Fund maintains positions in a variety of financial instruments in accordance with its investment objectives and strategies.

Pender Bond Universe Fund:

The objective of the Pender Bond Universe Fund is to preserve capital and generate returns through current income and capital appreciation. The Fund invests primarily in investment grade fixed income securities. This, however, does not preclude the Fund from making equity investments when the portfolio advisor deems the risk/reward tradeoff to be in the investors' favour.

Pender Corporate Bond Fund:

The objective of the Pender Corporate Bond Fund is to preserve capital and generate returns through current income and capital appreciation. The Fund invests primarily in investment and non-investment grade fixed income securities of North American corporations. This, however, does not preclude the Fund from making equity investments when the portfolio advisor deems the risk/reward trade-off to be in the investors' favour.

Pender Enhanced Income Fund:

The objective of the Pender Enhanced Income Fund is to generate long-term growth in value and income by investing in a diversified portfolio of Canadian and foreign equities, corporate bonds, Canadian and foreign government bonds, and exchange traded funds which track sector or broad market indices. It is designed to provide both moderate income and portfolio growth over the long-term, while being sufficiently diversified to mitigate volatility.

Pender Global Focused Fund:

Effective June 25, 2021, the primary objective of the Pender Global Focused Fund (formerly, the Pender US All Cap Equity 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.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

Pender Small Cap Opportunities Fund:

Pender Small Cap Opportunities Fund invests in a concentrated portfolio of well-managed businesses, with strong competitive positions, which are overlooked by the market and have the potential for significant capital appreciation. These businesses may be in Canada, the United States or in other foreign jurisdictions with a primary emphasis on companies with a small market capitalization. The Fund may also invest in any securities regardless of market capitalization, sector, or region, including foreign equities where opportunities warrant. In some situations, the Fund may invest directly in companies, through private placements or public offerings, or may acquire previously issued shares, either through the facilities of a stock exchange, quotation system, or by private arrangement.

Pender Small/Mid Cap Dividend Fund:

The Pender Small/Mid Cap Dividend Fund is designed to provide investors with a combination of long-term capital appreciation and a stable quarterly stream of cash distributions. The Fund will invest primarily in Canadian securities, with a focus on, but not limited to, dividend paying small/mid cap companies. Assets in the Fund may also be held in cash or other securities to the extent that the economic, market, or other conditions make it appropriate.

Pender Special Situations Fund:

Effective June 25, 2021, the objective of the Pender Special Situations Fund is to achieve long-term capital appreciation by investing primarily in Canadian and US equity with the ability to also invest in debt and other securities. The Fund seeks to identify investment opportunities that are believed to represent special situations.

Pender Strategic Growth and Income Fund:

The objective of the Pender Strategic Growth and Income Fund is to generate long-term growth in value and income by investing in a diversified portfolio of Canadian and foreign equities, corporate bonds, Canadian and foreign government bonds, and exchange traded funds which track sector or broad market indices. It is designed to provide both moderate income and portfolio growth over the long-term, while being sufficiently diversified to mitigate volatility.

Pender Value Fund:

The primary objective of the Pender Value Fund is to achieve capital growth over the long-term, while being sufficiently diversified to mitigate volatility. The Fund will invest primarily in Canadian and US securities but may also invest in foreign securities. The Fund will focus on businesses that have the potential for growth over the long term and have securities that trade at favourable prices.

Pender Value Fund II:

The primary objective of the Pender Value Fund II is to achieve capital growth over the long-term, while being sufficiently diversified to mitigate volatility. The Fund will invest primarily in Canadian and US securities but may also invest in foreign securities. The Fund will focus on businesses that have the potential for growth over the long term and have securities that trade at favourable prices.

