



Pender Bond Universe Fund

Six months ended June 30, 2022

Semi-Annual Management Report of Fund Performance

This interim Management Report of Fund Performance contains financial highlights but does not contain either the interim financial statements or annual financial statements of the investment fund. You may obtain a copy of the interim financial statements or annual financial statements at your request, at no cost, by calling toll-free 1-866-377-4743, by writing to us at 1830 – 1066 West Hastings Street, Vancouver, BC V6E 3X2 or by visiting our website at www.penderfund.com or the SEDAR website at www.sedar.com.

You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Pender Bond Universe Fund

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations

The net assets of the Pender Bond Universe Fund (the "Fund") were \$61,393,571 as at June 30, 2022 versus \$85,144,293 as at December 31, 2021. Of this \$23,750,722 decrease, \$17,768,020 is attributable to net unitholder redemptions of the Fund units and \$5,982,702 is attributable to negative investment performance.

For the six months ended June 30, 2022 (the "period"), Class A units of the Fund generated a total return of -7.3%. Returns for other classes of the Fund will be similar to Class A with any difference in performance being primarily due to the different management fees that are applicable to different classes. Please see the "Past Performance" section for the performance of the Fund's other classes.

The Fund's broad-based benchmark, the FTSE Canada Universe Bond Index ("FTSE"), returned -12.2% during the period. In accordance with National Instrument 81-106, we have included a comparison to this broad-based index to help you understand the Fund's performance relative to the general performance of the market, but we caution that the Fund's mandate may be significantly different from the index. Further, the Fund's returns are reported net of all management fees and expenses for all classes, unlike the returns of the Fund's benchmark, which are based on the performance of an index that does not pay fees or incur expenses.

The following comments and the comments under "Recent Developments" reflect the views of the portfolio management team and are based on information as at the end of the period. Please read the caution regarding forward-looking statements located on the last page of this document.

The Fund's outperformance compared to its benchmark was due to its position in inflation-linked government bonds and specific credit investments on the conservative end of the risk spectrum. Inflation-linked bonds performed well during the period as inflation expectations rose in tandem with interest rates. Specific corporate issues contributed to relative performance, but still detracted from overall Fund performance in what was a challenging credit market. Corporate bond positions in high quality issuers such as Alimentation Couche-Tard Inc., Shaw Communications Inc. and John Deere Financial Inc. all held up relatively well. Weakness in the portfolio was driven by government bond positions and longer-dated corporate issues. Corporate issues such as Bell Canada, Inc., Verizon Communications Inc., and McDonald's Corporation detracted from performance. In the first six months of the year, the Fund's exposure to higher yielding credits, through its Pender Corporate Bond Fund holding, detracted from performance on an absolute basis, but performed well relative to the high yield market.

Recent Developments

In the first six months of the year, significant macro events unfolded that impacted fixed income markets. In particular, the conflict between Russia and Ukraine, the ongoing COVID-19 pandemic and moves by central bankers to raise interest rates and taper monetary stimulus to control inflation materialized. These developments caused investors to reassess the economic growth outlook as fears grew of a recession on the horizon. With stubbornly high inflation and a rapidly slowing economy, the Federal Reserve and other central banks continue to raise interest rates. Policy makers' fears of an entrenched inflationary cycle taking hold seems to be taking priority over maintaining economic expansion or promoting full employment, for the moment at least.

Investment results may be affected by future developments and new information that may emerge regarding geopolitical events; COVID-19, its variants and the pandemic; inflation and the impact of central bank measures, and other global events, factors that are beyond the Fund's control.

We remain committed to the Fund's key strategic objectives and guiding principles. During this time, we were able to take advantage of opportunities in the market and reposition the Fund as necessary. Duration was shortened slightly over the period from 4.0 years at December 31, 2021 to 3.6 years as at June 30, 2022. The Fund's yield to maturity was 5.4% with a term to maturity of 3.9 years. The Fund has been focused on owning high quality credits from resilient issuers with about 75% of the portfolio held in investment grade corporate bonds.

Related Party Transactions

The Fund pays management and administration fees to the Manager for management and portfolio advisory services (see "Management Fees").

As at the end of the period, parties related to the Manager collectively less than 1% of the Fund's units. In addition, the Pender Income Advantage Fund, a fund also managed by the Manager, collectively held 3% of the Fund's outstanding units.

As part of the Fund's investment strategy, the Fund invests in Class O units of the Pender Corporate Bond Fund, a mutual fund also managed by the Manager. The Fund does not pay any duplicate management fees on its investment in this mutual fund.

