

This document contains key information you should know about Pender Alternative Multi-Strategy Income 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.**

The fund has amended its investment objectives and strategies. For further information, please see the preliminary and pro forma simplified prospectus dated July 26, 2022.

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: Increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

### Quick facts

<b>Fund code:</b>	PGF1200	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	September 21, 2009	<b>Portfolio manager(s):</b>	David Barr, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$8.3 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	2.47%	<b>Minimum investment:</b>	\$5,000 initial, \$100 additional

### What does the fund invest in?

The fund invests primarily in North American securities and may also invest in foreign securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

#### Top 10 investments - (June 30, 2022)

1. Burford Capital Limited	6.3%
2. Baidu, Inc.	4.9%
3. Optiva Inc.	4.4%
4. eGain Corporation	4.0%
5. SS&C Technologies Holdings, Inc.	4.0%
6. Dye & Durham Limited	3.9%
7. Interactive Brokers Group, Inc.	3.9%
8. CCL Industries Inc.	3.7%
9. Texas Pacific Land Corporation	3.7%
10. Premium Brands Holdings Corporation	3.6%
<b>Total percentage of top 10 investments</b>	<b>42.4%</b>
<b>Total number of investments</b>	<b>47</b>

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

Information Technology	28.4%
Diversified Financials	19.4%
Communication Services	11.2%
Consumer Discretionary	11.0%
Consumer Staples	7.9%
Real Estate	5.3%
Energy	3.7%
Materials	3.7%
Banks	3.4%
Mutual Funds	3.1%
Cash	2.9%

### 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 A of the fund as low.**

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
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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?

Effective August [•], 2022 (the “Conversion Date”), the Fund’s investment objectives and strategies will be changed to reflect its conversion from a conventional mutual fund into an alternative mutual fund and in connection therewith, among other things, the name, fund type, risk level and fee structure of the Fund will also change. Prior to the Conversion Date, the Fund was a Canadian and US Equity Fund with the primary objective to achieve capital growth over the long-term, while being sufficiently diversified to mitigate volatility. After the Conversion Date, the Fund will be an Alternative Multi-Strategy Income Fund with the primary objective to preserve capital and to generate returns through current income and capital appreciation, while being sufficiently diversified to mitigate volatility. Due to these significant material changes, performance of the Fund prior to the Conversion Date which relates to the Fund’s previous investment objectives and strategies are expected to differ substantially from future performance of the Fund after the Conversion Date under its new investment objectives and strategies.

## YEAR-BY-YEAR RETURNS

Performance information is not available because the fund has changed its investment objectives and has been distributing this class under a simplified prospectus with the new investment objectives for less than one completed calendar year.

## BEST and WORST 3-MONTH RETURNS

Performance information is not available because the fund has changed its investment objectives and has been distributing this class under a simplified prospectus with the new investment objectives for less than one completed calendar year.

## AVERAGE RETURN

Performance information is not available because the fund has changed its investment objectives and has been distributing this class under a simplified prospectus with the new investment objectives for less than one completed calendar year.

## 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 low 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 A 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

Your representative is able to charge you up to 5.00% of the amount you buy (up to \$50 on every \$1,000 you buy). You and your representative decide on the rate. This amount is then deducted from the amount you buy and it goes to your representative's firm as a commission.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Upon conversion to an alternative mutual fund, the fund will pay to the Manager a performance fee in relation to Class A units that is equal to 15% of the amount by which the total return of the Class A units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class A units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class A were 2.63% of the value of this class. This equals \$26.30 for every \$1,000 invested.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	2.47%
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>	2.63%

#### More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and your representative's firm provide to you. Pender pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The trailing commission is equal to 1.00% of the value of your investment each year. This equals \$10.00 each year for every \$1,000 invested.

### 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.

## 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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[www.penderfund.com](http://www.penderfund.com)

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).

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## Quick facts

<b>Fund code:</b>	PGF1208	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	December 17, 2019	<b>Portfolio manager(s):</b>	David Barr, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$8.3 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.51%	<b>Minimum investment:</b>	Negotiable

## What does the fund invest in?

The fund invests primarily in North American securities and may also invest in foreign securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Burford Capital Limited	6.3%
2. Baidu, Inc.	4.9%
3. Optiva Inc.	4.4%
4. eGain Corporation	4.0%
5. SS&C Technologies Holdings, Inc.	4.0%
6. Dye & Durham Limited	3.9%
7. Interactive Brokers Group, Inc.	3.9%
8. CCL Industries Inc.	3.7%
9. Texas Pacific Land Corporation	3.7%
10. Premium Brands Holdings Corporation	3.6%
<b>Total percentage of top 10 investments</b>	<b>42.4%</b>
<b>Total number of investments</b>	<b>47</b>

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

Information Technology	28.4%
Diversified Financials	19.4%
Communication Services	11.2%
Consumer Discretionary	11.0%
Consumer Staples	7.9%
Real Estate	5.3%
Energy	3.7%
Materials	3.7%
Banks	3.4%
Mutual Funds	3.1%
Cash	2.9%

### 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 E of the fund as low.**

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
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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?