A Fund's exposure to financial risks is concentrated in its investment holdings. The Schedule of Investment Portfolio for each Fund groups securities by asset type, geographic region, and/or market segment. The Pender Bond Universe Fund carries out part of its investment strategy by investing in Class O units of the Pender Corporate Bond Fund. The Pender Enhanced Income Fund and Pender Strategic Growth and Income Fund each carry out part of their investment strategy by investing in Class O units of the Pender Corporate Bond Fund and Pender Small Cap Opportunities Fund. The Pender Value Fund and Pender Value Fund II each carry out part of their investment strategy by investing in Class O units of the Pender Alternative Absolute Return Fund. The Pender Bond Universe Fund, Pender Enhanced Income Fund, Pender Strategic Growth and Income Fund, Pender Value Fund and Pender Value Fund II have indirect exposure to various financial risks through its holdings of underlying mutual funds. The financial risks associated with the Pender Bond Universe Fund's, Pender Enhanced Income Fund's, Pender Strategic Growth and Income Fund's, Pender Value Fund's and Pender Value Fund II's investment strategy are disclosed based on their direct holdings. The Manager's risk management practices include the monitoring of compliance with investment objectives and strategies. The Manager manages the potential effects of these financial risks on each Fund's performance by regularly monitoring each Fund's positions and market events and by diversifying investment portfolios within the constraints of each Fund's investment objective.

Financial risk includes the risk that global pandemics, natural disasters, and other catastrophic events may impact markets and security prices. On February 24, 2022, Russia launched a large military invasion of Ukraine. This has resulted in a disruption in the supply of energy resources, a refugee crisis in Europe, global protests, and the imposition of sanctions on Russia, which in turn triggered a financial crisis in Russia. The Russian president has placed Russia's nuclear forces on high alert, increasing tension between the West and Russia. The invasion has introduced a new source of uncertainty for financial markets.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

The COVID-19 global health pandemic that began in 2019 continues today. In early 2020, it resulted in significant volatility and turmoil in World markets. The negative economic impact of measures taken to contain the virus have been mitigated to a certain extent by fiscal and monetary stimulus, measures taken to reopen world economies, and the development and rollout of vaccines. The situation has had an impact on many entities and the markets for the securities that they issue, and that impact may continue.

Investment results may be affected by future developments and new information that may emerge resulting from Russia's invasion of Ukraine, COVID-19, its variants and the pandemic, factors which are beyond the Funds' control.

(a) Credit risk:

Credit risk is the risk that a loss could arise due to a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The determination of fair value of debt securities includes a consideration of the creditworthiness of the debt issuer. The credit exposure of other assets is represented by their carrying amounts. Credit risk is managed by the portfolio advisor of each Fund through a careful selection of securities and diversification within each respective Fund. Each Fund's portfolio advisor monitors the overall market positions of the Fund, and positions are maintained within established ranges.

The Pender Global Focused Fund, Pender Small/Mid Cap Dividend Fund, Pender Special Situations Fund and Pender Strategic Growth and Income Fund are not exposed to any significant credit risk. The following table summarizes the maximum exposure to credit risk for the remaining Funds as at December 31, 2021 and 2020, categorized by credit ratings.

	2021 (\$)	2020 (\$)
Bond Universe Fund:		
AAA	-	1,091,168
AA	3,971,036	1,045,352
A	6,578,491	1,310,582
BBB	34,856,884	3,792,691
Unrated	12,070,834	-
	57,477,245	7,239,793
Corporate Bond Fund:		
AAA	43,075,677	6,926,952
AA	5,015,470	5,218,494
A	19,460,373	18,889,928
BBB	158,149,059	92,677,247
Below BBB	499,102,863	391,546,984
Unrated	512,236,558	299,346,036
	1,237,040,000	814,605,641
Enhanced Income Fund:		
Unrated	5,060	5,092
	5,060	5,092
Small Cap Opportunities Fund:		
Below BBB	-	2,473,881
Unrated	-	7,224,550
	-	9,698,431
Value Fund:		
Below BBB	-	4,333,098
Unrated	-	1,624,000
	-	5,957,098
Value Fund II:		
Below BBB	-	430,550
Unrated	-	376,200
	-	806,750

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

(b) Liquidity risk

Liquidity risk is the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price.

Each Fund is exposed to liquidity risk through unitholder redemptions of its units. The redeemable units of each Fund are issued and redeemed on demand at the option of the unitholder based on the then current NAV per class of unit.

