



# Pender Enhanced Income 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](http://www.penderfund.com) or the SEDAR website at [www.sedar.com](http://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 Enhanced Income Fund

Six months ended June 30, 2022

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## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Results of Operations

The net assets of the Pender Enhanced Income Fund (the "Fund") were \$37,602,815 as at June 30, 2022 versus \$43,864,857 as at December 31, 2021. Of this \$6,262,042 decrease, \$2,044,545 is attributable to net unitholder redemptions of Fund units and \$4,217,497 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 -10.3%. 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 S&P/TSX Composite Index ("S&P/TSX"), returned -9.8% 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 Fund's blended benchmark, 50% FTSE Canada Bond Universe Index, 35% S&P/TSX and 15% S&P 500 Index in Canadian dollars ("S&P 500"), returned -12.3% during the period. We include information about this blended benchmark, which more closely reflects the asset classes in which the Fund invests, to provide a more useful comparison for the performance of the Fund.

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 as compared to its blended benchmark was mainly due to security selection within equities, and the Fund's investment in the Pender Corporate Bond Fund. Investments in the Pender Alternative Absolute Return Fund and the Pender Alternative Arbitrage Fund also contributed to performance during a volatile period in financial markets. Within equities, security selection in the Industrials, Energy and Communication services sectors contributed to relative performance. The Fund's fixed income asset, the Pender Corporate Bond Fund, was approximately 32.7% of the Fund's portfolio at the end of the period, compared to 50% fixed income in the blended benchmark. The Pender Corporate Bond Fund, returned -6.6% (for the Class O units in which the Fund invests), outperforming its blended benchmark, 75% ICE BofA US High Yield Index in Canadian dollars ("ICE") and 25% FTSE Canada Universe Bond Index, which returned -12.4% during the period.

### Equity performance

Key positive individual contributors to the Fund's equity performance for the period included Spartan Delta Corp., ARC Resources Ltd. and Northrop Grumman Corporation. Conversely, KKR & Co. Inc., Onex Corporation and Brookfield Asset Management Inc. had the largest adverse impact.

Portfolio transactions during the period were made based on our stock selection process. In general, we increased weightings of individual stocks where we determined the margin of safety had increased and decreased their weightings as their traded market values moved closer to our estimates of their intrinsic values. We are constantly looking for new investment ideas and an example of a new investment is Starbucks Corporation. We may liquidate our positions for various reasons, such as when share prices have reached our assessment of fair value, when an acquisition has occurred, or where we have changed our investment thesis. For example, during the period we sold Spartan Delta Corp. and MAV Beauty Brands Inc.

### Fixed income performance

The Fund's fixed income asset, the Pender Corporate Bond Fund, represented approximately 32.7% of the Fund's portfolio at the end of the period. The Fund's relatively strong performance was due in part to the more conservative and short duration positioning within this fixed income portfolio. Key contributors to the Pender Corporate Bond Fund in the first six months of the year were positions held in inflation-linked government bonds and corporate bonds of idiosyncratic companies. Inflation-linked bonds have performed well as inflation expectations rose throughout the first half of the year. Specific corporate issues that contributed positively to performance included Scorpio Tankers Inc., Esperion Therapeutics Inc. and W&T Offshore, Inc. Weakness in the portfolio included government bonds which were adversely impacted by rising interest rates and certain corporate issues such as Beyond Meat Inc., Coeur Mining Inc. and Tronox Inc.

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Six months ended June 30, 2022

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## Recent Developments

In the first six months of the year, significant global events materialized and led to increased volatility in financial markets as risk was repriced. In particular, the conflict between Russia and Ukraine, the ongoing COVID-19 global health pandemic and moves by central banks to raise interest rates and taper monetary stimulus to control inflation have caused investors to reassess the growth outlook going forward. With these events as a backdrop, economic growth has slowed and fears of a recession on the horizon sapped investor sentiment in the first half of 2022. This has been a challenging period for stock markets. In Canada, the Canadian stock market finished lower with the S&P/TSX Composite index recording a return of -9.8%. In the United States, the S&P 500 Index finished lower with a return of -18.6%.