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Management Fees

The Fund pays management and administration fees calculated as a percentage of the net asset value of each respective class. 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 fees are calculated at the close of business on each valuation day and are paid monthly. In exchange for the administration fee, the Manager pays the operating costs of the Fund. During the period from January 1, 2021 to June 30, 2021, the Manager partially waived management and administration fees and custody related transaction costs for the Fund.

Management fees are used by the Manager, in part, to pay sales commissions, trailer fees, marketing costs and other associated distribution costs relating to the sale of units of the Fund.

Such expenses represented approximately 24% of the management fees paid by the Fund to the Manager for the period.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period and the calendar years indicated.

Fund's Net Assets Per Unit (a)

	2022 (\$)	2021 (\$)	2020 (\$)
Class A			
Net Assets, beginning of period	10.15	10.37	10.00
Increase (decrease) from operations:			
Total revenue	0.19	0.35	0.29
Total expenses	(0.06)	(0.12)	-
Realized gains (losses)	(0.37)	0.27	0.02
Unrealized gains (losses)	(0.51)	(0.47)	0.71
Total increase (decrease) from operations (b)	(0.75)	0.03	1.02
Distributions:			
From income (excluding dividends)	(0.15)	(0.22)	(0.26)
From dividends	-	(0.01)	(0.01)
From capital gains	-	(0.15)	-
Return of capital	-	-	-
Total distributions (b), (c)	(0.15)	(0.38)	(0.27)
Net Assets, end of period	9.26	10.15	10.37
Class D			
Net Assets, beginning of period	10.15	10.37	10.00
Increase (decrease) from operations:			
Total revenue	0.10	0.36	0.28
Total expenses	(0.03)	(0.08)	-
Realized gains (losses)	(0.10)	0.19	(0.04)
Unrealized gains (losses)	(0.51)	(0.27)	0.40
Total increase (decrease) from operations (b)	(0.54)	0.20	0.64
Distributions:			
From income (excluding dividends)	(0.08)	(0.25)	(0.26)
From dividends	-	(0.02)	(0.01)
From capital gains	-	(0.15)	-
Return of capital	-	-	-
Total distributions (b), (c)	(0.08)	(0.42)	(0.27)
Net Assets, end of period	-	10.15	10.37

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Fund's Net Assets Per Unit (a) (cont'd)

	2022 (\$)	2021 (\$)	2020 (\$)
Class E			
Net Assets, beginning of period	10.15	10.37	10.00
Increase (decrease) from operations:			
Total revenue	0.19	0.36	0.28
Total expenses	(0.03)	(0.05)	-
Realized gains (losses)	(0.39)	0.19	(0.03)
Unrealized gains (losses)	(0.48)	(0.29)	0.43
Total increase (decrease) from operations (b)	(0.71)	0.21	0.68
Distributions:			
From income (excluding dividends)	(0.18)	(0.28)	(0.26)
From dividends	-	(0.02)	(0.01)
From capital gains	-	(0.15)	-
Return of capital	-	-	-
Total distributions (b), (c)	(0.18)	(0.45)	(0.27)
Net Assets, end of period	9.26	10.15	10.37
Class F			
Net Assets, beginning of period	10.14	10.37	10.00
Increase (decrease) from operations:			
Total revenue	0.19	0.36	0.28
Total expenses	(0.03)	(0.07)	-
Realized gains (losses)	(0.32)	0.34	(0.06)
Unrealized gains (losses)	(0.55)	(0.51)	0.40
Total increase (decrease) from operations (b)	(0.71)	0.12	0.62
Distributions:			
From income (excluding dividends)	(0.17)	(0.27)	(0.26)
From dividends	-	(0.02)	(0.01)
From capital gains	-	(0.15)	-
Return of capital	-	-	-
Total distributions (b), (c)	(0.17)	(0.44)	(0.27)
Net Assets, end of period	9.26	10.14	10.37
Class N			
Net Assets, beginning of period	10.15	10.37	10.00
Increase (decrease) from operations:			
Total revenue	0.14	0.36	0.28
Total expenses	(0.02)	(0.06)	-
Realized gains (losses)	(0.10)	0.19	(0.04)
Unrealized gains (losses)	(0.61)	(0.27)	0.40
Total increase (decrease) from operations (b)	(0.59)	0.22	0.64
Distributions:			
From income (excluding dividends)	(0.10)	(0.27)	(0.26)
From dividends	-	(0.02)	(0.01)
From capital gains	-	(0.15)	-
Return of capital	-	-	-
Total distributions (b), (c)	(0.10)	(0.44)	(0.27)
Net Assets, end of period	-	10.15	10.37