Each Fund is also exposed to liquidity risk through its investments. This risk is managed by investing the majority of each Fund's assets in investments that are traded in an active market and that can be disposed of readily. In accordance with securities regulations, each Fund must maintain at least 85% of its assets in liquid investments (i.e., investments that are traded in an active market). In the case where the Funds hold thinly traded investments, timely disposition of such investments and the realized price may be significantly different from their carrying values.

The Manager's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity at all times to meet its liabilities, including estimated redemptions of units, when due, without incurring unacceptable losses or risking damage to the Funds' reputation. Each Fund has the ability to borrow up to 5% of the value of its net assets on a temporary basis for the purpose of settling investment portfolio transactions or unitholder redemptions.

The Funds' remaining non-derivative liabilities other than redeemable units are due within one month of the reporting date of the respective Fund. The following table presents the contractual maturities of derivative assets (liabilities) of the Pender Corporate Bond Fund as at December 31, 2021 and 2020 that were due within four months of the financial reporting date. The amounts are gross and undiscounted. The remaining Funds did not hold any derivatives as at December 31, 2021 and 2020.

	2021		2020	
	Nominal value (\$)	Unrealized gain (loss) (\$)	Nominal value (\$)	Unrealized gain (loss) (\$)
Derivative instruments:				
Inflows (Outflows)	709,833,500	(7,598,371)	543,599,606	27,010,808

(c) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Funds' income or the fair value of their holdings of financial instruments.

(i) Interest rate risk:

Interest rate risk is the risk that the market value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. A Fund's exposure to interest rate risk is concentrated in its investment in debt securities. Other assets and liabilities are short-term in nature and/or non-interest bearing, which reduce interest rate risk.

Interest rate risk is managed by the portfolio advisor of each Fund through a careful selection of securities and diversification within each respective Fund. Where applicable, the Fund's portfolio advisor monitors the Fund's overall duration and positions are maintained within established ranges.

The Pender Global Focused Fund, Pender Small/Mid Cap Dividend Fund, Pender Special Situations Fund and Pender Strategic Growth and Income Fund are not exposed to any material interest rate risk. The following table summarizes the exposure to interest rate risk for the remaining Funds as at December 31, 2021 and 2020, categorized by the earlier of contractual re- pricing or maturity dates:

	2021 (\$)	2020 (\$)
Bond Universe Fund:		
Less than 1 year	-	457,097
1 to 3 years	11,580,094	1,547,639
3 to 5 years	22,803,785	2,972,935
More than 5 years	23,093,366	2,262,122
	57,477,245	7,239,793

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

	2021 (\$)	2020 (\$)
Corporate Bond Fund:		
Less than 1 year	68,957,715	18,425,048
1 to 3 years	263,051,931	177,998,496
3 to 5 years	405,045,065	297,067,503
More than 5 years	499,985,289	321,114,594
	1,237,040,000	814,605,641
Enhanced Income Fund:		
Less than 1 year	5,060	5,092
	5,060	5,092
Small Cap Opportunities Fund:		
Less than 1 year	-	1,999,750
1 to 3 years	-	7,698,681
	-	9,698,431
Value Fund:		
1 to 3 years	-	5,957,098
	-	5,957,098
Value Fund II:		
Less than 1 year	-	225,000
1 to 3 years	-	581,750
	-	806,750

As at December 31, 2021 and 2020, if the prevailing interest rates had been increased or decreased by 1%, assuming a parallel shift in the yield curve and all other factors remaining constant, the net assets of the Funds with exposure to interest rate risk would have decreased or increased by the following amounts:

	2021 (\$)	2020 (\$)
Bond Universe Fund	2,493,463	285,816
Corporate Bond Fund	54,759,989	32,379,642
Enhanced Income Fund	-	-
Small Cap Opportunities Fund	-	67,197
Value Fund	-	51,186
Value Fund II	-	7,218

Interest rate sensitivity was determined based on portfolio-weighted, modified duration. Actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Currency risk:

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies other than the Canadian dollar will fluctuate due to changes in foreign exchange rates. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted to Canadian dollars at the valuation date.