Stock markets pulled back in the first six months of 2022 and we believe this volatility may continue. We cannot control stock prices or volatility. However, we can and do control our investment process. We believe it is essential to have a long-term perspective and stick to our investment process and philosophy in times of uncertainty. The world is going through many changes – some changes are temporary and some changes are permanent. We continue to try to identify trends that are in sync with how the world is changing and to allocate more of our capital to growing companies that have tailwinds and that we believe are still mispriced by the market. In our equity portfolio, we are reassessing our existing holdings as the opportunity set has evolved, adding to companies that we believe are high quality business models and offer attractive long-term value at compelling prices. We believe these companies have resilient business models and will do well in a challenging economic environment. We are trimming some select positions that have held up well or where more attractive opportunities in high quality compounding have been uncovered.

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.

In this environment of rising rates and widening spreads, the Pender Corporate Bond Fund is continuing to allocate towards the investment grade end of the spectrum, as this area is anticipated to be first to benefit from a waning inflation picture and should also be most resilient to risks of a recession. In the high yield part of the portfolio, the Pender Corporate Bond Fund is looking to increase its weight into the most economically resilient issuers with strong coverage factors. Also, it is extending duration slightly relative to its recent positioning as the portfolio manager believes long-term bonds, at least the higher grades, stand to generate a higher total return should rates subside. As at June 30, 2022, Option-Adjusted Spread on the ICE had widened to 5.87%. Higher than expected inflation and a changing policy stance from the Fed put some pressure on high yield causing the better-quality BBs to outperform lower tiered CCCs.

At June 30, 2022, the Pender Corporate Bond Fund yield to maturity was 8.5% with a current yield of 5.7% and average duration of maturity-based instruments was 3.4 years.

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.

## 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 held less than 1% of the Fund's units.

As part of the Fund's investment strategy, the Fund invests in Class O units of the Pender Alternative Absolute Return Fund, Pender Alternative Arbitrage Fund, Pender Corporate Bond Fund and Pender Small Cap Opportunities Fund, funds also managed by the Manager. The Fund does not pay any duplicate management fees on its investment in these funds.

## 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.

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.

## Pender Enhanced Income Fund

Six months ended June 30, 2022

### 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 (\$)	2019 (\$)	2018 (\$)	2017 (\$)
<b>Class A</b>						
Net Assets, beginning of period	8.22	7.04	7.53	8.23	9.38	9.56
<b>Increase (decrease) from operations:</b>						
Total revenue	0.13	0.24	0.28	0.32	0.57	0.60
Total expenses	(0.09)	(0.20)	(0.15)	(0.28)	(0.23)	(0.21)
Realized gains (losses)	0.21	0.90	(0.97)	(1.12)	(1.93)	0.70
Unrealized gains (losses)	(1.02)	0.76	0.19	1.18	0.99	(0.74)
<b>Total increase (decrease) from operations (b)</b>	<b>(0.77)</b>	<b>1.70</b>	<b>(0.65)</b>	<b>0.10</b>	<b>(0.60)</b>	<b>0.35</b>
<b>Distributions:</b>						
From income (excluding dividends)	(0.21)	(0.04)	(0.04)	-	(0.30)	(0.40)
From dividends	-	(0.05)	(0.08)	(0.01)	(0.07)	(0.03)
From capital gains	-	-	-	-	-	-
Return of capital	-	(0.32)	(0.18)	(0.39)	(0.09)	(0.05)
<b>Total distributions (b), (c)</b>	<b>(0.21)</b>	<b>(0.41)</b>	<b>(0.30)</b>	<b>(0.40)</b>	<b>(0.46)</b>	<b>(0.48)</b>
<b>Net Assets, end of period</b>	<b>7.18</b>	<b>8.22</b>	<b>7.04</b>	<b>7.53</b>	<b>8.23</b>	<b>9.38</b>
<b>Class A1</b>						
Net Assets, beginning of period	11.09	9.49	10.00	10.00		
<b>Increase (decrease) from operations:</b>						
Total revenue	0.15	0.32	0.37	-		
Total expenses	(0.12)	(0.27)	(0.20)	-		
Realized gains (losses)	0.28	0.61	(1.23)	-		
Unrealized gains (losses)	(1.23)	(0.15)	1.03	-		
<b>Total increase (decrease) from operations (b)</b>	<b>(0.92)</b>	<b>0.51</b>	<b>(0.03)</b>	<b>-</b>		
<b>Distributions:</b>						
From income (excluding dividends)	(0.24)	(0.03)	(0.05)	-		
From dividends	-	(0.04)	(0.10)	-		
From capital gains	-	-	-	-		
Return of capital	-	(0.47)	(0.25)	-		
<b>Total distributions (b), (c)</b>	<b>(0.24)</b>	<b>(0.54)</b>	<b>(0.40)</b>	<b>-</b>		
<b>Net Assets, end of period</b>	<b>-</b>	<b>11.09</b>	<b>9.49</b>	<b>10.00</b>		