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Fund's Net Assets Per Unit (a) (cont'd)

	2022 (\$)	2021 (\$)	2020 (\$)
Class O			
Net Assets, beginning of period	10.15	10.37	10.00
Increase (decrease) from operations:			
Total revenue	0.20	0.35	0.29
Total expenses	-	-	-
Realized gains (losses)	(0.52)	0.31	0.07
Unrealized gains (losses)	(0.30)	(0.38)	0.75
Total increase (decrease) from operations (b)	(0.62)	0.28	1.11
Distributions:			
From income (excluding dividends)	(0.21)	(0.33)	(0.26)
From dividends	-	(0.02)	(0.01)
From capital gains	-	(0.15)	-
Return of capital	-	-	-
Total distributions (b), (c)	(0.21)	(0.50)	(0.27)
Net Assets, end of period	9.26	10.15	10.37
Class A (USD)			
Net Assets, beginning of period (a)	12.87		
Increase (decrease) from operations:			
Total revenue	-		
Total expenses	-		
Realized gains (losses)	-		
Unrealized gains (losses)	-		
Total increase (decrease) from operations (b)	-		
Distributions:			
From income (excluding dividends)	-		
From dividends	-		
From capital gains	-		
Return of capital	-		
Total distributions (b), (c)	-		
Net Assets, end of period	12.87		

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Fund's Net Assets Per Unit (a) (cont'd)

	2022 (\$)	2021 (\$)	2020 (\$)
Class F (USD)			
Net Assets, beginning of period (a)	12.87		
Increase (decrease) from operations:			
Total revenue	-		
Total expenses	-		
Realized gains (losses)	-		
Unrealized gains (losses)	-		
Total increase (decrease) from operations (b)	-		
Distributions:			
From income (excluding dividends)	-		
From dividends	-		
From capital gains	-		
Return of capital	-		
Total distributions (b), (c)	-		
Net Assets, end of period	12.87		

(a) This information is derived from the Fund's unaudited semi-annual financial statements as at June 30 and audited annual financial statements as at December 31 for the period stated, prepared under International Financial Reporting Standards. Class A (USD) and Class F (USD) commenced operations on June 28, 2022.

(b) Net assets per unit and distributions per unit are based on the actual number of units for the relevant Fund class outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding during the period.

(c) Distributions were paid in cash and/or reinvested in additional units of the Fund.

Ratios and Supplemental Data

	2022	2021	2020
Class A			
Total net asset value (\$000s) (a)	3,371	3,794	1,278
Number of units outstanding (a)	363,980	373,849	123,163
Management expense ratio (b)	0.59%	1.16%	0.00%
Management expense ratio before absorptions (c)	0.59%	1.26%	1.45%
Trading expense ratio (d)	0.01%	0.01%	0.02%
Portfolio turnover rate (e)	41.16%	27.99%	86.57%
Net asset value per unit (\$) (a)	9.26	10.15	10.37
Class E			
Total net asset value (\$000s) (a)	307	313	280
Number of units outstanding (a)	33,145	30,835	26,956
Management expense ratio (b)	0.26%	0.51%	0.00%
Management expense ratio before absorptions (c)	0.26%	0.52%	0.50%
Trading expense ratio (d)	0.01%	0.01%	0.02%
Portfolio turnover rate (e)	41.16%	27.99%	86.57%
Net asset value per unit (\$) (a)	9.26	10.15	10.37
Class F			
Total net asset value (\$000s) (a)	55,545	79,955	3,558
Number of units outstanding (a)	6,000,688	7,883,926	343,036
Management expense ratio (b)	0.33%	0.64%	0.00%
Management expense ratio before absorptions (c)	0.33%	0.69%	0.95%
Trading expense ratio (d)	0.01%	0.01%	0.02%
Portfolio turnover rate (e)	41.16%	27.99%	86.57%
Net asset value per unit (\$) (a)	9.26	10.14	10.37

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Ratios and Supplemental Data (cont'd)