Currency risk is managed by the portfolio advisor of each Fund in accordance with the policies and procedures in place, through a careful selection of securities and diversification within each respective Fund. Each Fund's portfolio advisor monitors the overall market positions of the Fund on a daily basis and positions are maintained within established ranges.

The Pender Corporate Bond Fund enters into certain forward foreign currency contracts to mitigate its foreign currency exposure for all classes except Class U, the unhedged class. The Pender Bond Universe Fund is not exposed to any material currency risk.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

The net currency exposure for each of the remaining Funds as at December 31, 2021 and 2020 were as follows:

2021	Canadian dollar (\$)	US dollar (\$)	Australian dollar (\$)	Euro (\$)	British pound (\$)	Total (\$)
Corporate Bond Fund	1,107,706,204	282,073,777	-	-	-	1,389,779,981
Enhanced Income Fund	32,705,731	10,306,272	-	852,854	-	43,864,857
Global Focused Fund	(21,390)	25,500,142	-	-	761,448	26,240,200
Small Cap Opportunities Fund	285,059,517	38,365,945	1,531,228	-	-	324,956,690
Small/Mid Cap Dividend Fund	23,862,022	612,372	-	-	-	24,474,394
Special Situations Fund	1,201,960	657,614	-	-	-	1,859,574
Strategic Growth and Income Fund	15,416,232	4,864,450	-	409,370	-	20,690,052
Value Fund	104,663,430	145,605,647	-	10,175,441	4,863,441	265,307,959
Value Fund II	6,118,004	8,773,907	-	613,877	294,754	15,800,542

2020	Canadian dollar (\$)	US dollar (\$)	Australian dollar (\$)	Euro (\$)	British pound (\$)	Total (\$)
Corporate Bond Fund	800,193,771	197,329,855	-	-	-	997,523,626
Enhanced Income Fund	31,474,696	7,795,700	-	823,797	-	40,094,193
Global Focused Fund	73,178	22,062,997	-	-	-	22,136,175
Small Cap Opportunities Fund	179,913,812	38,998,537	2,373,969	-	-	221,286,318
Small/Mid Cap Dividend Fund	11,272,382	261,547	-	-	-	11,533,929
Special Situations Fund	169,324	93,289	-	-	-	262,613
Strategic Growth and Income Fund	8,177,561	2,112,174	-	216,247	-	10,505,982
Value Fund	119,014,486	152,382,585	-	10,132,704	-	281,529,775
Value Fund II	9,980,497	13,262,798	-	875,284	-	24,118,579

As at December 31, 2021 and 2020, if the Canadian dollar had strengthened or weakened by 10% in relation to all foreign currencies, with all other factors remaining constant, the net assets of the remaining Funds would have decreased or increased respectively by the following amounts:

	2021 (\$)	2020 (\$)
Corporate Bond Fund	28,207,378	19,732,986
Enhanced Income Fund	1,115,913	861,950
Global Focused Fund	2,626,159	2,206,300
Small Cap Opportunities Fund	3,989,717	4,137,251
Small/Mid Cap Dividend Fund	61,237	26,155
Special Situations Fund	65,761	9,329
Strategic Growth and Income Fund	527,382	232,842
Value Fund	16,064,453	16,251,529
Value Fund II	968,254	1,413,808

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

(iii) Other price risk:

Other price risk is the risk that the fair value of a security will fluctuate as a result of changes in market prices (other than those changes arising from interest rate risk or currency risk), whether caused by factors specific to the security or its issuer, or by factors affecting all similar securities traded in a market. All investments are exposed to other price risk. Other price risk is managed by the portfolio advisor of each Fund through a careful selection of securities within specified limits and the Funds' price risk is managed through diversification within each respective Fund. Each Fund's portfolio advisor monitors their Fund's overall market positions and positions are maintained within established ranges.