## Pender Enhanced Income Fund

Six months ended June 30, 2022

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

	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)	2017 (\$)
<b>Class E</b>						
Net Assets, beginning of period	11.48	9.66	10.00	10.00		
<b>Increase (decrease) from operations:</b>						
Total revenue	0.20	0.33	0.37	-		
Total expenses	(0.03)	(0.07)	(0.05)	-		
Realized gains (losses)	0.28	1.29	(1.24)	-		
Unrealized gains (losses)	(1.73)	0.81	1.06	-		
<b>Total increase (decrease) from operations (b)</b>	<b>(1.28)</b>	<b>2.36</b>	<b>0.14</b>	<b>-</b>		
<b>Distributions:</b>						
From income (excluding dividends)	(0.29)	(0.09)	(0.05)	-		
From dividends	-	(0.11)	(0.10)	-		
From capital gains	-	-	-	-		
Return of capital	-	(0.37)	(0.25)	-		
<b>Total distributions (b), (c)</b>	<b>(0.29)</b>	<b>(0.57)</b>	<b>(0.40)</b>	<b>-</b>		
<b>Net Assets, end of period</b>	<b>10.12</b>	<b>11.48</b>	<b>9.66</b>	<b>10.00</b>		
<b>Class F</b>						
Net Assets, beginning of period	8.58	7.28	7.71	8.36	9.45	9.55
<b>Increase (decrease) from operations:</b>						
Total revenue	0.15	0.23	0.28	0.35	0.58	0.61
Total expenses	(0.05)	(0.11)	(0.09)	(0.22)	(0.16)	(0.13)
Realized gains (losses)	0.22	1.00	(0.98)	(0.90)	(1.96)	0.70
Unrealized gains (losses)	(1.18)	2.38	0.09	1.29	0.99	(0.83)
<b>Total increase (decrease) from operations (b)</b>	<b>(0.86)</b>	<b>3.50</b>	<b>(0.70)</b>	<b>0.52</b>	<b>(0.55)</b>	<b>0.35</b>
<b>Distributions:</b>						
From income (excluding dividends)	(0.22)	(0.03)	(0.04)	(0.04)	(0.36)	(0.40)
From dividends	-	(0.04)	(0.08)	(0.13)	(0.07)	(0.04)
From capital gains	-	-	-	-	-	-
Return of capital	-	(0.36)	(0.18)	(0.24)	(0.02)	(0.04)
<b>Total distributions (b), (c)</b>	<b>(0.22)</b>	<b>(0.43)</b>	<b>(0.30)</b>	<b>(0.41)</b>	<b>(0.45)</b>	<b>(0.48)</b>
<b>Net Assets, end of period</b>	<b>7.53</b>	<b>8.58</b>	<b>7.28</b>	<b>7.71</b>	<b>8.36</b>	<b>9.45</b>
<b>Class F1</b>						
Net Assets, beginning of period	11.31	9.58	10.00	10.00		
<b>Increase (decrease) from operations:</b>						
Total revenue	0.15	0.34	0.37	-		
Total expenses	(0.07)	(0.16)	(0.12)	-		
Realized gains (losses)	0.38	1.61	(0.97)	-		
Unrealized gains (losses)	(1.85)	(0.79)	4.84	-		
<b>Total increase (decrease) from operations (b)</b>	<b>(1.39)</b>	<b>1.00</b>	<b>4.12</b>	<b>-</b>		
<b>Distributions:</b>						
From income (excluding dividends)	(0.25)	(0.11)	(0.05)	-		
From dividends	-	(0.14)	(0.10)	-		
From capital gains	-	-	-	-		
Return of capital	-	(0.30)	(0.25)	-		
<b>Total distributions (b), (c)</b>	<b>(0.25)</b>	<b>(0.55)</b>	<b>(0.40)</b>	<b>-</b>		
<b>Net Assets, end of period</b>	<b>-</b>	<b>11.31</b>	<b>9.58</b>	<b>10.00</b>		

