

This document contains key information you should know about Pender Value Fund II. 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

|   |                   |                              |   |
|---|-------------------|------------------------------|---|
| <b>Fund code:</b>                                 | PGF1250           | <b>Fund manager:</b>         | PenderFund Capital Management Ltd.  |
| <b>Date class started:</b>                        | December 17, 2019 | <b>Portfolio manager(s):</b> | David Barr, CFA, Felix Narhi, CFA,<br>PenderFund Capital Management Ltd.  |
| <b>Total value of the fund on April 30, 2022:</b> | \$9.9 million     | <b>Distributions:</b>        | Net income and net capital gains annually.<br>Automatically reinvested in additional units;<br>cash upon request. |
| <b>Management expense ratio (MER):</b>            | 1.26%             | <b>Minimum investment:</b>   | \$100,000 initial, \$100 additional   |

## What does the fund invest in?

The fund invests 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.

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. Optiva Inc.                                | 5.4%         |
| 2. Federal National Mortgage Association      | 5.3%         |
| 3. Burford Capital Limited                    | 4.9%         |
| 4. Universal Technical Institute, Inc.        | 4.2%         |
| 5. Interactive Brokers Group, Inc.            | 3.9%         |
| 6. SS&C Technologies Holdings, Inc.           | 3.9%         |
| 7. eGain Corporation                          | 3.8%         |
| 8. Baidu, Inc.                                | 3.7%         |
| 9. Premium Brands Holdings Corporation        | 3.4%         |
| 10. Sangoma Technologies Corporation          | 3.3%         |
| <b>Total percentage of top 10 investments</b> | <b>41.8%</b> |
| <b>Total number of investments</b>            | <b>48</b>    |

### Investment mix - (April 30, 2022)

|                        |       |
|------------------------|-------|
| Information Technology | 28.5% |
| Diversified Financials | 16.6% |
| Consumer Discretionary | 14.3% |
| Communication Services | 12.3% |
| Consumer Staples       | 7.2%  |
| Real Estate            | 5.9%  |
| Banks                  | 5.3%  |
| Energy                 | 2.8%  |
| Materials              | 2.6%  |
| Mutual Funds           | 2.6%  |
| Health Care            | 2.2%  |
| Cash                   | -0.3% |

## 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 I of the fund as high.**

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

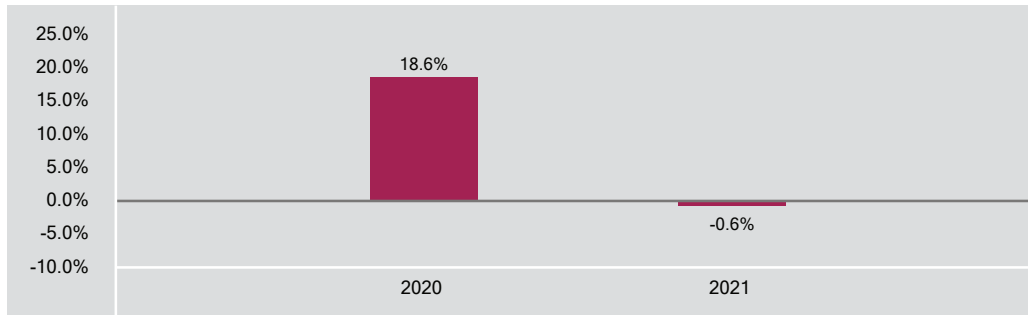
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

## How has the fund performed?

This section tells you how Class I 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 I units of the fund have performed in each of the past 2 calendar years. The fund dropped in value in 1 of the 2 calendar 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 I 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 |
|---------------------|--------|------------------|--|
| <b>Best return</b>  | 38.3%  | January 31, 2021 | Your investment would rise to \$1,383.                 |
| <b>Worst return</b> | -14.5% | March 31, 2022   | Your investment would drop to \$855.                   |

### AVERAGE RETURN

The annual compounded return of Class I units of the fund was -2.1% since inception. If you had invested \$1,000 in the fund since inception, your investment would be now worth \$951.

### Who is this fund for?

This fund is suitable for investors who want to maximize the long-term potential growth of their capital. Investors in this fund should have a long-term investment time horizon and a high tolerance for investment risk. This fund is not suitable for those with a low or medium tolerance for risk in their returns or 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 I 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 I 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 I were 1.42% of the value of this class. This equals \$14.20 for every \$1,000 invested.

|  | <b>Annual rate<br/>(as a % of the class' value)</b> |
|--|---|
| <b>Management expense ratio (MER)</b>  | 1.26%   |
| This is the total of the fund's management fee (including, if applicable, the trailing commission) and administration fee. |   |
| <b>Trading expense ratio (TER)</b>   | 0.16%   |
| These are the fund's trading costs for this class.   |   |
| <b>Fund expenses</b>   | 1.42%   |

#### More about the trailing commission

No trailing commission is paid by Pender to your representative's firm in respect of Class I 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  |
|-------------------------------|---|
| <b>Short-term trading fee</b> | 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.   |
| <b>Switch fee</b>             | 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.   |
| <b>Fee-based account fee</b>  | 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](http://www.penderfund.com) or on the SEDAR website at [www.sedar.com](http://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](http://www.securities-administrators.ca).