The Pender Bond Universe Fund is not exposed to any material other price risk. The following table summarizes the exposure to other price risk for each of the remaining Funds as at December 31, 2021 and 2020:

	2021 (\$)	2020 (\$)
Corporate Bond Fund	119,050,706	133,568,220
Enhanced Income Fund	43,368,601	39,947,638
Global Focused Fund	26,214,518	21,589,048
Small Cap Opportunities Fund	308,125,394	210,211,594
Small/Mid Cap Dividend Fund	21,616,595	6,344,193
Special Situations Fund	1,831,675	255,524
Strategic Growth and Income Fund	20,461,734	10,360,045
Value Fund	265,093,693	265,794,571
Value Fund II	15,744,912	23,265,228

As at December 31, 2021 and 2020, if equity prices had increased or decreased by 10% with all other factors remaining constant, the net assets of the Funds would have increased or decreased, by the following amounts:

	2021 (\$)	2020 (\$)
Corporate Bond Fund	9,943,441	8,977,713
Enhanced Income Fund	3,364,992	2,886,782
Global Focused Fund	3,020,182	3,276,154
Small Cap Opportunities Fund	39,301,776	27,218,217
Small/Mid Cap Dividend Fund	3,004,713	761,239
Special Situations Fund	177,891	31,838
Strategic Growth and Income Fund	1,575,261	808,961
Value Fund	30,131,768	30,968,275
Value Fund II	1,814,133	2,821,874

Price sensitivity was determined based on portfolio-weighted beta. Actual results may differ from this sensitivity analysis and the difference could be material.

10. Fair value of financial instruments:

(a) Valuation models:

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Funds determine fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the funds can access at the measurement date.
- Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., as derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Funds use widely recognized valuation models for determining the fair value of common and relatively simple financial instruments, such as debt securities, mutual fund units and warrants that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as forward foreign currency contracts. The availability of observable market prices and model inputs reduces the need for management judgment and estimation, and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets. Valuation techniques may include discounted cash flow calculations for debt securities and for forward foreign currency contracts, option pricing matrices for warrants and net asset value as published by underlying fund managers for mutual fund units.

For more complex instruments, the Funds use recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, may be derived from market prices or rates or may be estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value.

In determining fair value for these types of instruments, the Manager considers the history and nature of the business; operating results and financial conditions; general economic, industry and market conditions; capital market and transaction market conditions; independent valuations of the business; contractual rights relating to the investment; comparable company trading and transaction multiples, where applicable, and other relevant considerations. Adjustments to the carrying value of the investments may also be determined to be appropriate by the Manager when there is pervasive and objective evidence of a decline in the value of the investment, as indicated by an assessment of the financial condition of the investment based on operational results, forecasts, or other developments since acquisition.

The table below presents the fair value of financial instruments as at December 31, 2021 and 2020 by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statements of Financial Position. All fair value measurements below are recurring.

2021	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bond Universe Fund:				
Mutual funds	25,965,730	-	-	25,965,730
Bonds	57,477,245	-	-	57,477,245
	83,442,975	-	-	83,442,975
Corporate Bond Fund:				
Bonds and loans	1,225,622,245	-	11,417,755	1,237,040,000
Closed end funds	4,608,300	-	-	4,608,300
Common shares	21,997,160	-	-	21,997,160
Forward foreign currency contracts	-	(7,598,371)	-	(7,598,371)
Preferred shares	91,623,028	-	-	91,623,028
Warrants	-	822,218	-	822,218
	1,343,850,733	(6,776,153)	11,417,755	1,348,492,335
Enhanced Income Fund:				
Equities	22,983,375	-	278,888	23,262,263
Bonds	-	-	5,060	5,060
Mutual funds	16,976,088	3,128,153	-	20,104,241
Warrants	2,097	-	-	2,097
	39,961,560	3,128,153	283,948	43,373,661
Global Focused Fund:				
Equities	26,214,518	-	-	26,214,518
	26,214,518	-	-	26,214,518