	2022	2021	2020
Class O			
Total net asset value (\$000s) (a)	2,157	1,071	869
Number of units outstanding (a)	232,885	105,529	83,800
Management expense ratio (b)	0.00%	0.00%	0.00%
Management expense ratio before absorptions (c)	0.00%	0.00%	0.00%
Trading expense ratio (d)	0.01%	0.01%	0.02%
Portfolio turnover rate (e)	41.16%	27.99%	86.57%
Net asset value per unit (\$) (a)	9.26	10.15	10.37
Class A (USD)			
Total net asset value (\$000s) (a)	6		
Number of units outstanding (a)	500		
Management expense ratio (b)	0.00%		
Management expense ratio before absorptions (c)	0.00%		
Trading expense ratio (d)	0.00%		
Portfolio turnover rate (e)	41.16%		
Net asset value per unit (\$) (a)	12.87		
Class F (USD)			
Total net asset value (\$000s) (a)	6		
Number of units outstanding (a)	500		
Management expense ratio (b)	0.00%		
Management expense ratio before absorptions (c)	0.00%		
Trading expense ratio (d)	0.00%		
Portfolio turnover rate (e)	41.16%		
Net asset value per unit (\$) (a)	12.87		

(a) This information is derived from the Fund's unaudited semi-annual financial statements as at June 30 and audited annual financial statements as at December 31 for the period stated, prepared under International Financial Reporting Standards. Class A (USD) and Class F (USD) commenced operations on June 28, 2022.

(b) Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the period and is expressed as an annualized percentage of daily average net asset value during the period. The MER may vary from one class of units to another because of differences in the applicable management fees and certain fees and expenses may have been absorbed by the Manager which would otherwise be reflected in the Fund.

(c) The Manager of the Fund has agreed to absorb sufficient expenses of the Fund, as necessary, such that the annual MER before applicable taxes such as GST or HST will not exceed certain limits as outlined in the Fund's Simplified Prospectus. The amount of expenses absorbed is at the discretion of the Manager as set out in the Fund's Simplified Prospectus, and the Manager may in its sole discretion cease to absorb expenses.

(d) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(e) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. In general, the higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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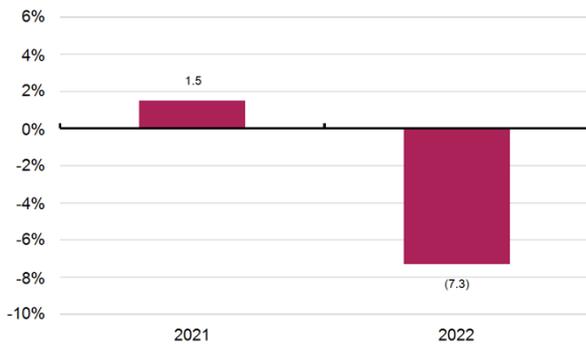
Past Performance

The following charts show the past performance for the units of each class of the Fund and do not necessarily indicate how the Fund will perform in the future. The information shown assumes that any distributions made by the Fund were reinvested in additional units of the Fund. Returns would be different if an investor did not reinvest distributions. In addition, the information does not take into account sales, redemptions, income taxes payable or other charges that would have reduced returns or performance. Past performance for Class A (USD) and Class F (USD) units of the Fund are not available for disclosure because they have been in operation for less than one year. Class A (USD) and Class F (USD) commenced operations on June 25, 2022.

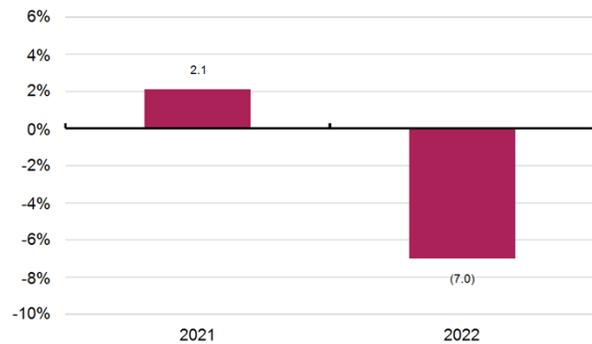
Period-by-Period Returns

To illustrate how the Fund's performance has varied over time, the following bar charts show the Fund's performance for the six-month period ended June 30, 2022 and for each of the previous 12-month periods ended December 31. The information is presented starting from the first full financial year of the respective Fund class. In percentage terms, the bar charts show how much an investment held on the first day of the period would have increased or decreased by the last day of the period.