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Six months ended June 30, 2022

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

	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)	2017 (\$)
<b>Class I</b>						
Net Assets, beginning of period	11.34	9.60	10.00	10.00		
<b>Increase (decrease) from operations:</b>						
Total revenue	0.19	0.34	0.37	-		
Total expenses	(0.06)	(0.14)	(0.11)	-		
Realized gains (losses)	0.29	1.22	(1.24)	-		
Unrealized gains (losses)	(1.51)	(0.60)	1.05	-		
<b>Total increase (decrease) from operations (b)</b>	<b>(1.09)</b>	<b>0.82</b>	<b>0.07</b>	<b>-</b>		
<b>Distributions:</b>						
From income (excluding dividends)	(0.29)	(0.10)	(0.05)	-		
From dividends	-	(0.12)	(0.10)	-		
From capital gains	-	-	-	-		
Return of capital	-	(0.34)	(0.25)	-		
<b>Total distributions (b), (c)</b>	<b>(0.29)</b>	<b>(0.56)</b>	<b>(0.40)</b>	<b>-</b>		
<b>Net Assets, end of period</b>	<b>9.96</b>	<b>11.34</b>	<b>9.60</b>	<b>10.00</b>		
<b>Class N</b>						
Net Assets, beginning of period	11.40	9.62	10.00	10.00		
<b>Increase (decrease) from operations:</b>						
Total revenue	0.19	0.33	0.37	-		
Total expenses	(0.05)	(0.11)	(0.08)	-		
Realized gains (losses)	0.30	1.28	(1.24)	-		
Unrealized gains (losses)	(1.52)	0.81	1.05	-		
<b>Total increase (decrease) from operations (b)</b>	<b>(1.08)</b>	<b>2.31</b>	<b>0.10</b>	<b>-</b>		
<b>Distributions:</b>						
From income (excluding dividends)	(0.29)	(0.08)	(0.05)	-		
From dividends	-	(0.10)	(0.10)	-		
From capital gains	-	-	-	-		
Return of capital	-	(0.38)	(0.25)	-		
<b>Total distributions (b), (c)</b>	<b>(0.29)</b>	<b>(0.56)</b>	<b>(0.40)</b>	<b>-</b>		
<b>Net Assets, end of period</b>	<b>10.03</b>	<b>11.40</b>	<b>9.62</b>	<b>10.00</b>		