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

2021	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Small Cap Opportunities Fund:				
Equities	303,060,676	-	4,537,718	307,598,394
Warrants	-	527,000	-	527,000
	303,060,676	527,000	4,537,718	308,125,394
Small/Mid Cap Dividend Fund:				
Equities	21,615,683	-	-	21,615,683
Warrants	912	-	-	912
	21,616,595	-	-	21,616,595
Special Situations Fund:				
Equities	1,831,675	-	-	1,831,675
	1,831,675	-	-	1,831,675
Strategic Growth and Income Fund:				
Equities	10,800,842	-	-	10,800,842
Mutual funds	8,166,322	1,493,578	-	9,659,900
Warrants	992	-	-	992
	18,968,156	1,493,578	-	20,461,734
Value Fund:				
Equities	259,907,955	-	-	259,907,955
Mutual funds	4,777,952	-	-	4,777,952
Warrants	407,786	-	-	407,786
	265,093,693	-	-	265,093,693
Value Fund II:				
Equities	15,373,303	-	1,803	15,375,106
Mutual funds	336,533	-	-	336,533
Warrants	33,265	-	8	33,273
	15,743,101	-	1,811	15,744,912
2020	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bond Universe Fund:				
Mutual funds	3,498,122	-	-	3,498,122
Bonds	7,239,793	-	-	7,239,793
	10,737,915	-	-	10,737,915
Corporate Bond Fund:				
Bonds and loans	814,605,641	-	-	814,605,641
Closed end funds	21,985,584	-	-	21,985,584
Common shares	17,727,675	-	2,122,899	19,850,574
Forward foreign currency contracts	-	27,010,808	-	27,010,808
Preferred shares	90,332,547	-	-	90,332,547
Warrants	-	211,680	1,187,535	1,399,215
	944,651,447	27,222,488	3,310,434	975,184,369
Enhanced Income Fund:				
Equities	20,047,640	-	1,149,523	21,197,163
Bonds	-	-	5,092	5,092
Mutual funds	16,004,941	2,745,533	-	18,750,474
Warrants	-	1	-	1
	36,052,581	2,745,534	1,154,615	39,952,730

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
2020				
Global Focused Fund:				
Equities	21,589,048	-	-	21,589,048
	21,589,048	-	-	21,589,048
Small Cap Opportunities Fund:				
Equities	202,993,133	-	6,003,211	208,996,344
Bonds	2,473,881	-	7,224,550	9,698,431
Warrants	-	1,215,250	-	1,215,250
	205,467,014	1,215,250	13,227,761	219,910,025
Small/Mid Cap Dividend Fund:				
Equities	6,310,779	-	-	6,310,779
Warrants	16,707	-	-	16,707
	6,327,486	-	-	6,327,486
Special Situations Fund:				
Equities	255,524	-	-	255,524
	255,524	-	-	255,524
Strategic Growth and Income Fund:				
Mutual funds	4,163,723	755,759	-	4,919,482
Equities	5,440,563	-	-	5,440,563
	9,604,286	755,759	-	10,360,045
Value Fund:				
Equities	263,603,219	-	2,191,352	265,794,571
Bonds	4,333,098	-	1,624,000	5,957,098
Warrants	1,452,385	-	-	1,452,385
	269,388,702	-	3,815,352	273,204,054
Value Fund II:				
Equities	22,802,557	-	237,700	23,040,257
Bonds	430,550	-	376,200	806,750
Warrants	164,963	-	8	164,971
	23,458,070	-	613,908	24,071,978

The carrying amount of the Funds' net assets attributable to holders of redeemable units also approximates fair value as it is measured at the redemption amount and classified as Level 2 in the fair value hierarchy.

There have been no transfers between the Level 1 and Level 2 during the year ended December 31, 2021. Transfers in and out of level 3 were due to changes in the availability of observable market data.

The following table shows a reconciliation of the movement in fair value of all financial instruments categorized within Level 3 for the years ended December 31, 2021 and 2020, for those Funds holding such financial instruments: the Pender Corporate Bond Fund, Pender Enhanced Income Fund, Pender Small Cap Opportunities Fund, Pender Value Fund and Pender Value Fund II. The remaining Funds did not hold any financial instruments categorized with Level 3.