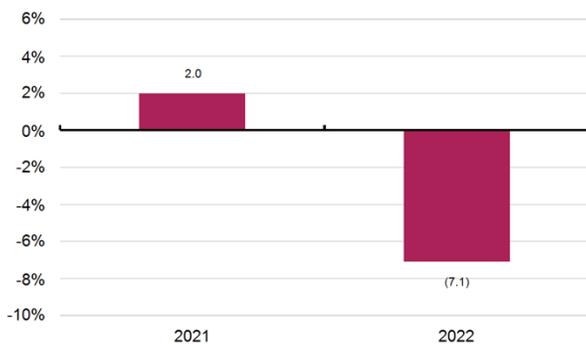
Class A



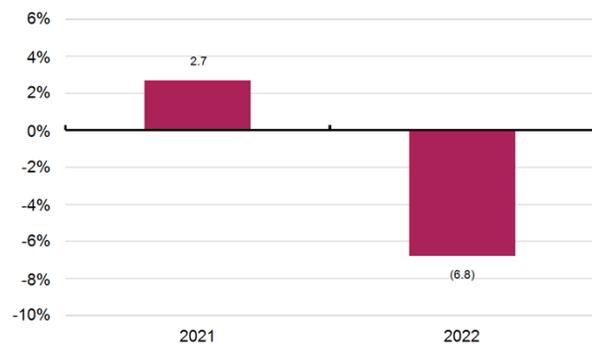
Class E



Class F



Class O



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Summary of Investment Portfolio

The largest holdings of the Fund as at the end of the period and the major asset classes in which the Fund was invested are indicated below. Where the Fund has less than 25 holdings, the table will show the Fund's entire investment portfolio. The investment portfolio may change due to ongoing portfolio transactions. An update of the Fund's summary of investment portfolio as at the end of each calendar quarter is available from the Manager. Please see the front page of this document for information about how this can be obtained.

Top 25 Holdings

	% of Net Assets
Pender Corporate Bond Fund, Class 'O'	27.6
McDonald's Corporation, 3.13%, 2025/03/04	6.3
PepsiCo, Inc., 2.15%, 2024/05/06	5.5
Government of Canada, Real Return, 4.25%, 2026/12/01	4.7
Cameco Corporation, 2.95%, 2027/10/21	4.3
Apple Inc., 2.51%, 2024/08/19	3.9
Ontario Power Generation Inc., 2.89%, 2025/04/08	3.9
United Parcel Service, Inc., 2.13%, 2024/05/21	3.7
Bell Canada, Inc., 3.00%, 2031/03/17	3.6
Fairfax Financial Holdings Limited, 4.70%, 2026/12/16	3.5
John Deere Financial Inc., 1.63%, 2026/04/09	3.0
Brookfield Renewable Partners L.P., 3.63%, 2027/01/15	2.5
Loblaw Companies Limited, 3.92%, 2024/06/10	2.4
Verizon Communications Inc., 2.50%, 2030/05/16	2.2
The Goldman Sachs Group, Inc., 2.01%, 2029/02/28	2.1
Mondelez International Inc., 3.25%, 2025/03/07	2.1
Bell Canada, Inc., 3.55%, 2026/03/02	2.0
Royal Bank of Canada, 2.33%, 2027/01/28	1.8
Brookfield Renewable Partners L.P., 4.25%, 2029/01/15	1.7
Bank of America Corporation, 2.93%, 2025/04/25	1.6
Canadian Pacific Railway Company, 3.15%, 2029/03/13	1.6
Choice Properties Real Estate Investment Trust, 2.85%, 2027/05/21	1.6
Wells Fargo & Company, 3.87%, 2025/05/21	1.6
WSP Global Inc., 2.41%, 2028/04/19	1.4
Choice Properties Real Estate Investment Trust, 3.56%, 2024/09/09	0.8

Composition of the Portfolio

	% of Net Assets
Canadian corporate bonds	35.5
US corporate bonds	28.8
Mutual funds	27.6
Government bonds	4.7
Total investments	96.6
Cash	2.7
Other assets less liabilities	0.7
Total net assets	100.0

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Caution Regarding Forward-Looking Statements

This report contains forward-looking statements about the Fund, including its strategy, prospects and further actions. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or negative versions thereof and similar expressions.

In addition, any statement made concerning future performance, strategies or prospects, and possible future Fund action is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to risks, uncertainties and assumptions about the Fund and economic factors, among other things.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements. Any number of important factors could contribute to these digressions, including, but not limited to: geopolitical events, general economic, political and market factors in North America and internationally; interest and foreign exchange rates and the measures taken by central banks to manage inflation; global equity and capital markets; business competition; technological change; changes in government regulations; unexpected judicial or regulatory proceedings; pandemics and catastrophic events.

We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, except as may be required under applicable law, the Manager has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.



Pender Bond Universe Fund

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