## Pender Enhanced Income Fund

Six months ended June 30, 2022

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

	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)	2017 (\$)
<b>Class O</b>						
Net Assets, beginning of period	11.59	9.70	10.00	10.00		
<b>Increase (decrease) from operations:</b>						
Total revenue	0.19	0.33	0.37	-		
Total expenses	-	(0.02)	(0.02)	-		
Realized gains (losses)	0.31	1.30	(1.24)	-		
Unrealized gains (losses)	(1.55)	0.82	1.07	-		
<b>Total increase (decrease) from operations (b)</b>	<b>(1.05)</b>	<b>2.43</b>	<b>0.18</b>	<b>-</b>		
<b>Distributions:</b>						
From income (excluding dividends)	(0.30)	(0.09)	(0.05)	-		
From dividends	-	(0.11)	(0.10)	-		
From capital gains	-	-	-	-		
Return of capital	-	(0.37)	(0.25)	-		
<b>Total distributions (b), (c)</b>	<b>(0.30)</b>	<b>(0.57)</b>	<b>(0.40)</b>	<b>-</b>		
<b>Net Assets, end of period</b>	<b>10.24</b>	<b>11.59</b>	<b>9.70</b>	<b>10.00</b>		

(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.

(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	2019	2018	2017
<b>Class A</b>						
Total net asset value (\$000s) (a)	7,085	10,215	10,967	18,234	14,982	27,991
Number of units outstanding (a)	987,305	1,243,193	1,557,614	2,421,712	1,820,922	2,985,253
Management expense ratio (b)	2.35%	2.30%	2.25%	3.07%	2.36%	2.07%
Management expense ratio before absorptions (c)	2.35%	2.30%	2.25%	3.07%	2.36%	2.07%
Trading expense ratio (d)	0.03%	0.09%	0.14%	0.15%	0.12%	0.08%
Portfolio turnover rate (e)	11.69%	31.58%	35.33%	194.29%	53.48%	77.82%
Net asset value per unit (\$) (a)	7.18	8.22	7.04	7.53	8.23	9.38
<b>Class E</b>						
Total net asset value (\$000s) (a)	11	6	5	5		
Number of units outstanding (a)	1,043	552	525	500		
Management expense ratio (b)	0.52%	0.50%	0.50%	0.00%		
Management expense ratio before absorptions (c)	0.52%	0.50%	0.50%	0.00%		
Trading expense ratio (d)	0.00%	0.09%	0.14%	0.15%		
Portfolio turnover rate (e)	11.69%	31.58%	35.33%	194.29%		
Net asset value per unit (\$) (a)	10.12	11.48	9.66	10.00		

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### Ratios and Supplemental Data (cont'd)

	2022	2021	2020	2019	2018	2017
<b>Class F</b>						
Total net asset value (\$000s) (a)	7,848	6,570	28,989	47,924	27,364	53,280
Number of units outstanding (a)	1,041,985	765,860	3,984,231	6,217,314	3,274,932	5,640,943
Management expense ratio (b)	1.28%	1.25%	1.25%	2.23%	1.55%	1.26%
Management expense ratio before absorptions (c)	1.28%	1.26%	1.25%	2.23%	1.55%	1.26%
Trading expense ratio (d)	0.03%	0.09%	0.14%	0.15%	0.12%	0.08%
Portfolio turnover rate (e)	11.69%	31.58%	35.33%	194.29%	53.48%	77.48%
Net asset value per unit (\$) (a)	7.53	8.58	7.28	7.71	8.36	9.45
<b>Class I</b>						
Total net asset value (\$000s) (a)	22,648	25,311	5	5		
Number of units outstanding (a)	2,273,043	2,232,299	525	500		
Management expense ratio (b)	1.11%	1.10%	1.10%	0.00%		
Management expense ratio before absorptions (c)	1.11%	1.10%	1.10%	0.00%		
Trading expense ratio (d)	0.03%	0.09%	0.14%	0.15%		
Portfolio turnover rate (e)	11.69%	31.58%	35.33%	194.29%		
Net asset value per unit (\$) (a)	9.96	11.34	9.60	10.00		
<b>Class N</b>						
Total net asset value (\$000s) (a)	6	6	5	5		
Number of units outstanding (a)	567	552	525	500		
Management expense ratio (b)	0.87%	0.87%	0.85%	0.00%		
Management expense ratio before absorptions (c)	0.87%	0.87%	0.85%	0.00%		
Trading expense ratio (d)	0.03%	0.09%	0.14%	0.15%		
Portfolio turnover rate (e)	11.69%	31.58%	35.33%	194.29%		
Net asset value per unit (\$) (a)	10.03	11.40	9.62	10.00		
<b>Class O</b>						
Total net asset value (\$000s) (a)	6	6	5	5		
Number of units outstanding (a)	567	552	525	500		
Management expense ratio (b)	0.00%	0.00%	0.00%	0.00%		
Management expense ratio before absorptions (c)	0.00%	0.00%	0.00%	0.00%		
Trading expense ratio (d)	0.00%	0.09%	0.14%	0.15%		
Portfolio turnover rate (e)	11.69%	31.58%	35.33%	194.29%		
Net asset value per unit (\$) (a)	10.24	11.59	9.70	10.00		