	2021 (\$)	2020 (\$)
Corporate Bond Fund:		
Opening balance	3,310,434	8,482,214
Purchase of investments	11,289,681	908,316
Sales of investments	(1,350,772)	(5,893,887)
Net transfers in (out)	(2,400,159)	-
Total gain (loss) recognized in comprehensive income	536,033	(186,209)
Change in unrealized appreciation (depreciation)	32,538	-
Ending Balance	11,417,755	3,310,434

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

	2021 (\$)	2020 (\$)
Enhanced Income Fund:		
Opening balance	1,154,615	4,069,709
Sales of investments	(1,820,647)	(1,571,799)
Total gain (loss) recognized in comprehensive income	(746,339)	(1,343,295)
Change in unrealized appreciation (depreciation)	1,696,319	-
Ending Balance	283,948	1,154,615
Small Cap Opportunities Fund:		
Opening balance	13,227,761	11,233,074
Purchase of investments	3,000,000	-
Sales of investments	(8,367,760)	(4,668,514)
Net transfers in (out)	(605,250)	(1,865,532)
Total gain (loss) recognized in comprehensive income	3,134,492	8,528,733
Change in unrealized appreciation (depreciation)	(5,851,525)	-
Ending Balance	4,537,718	13,227,761
Value Fund:		
Opening balance	3,815,352	1,038,840
Purchase of investments	-	3,815,352
Sales of investments	(986,000)	(941,188)
Net transfers in (out)	(2,191,352)	-
Total gain (loss) recognized in comprehensive income	-	(97,652)
Change in unrealized appreciation (depreciation)	(638,000)	-
Ending Balance	-	3,815,352
Value Fund II:		
Opening balance	613,908	602,631
Purchase of investments	-	354,600
Sales of investments	(316,800)	-
Net transfers in (out)	(203,400)	-
Total gain (loss) recognized in comprehensive income	(275,000)	(343,323)
Change in unrealized appreciation (depreciation)	183,103	-
Ending Balance	1,811	613,908

(b) Significant unobservable inputs used in measuring fair value:

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy, as at December 31, 2021 and 2020, for those funds holding such financial instruments: Pender Corporate Bond Fund, Pender Enhanced Income Fund, Pender Small Cap Opportunities Fund, Pender Value Fund and Pender Value Fund II.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

2021	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
Corporate Bond Fund:				
Unlisted private investments	11,417,755	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Enhanced Income Fund:				
Unlisted private investments	278,888	Comparable trading multiples	Market capitalization/tangible book value/enterprise value	The estimated fair value would increase if the unobservable input increased
	5,060	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Small Cap Opportunities Fund:				
Unlisted private investments	4,537,718	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Value Fund II:				
Unlisted private investments	1,811	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

2020	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
Corporate Bond Fund:				
Unlisted private investments	3,310,434	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Enhanced Income Fund:				
Unlisted private investments	1,149,523	Comparable trading multiples	Market capitalization/tangible book value/enterprise value	The estimated fair value would increase if the unobservable input increased
	5,092	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Small Cap Opportunities Fund:				
Unlisted private investments	13,227,761	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Value Fund:				
Unlisted private investments	3,815,352	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Value Fund II:				
Unlisted private investments	388,908	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
	225,000	Net debt to EBITDA	Discount rate	The estimated fair value would increase if discount rate decreased

Enterprise value represents the estimate of the amount that market participants would pay when purchasing the investee company. The Manager determines this value using valuation techniques such as the use of comparable recent arm's length transactions in shares of the respective company and net present value calculated using discount rates derived from comparable market yields, for example.

(c) Effects of unobservable input on fair value measurement:

The Pender Corporate Bond Fund, Pender Enhanced Income Fund, Pender Small Cap Opportunities Fund, Pender Value Fund and Pender Value Fund II believe that their estimates of fair value are appropriate, however the use of different methodologies or assumptions could lead to different measurements of fair value. Changing one or more of the assumptions used for fair value measurements in Level 3 to alternative reasonably possible assumptions would have the following effects on the net assets attributable to holders of redeemable units as at December 31, 2021 and 2020. The remaining Funds did not have any financial instruments categorized with Level 3.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

Entity	2021	2020
Corporate Bond Fund:		
Favourable	1,141,775	527,966
Unfavourable	(1,141,775)	(527,966)
Enhanced Income Fund:		
Favourable	55,755	144,796
Unfavourable	(55,755)	(287,915)
Small Cap Opportunities Fund:		
Favourable	453,772	1,322,776
Unfavourable	(453,772)	(1,322,776)
Value Fund:		
Favourable	-	381,535
Unfavourable	-	(381,535)
Value Fund II:		
Favourable	181	64,884
Unfavourable	(182)	(129,785)

