PENDER

FUND FACTS

PenderFund Capital Management Ltd.

Pender Corporate Bond Fund — Class U

June 28, 2022

This document contains key information you should know about Pender Corporate Bond Fund. You can find more detailed information in the fund's simplified prospectus. Ask your representative for a copy, contact PenderFund Capital Management Ltd. (Pender) at 1-866-377-4743 or info@penderfund.com or visit www.penderfund.com.

Before you invest in any fund, consider how it would work with your other investments and your tolerance for risk.

Quick facts

Fund code:	PGF518
Date class started:	June 26, 2019
Total value of the fund on April 30, 2022:	$1.4 billion
Management expense ratio (MER):	1.14%
Fund manager:	PenderFund Capital Management Ltd.
Portfolio manager(s):	Geoff Castle, PenderFund Capital Management Ltd.
Associate portfolio manager(s):	Parul Garg, Emily Wheeler, CFA, PenderFund Capital Management Ltd.
Distributions:	Net income monthly; net capital gains annually. Automatically reinvested in additional units; cash upon request.
Minimum investment:	$5,000 initial, $100 additional

What does the fund invest in?

The fund invests primarily in investment and non-investment grade fixed income securities issued by 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.

The charts below give you a snapshot of the fund's investments on April 30, 2022. The fund's investments will change.

Top 10 investments - (April 30, 2022)

1. W&T Offshore, Inc., 9.750%, 01-Nov-23	2.1%
2. Pepsico, Inc., 2.150%, 06-May-24	2.0%
3. Targa Resources Corp.	1.8%
4. Osisko Gold Royalties Ltd., 4.000%, 31-Dec-22	1.7%
5. McDonald's Corporation, 3.125%, 04-Mar-25	1.7%
6. Tronox Incorporated 144A, 4.625%, 15-Mar-29	1.6%
7. Team Health Holdings, Inc., 1/17 Tlb, Term Loan, 06-Feb-24	1.6%
8. Precigen, Inc., 3.500%, 01-Jul-23	1.5%
9. Paratek Pharmaceuticals, Inc., 4.750%, 01-May-24	1.5%
10. American Tire Distributors, Inc., Tlb, Term Loan, 20-Oct-28	1.5%
Total percentage of top 10 investments	**17.0%**
Total number of investments	**183**

Investment mix - (April 30, 2022)

Energy	15.8%
Health Care	12.8%
Industrials	11.3%
Materials	8.5%
Consumer Discretionary	7.3%
Consumer Staples	7.0%
Information Technology	7.0%
Diversified Financials	7.0%
Communication Services	6.9%
Government Bonds	5.2%
Cash	3.4%
Banks	2.4%
Insurance	1.8%
Real Estate	1.8%
Utilities	1.6%
Closed End Funds	0.2%

How risky is it?

The value of the fund can go down as well as up. You could lose money. One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

Risk rating

Pender has rated the volatility of Class U of the fund as low to medium.

This rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.

Low	**Low to Medium**	Medium	Medium to High	High

For more information about the risk rating and specific risks that can affect the fund's returns, see the section titled "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund" in the fund's simplified prospectus.

No guarantees

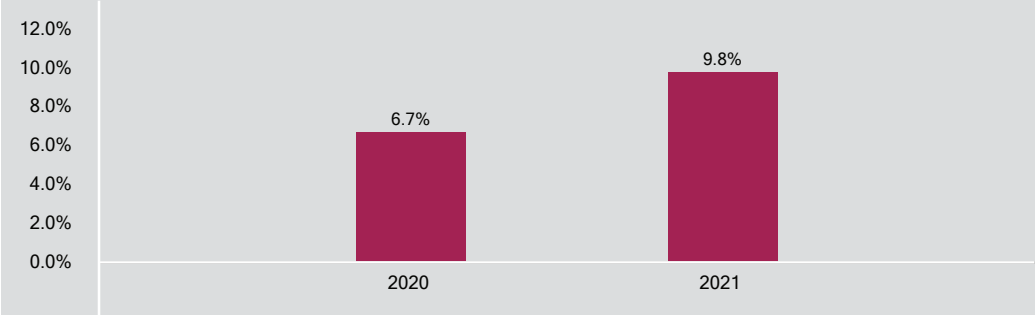
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

How has the fund performed?

This section tells you how Class U units of the fund have performed over the past 2 calendar years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

YEAR-BY-YEAR RETURNS

This chart shows how Class U units of the fund have performed in each of the past 2 calendar years. The fund did not drop in value in any of those years. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.



BEST and WORST 3-MONTH RETURNS

This table shows the best and worst returns for Class U units of the fund in a 3-month period over the past 2 years. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3 months ended	If you invested $1,000 at the beginning of the period
Best return	7.8%	January 31, 2021	Your investment would rise to $1,078.
Worst return	-2.4%	March 31, 2022	Your investment would drop to $976.

AVERAGE RETURN

The annual compounded return of Class U units of the fund was 5.3% since inception. If you had invested $1,000 in the fund since inception, your investment would be now worth $1,157.

Who is this fund for?

This fund is suitable for investors who want to maximize the long-term growth potential of their capital. Investors in this fund should have a long-term investment time horizon and a low-to-medium tolerance for investment risk. This fund is not suitable for those who have a short or medium time horizon for their investment.

A word about tax

In general, you pay income tax on your share of the fund's earnings and on any gains you realize from redeeming your investment. The amount of tax depends on the tax rules and rates that apply to you, and whether you hold the fund in a registered plan, such as an RRSP or TFSA.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell Class U units of the fund. The fees and expenses – including any commissions – can vary among classes of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

1. SALES CHARGES

There are no sales charges for Class U units of the fund.

2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. As of December 31, 2021, the expenses of Class U were 1.17% of the value of this class. This equals $11.70 for every $1,000 invested.

	Annual rate (as a % of the class' value)
Management expense ratio (MER) This is the total of the fund's management fee (including, if applicable, the trailing commission) and administration fee.	1.14%
Trading expense ratio (TER) These are the fund's trading costs for this class.	0.03%
Fund expenses	1.17%

More about the trailing commission

No trailing commission is paid by Pender to your representative's firm in respect of Class U securities.

3. OTHER FEES

You may have to pay other fees when you buy, hold, sell or switch units of the fund.

Fee	What you pay
Short-term trading fee	You may be charged up to 2.00% of the value of units you sell or switch within 30 days of buying them. This fee goes to the fund.
Switch fee	Your representative's firm may charge you up to 2.00% of the value of units you switch to another class of the fund or to another fund managed by Pender.
Fee-based account fee	You may pay a fee-based account fee, which is negotiated between you and your representative, and paid directly to your representative's firm. Investors who purchase this class of the fund generally participate in an eligible fee-based program with their representative's firm.

What if I change my mind?

Under the securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund units within two business days after you receive a simplified prospectus or Fund Facts document; or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you will also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document; or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

For more information

Contact Pender or your representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents, which can be found on our website at www.penderfund.com or on the SEDAR website at www.sedar.com.

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To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at **www.securities-administrators.ca**.