(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.

(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.



# Pender Enhanced Income Fund

Six months ended June 30, 2022

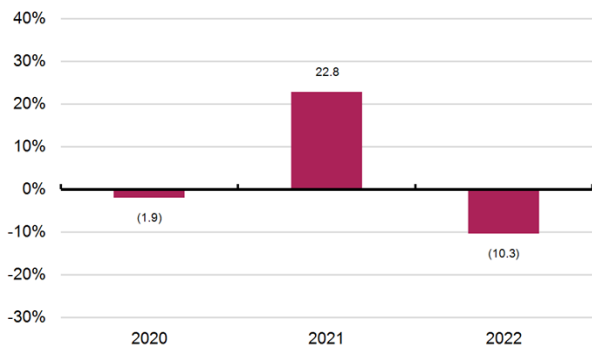
## Past Performance

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.

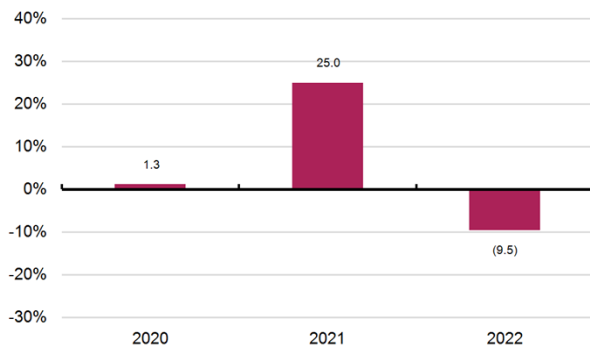
### Period-by-Period Returns

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.