The favourable and unfavourable effects of using alternative reasonably possible assumptions for the valuation of unlisted private equity investments have been calculated by recalibrating the model values using unobservable inputs based on averages of the upper and lower quartiles, respectively of the above noted Funds' ranges of possible estimates. The recalibrated model considers the impact of a 10% increase or decrease in enterprise value, a 1% increase or decrease in the discount rate, a 0.25x increase or decrease in market capitalization and a 10% increase or decrease on loan recoverability. Actual results may differ from this sensitivity analysis and the difference could be material.

(d) Financial instruments not measured at fair value:

Given their short-term nature, the carrying value of assets and liabilities, other than investments, investments sold short and derivatives, approximates their fair value. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

11. Involvement with structured entities:

The table below describes the type of structured entities in which the Pender Bond Universe Fund, Pender Corporate Bond Fund, Pender Enhanced Income Fund, Pender Strategic Growth and Income Fund, Pender Value Fund and Pender Value Fund II hold an interest but which they do not consolidate. The remaining Funds did not hold an interest in structured entities as at December 31, 2021 and 2020.

Entity	Nature and purpose	Interest held by the respective fund
Investment funds	To manage assets on behalf of third-party investors and generate fees for the investment manager. These vehicles are financed through the issue of units to investors	Investment in units issued by the underlying funds

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/Period ended December 31, 2021

The table below sets out interests held by the Pender Bond Universe Fund, Pender Corporate Bond Fund, Pender Enhanced Income Fund, Pender Strategic Growth and Income Fund, Pender Value Fund and Pender Value Fund II in unconsolidated structured entities as at December 31, 2021 and 2020. The maximum exposure to loss is the carrying amount of the investment in the underlying funds held.

	Number of investee funds held	Total net assets of investee funds (\$)	Carrying amount included in investments (\$)
Bond Universe Fund:			
2021	1	1,389,779,981	25,965,730
2020	1	997,523,626	3,498,122
Corporate Bond Fund:			
2021	2	2,392,000,000	4,608,300
2020	9	9,385,000,000	21,985,584
Enhanced Income Fund:			
2021	2	1,714,736,671	20,104,241
2020	2	1,218,809,944	18,750,475
Strategic Growth and Income Fund:			
2021	2	1,714,736,671	9,659,900
2020	2	1,218,809,944	4,919,482
Value Fund:			
2021	1	40,746,406	4,777,952
2020	-	-	-
Value Fund II:			
2021	1	40,746,406	336,533
2020	-	-	-

During the years ended December 31, 2021 and 2020, the Pender Bond Universe Fund, Pender Corporate Bond Fund, Pender Enhanced Income Fund, Pender Strategic Growth and Income Fund, Pender Value Fund and Pender Value Fund II did not provide financial support to unconsolidated structured entities and have no intention of providing financial or other support. The Pender Bond Universe Fund, Pender Corporate Bond Fund, Pender Enhanced Income Fund, Pender Strategic Growth and Income Fund, Pender Value Fund and Pender Value Fund II can sell or redeem their units in the above investment funds at any time.

12. Income taxes

The taxation year-end of the Funds is December 15. As at the end of the 2021 tax year-end, the following Funds had accumulated capital losses available for utilization against realized capital gains in future years. Capital losses have no expiry date.

	2021 (\$)	2020 (\$)
Corporate Bond Fund	-	16,477,587
Enhanced Income Fund	48,634,740	52,817,833
Global Focused Fund	-	1,398,664
Value Fund	-	6,739,480
Value Fund II	70,013,016	73,282,125

As at the end of the tax year-end, the following Funds had accumulated non-capital losses available for carry forward.

	2021 (\$)	2020 (\$)	Expiration year
Global Focused Fund	-	345,546	-
Value Fund II	1,974,971	1,974,971	2038

The remaining Funds had no accumulated capital losses or non-capital losses as at the end of the 2021 and 2020 tax year-end.



**Annual Financial Statements of
PENDER MUTUAL FUNDS**

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