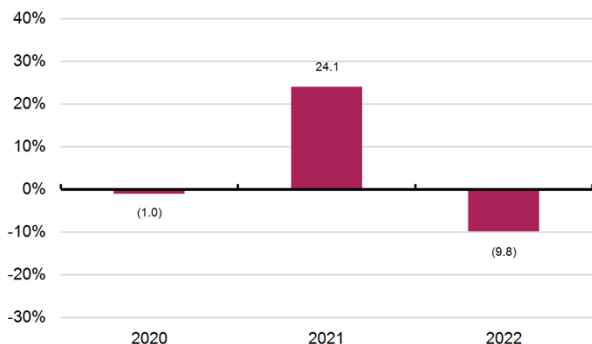
#### Class A



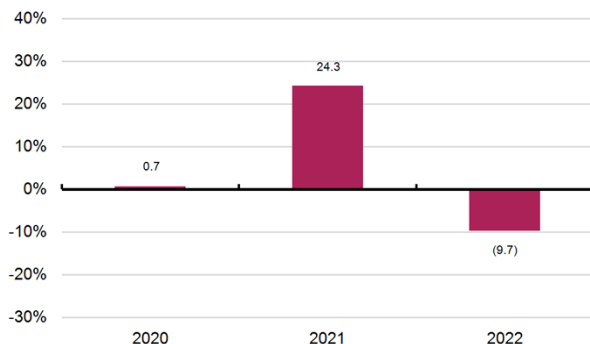
#### Class E



#### Class F



#### Class I

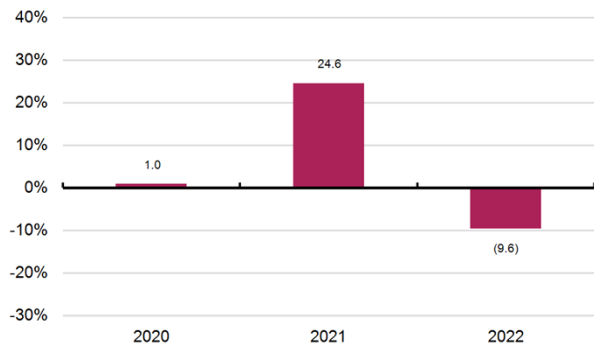


# Pender Enhanced Income Fund

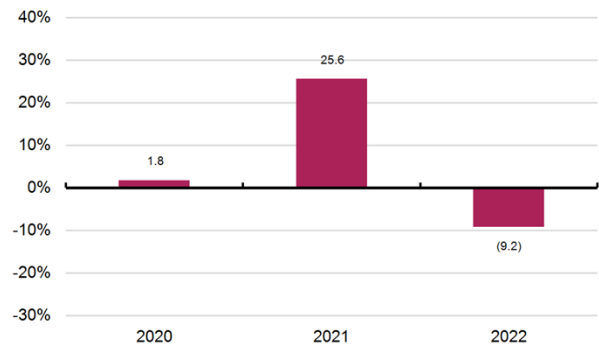
Six months ended June 30, 2022

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## Class N



## Class O



# Pender Enhanced Income Fund

Six months ended June 30, 2022

## 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'	32.7
Pender Small Cap Opportunities Fund, Class 'O'	6.0
Northrop Grumman Corporation	4.1
Brookfield Asset Management Inc., Class 'A'	3.8
KKR & Co. Inc.	3.5
Onex Corporation	3.3
Pender Alternative Absolute Return Fund, Class 'O'	3.3
Burford Capital Limited	3.2
Texas Pacific Land Corporation	3.1
Altius Renewable Royalties Corp.	3.0
ARC Resources Ltd.	2.7
Exor N.V.	2.4
Richards Packaging Income Fund	2.4
CCL Industries Inc., Class 'B'	2.3
Fiera Capital Corporation, Class 'A'	2.2
Pender Alternative Arbitrage Fund, Class 'O'	2.2
Baidu, Inc., ADR	2.1
Exchange Income Corporation	2.0
Kennedy-Wilson Holdings, Inc.	2.0
Nintendo Co., Ltd., ADR	1.9
Information Services Corporation, Class 'A'	1.8
Starwood Property Trust, Inc.	1.7
SS&C Technologies Holdings, Inc.	1.5
Starbucks Corporation	1.5
Alibaba Group Holding Limited, ADR	1.4

### Composition of the Portfolio

	% of Net Assets
<b>Mutual funds</b>	
Pender Corporate Bond Fund, Class 'O'	32.7
Pender Small Cap Opportunities Fund, Class 'O'	6.0
Pender Alternative Absolute Return Fund, Class 'O'	3.3
Pender Alternative Arbitrage Fund, Class 'O'	2.2
<b>Total mutual funds</b>	<b>44.2</b>
<b>Equities</b>	
Diversified financials	20.1
Industrials	7.0
Energy	6.9
Communication services	4.9
Materials	4.6
Real estate	3.8
Utilities	3.0

## Pender Enhanced Income Fund

Six months ended June 30, 2022

### Composition of the Portfolio (cont'd)

	% of Net Assets
<b>Equities (cont'd)</b>	
Consumer discretionary	2.9
Information technology	1.9
<b>Total equities</b>	<b>55.1</b>
Warrants	0.0
<b>Total investments</b>	<b>99.3</b>
Cash	0.5
Other assets less liabilities	0.2
<b>Total net assets</b>	<b>100.0</b>

## Pender Enhanced Income Fund

Six months ended June 30, 2022

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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 Enhanced Income Fund**

MANAGED BY:  
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