Effective August [•], 2022 (the “Conversion Date”), the Fund’s investment objectives and strategies will be changed to reflect its conversion from a conventional mutual fund into an alternative mutual fund and in connection therewith, among other things, the name, fund type, risk level and fee structure of the Fund will also change. Prior to the Conversion Date, the Fund was a Canadian and US Equity Fund with the primary objective to achieve capital growth over the long-term, while being sufficiently diversified to mitigate volatility. After the Conversion Date, the Fund will be an Alternative Multi-Strategy Income Fund with the primary objective to preserve capital and to generate returns through current income and capital appreciation, while being sufficiently diversified to mitigate volatility. Due to these significant material changes, performance of the Fund prior to the Conversion Date which relates to the Fund’s previous investment objectives and strategies are expected to differ substantially from future performance of the Fund after the Conversion Date under its new investment objectives and strategies.

## YEAR-BY-YEAR RETURNS

Performance information is not available because the fund has changed its investment objectives and has been distributing this class under a simplified prospectus with the new investment objectives for less than one completed calendar year.

## BEST and WORST 3-MONTH RETURNS

Performance information is not available because the fund has changed its investment objectives and has been distributing this class under a simplified prospectus with the new investment objectives for less than one completed calendar year.

## AVERAGE RETURN

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## 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 low 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 E 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 E units of the fund.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. The fund's management fees are negotiated between you and Pender and will not exceed 1.80%, exclusive of taxes. Upon conversion to an alternative mutual fund, the fund will pay to the Manager a performance fee in relation to Class E units that is equal to 15% of the amount by which the total return of the class of the Class E units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class E units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class E were 0.67% of the value of this class. This equals \$6.70 for every \$1,000 invested.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.51%
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>	0.67%

#### More about the trailing commission

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

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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>Management fees</b>	The fund's management fees are negotiated between you and Pender and will not exceed 1.80%, exclusive of taxes.

## 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

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**Quick facts**

<b>Fund code:</b>	PGF1210	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	September 21, 2009	<b>Portfolio manager(s):</b>	David Barr, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$8.3 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	1.43%	<b>Minimum investment:</b>	\$5,000 initial, \$100 additional

**What does the fund invest in?**

The fund invests primarily in North American securities and may also invest in foreign securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

**Top 10 investments - (June 30, 2022)**

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**Investment mix - (June 30, 2022)**

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Consumer Staples	7.9%
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Materials	3.7%
Banks	3.4%
Mutual Funds	3.1%
Cash	2.9%

### 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 F of the fund as low.**

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
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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?

Effective August [•], 2022 (the “Conversion Date”), the Fund’s investment objectives and strategies will be changed to reflect its conversion from a conventional mutual fund into an alternative mutual fund and in connection therewith, among other things, the name, fund type, risk level and fee structure of the Fund will also change. Prior to the Conversion Date, the Fund was a Canadian and US Equity Fund with the primary objective to achieve capital growth over the long-term, while being sufficiently diversified to mitigate volatility. After the Conversion Date, the Fund will be an Alternative Multi-Strategy Income Fund with the primary objective to preserve capital and to generate returns through current income and capital appreciation, while being sufficiently diversified to mitigate volatility. Due to these significant material changes, performance of the Fund prior to the Conversion Date which relates to the Fund’s previous investment objectives and strategies are expected to differ substantially from future performance of the Fund after the Conversion Date under its new investment objectives and strategies.

## YEAR-BY-YEAR RETURNS

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## BEST and WORST 3-MONTH RETURNS

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## AVERAGE RETURN

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## 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 low 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 F 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 F units of the fund.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Upon conversion to an alternative mutual fund, the fund will pay to the Manager a performance fee in relation to Class F units that is equal to 15% of the amount by which the total return of the Class F units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class F units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class F were 1.59% of the value of this class. This equals \$15.90 for every \$1,000 invested.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	1.43%
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>	1.59%

#### More about the trailing commission

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

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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:

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- 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).

PenderFund Capital Management Ltd.  
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This document contains key information you should know about Pender Alternative Multi-Strategy Income 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.**

The fund has amended its investment objectives and strategies. For further information, please see the preliminary and pro forma simplified prospectus dated July 26, 2022.

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: Increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

### Quick facts

<b>Fund code:</b>	PGF1230	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	December 17, 2019	<b>Portfolio manager(s):</b>	David Barr, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$8.3 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	Management and administration fee is paid directly by you	<b>Minimum investment:</b>	Negotiable

### What does the fund invest in?

The fund invests primarily in North American securities and may also invest in foreign securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

#### Top 10 investments - (June 30, 2022)

1. Burford Capital Limited	6.3%
2. Baidu, Inc.	4.9%
3. Optiva Inc.	4.4%
4. eGain Corporation	4.0%
5. SS&C Technologies Holdings, Inc.	4.0%
6. Dye & Durham Limited	3.9%
7. Interactive Brokers Group, Inc.	3.9%
8. CCL Industries Inc.	3.7%
9. Texas Pacific Land Corporation	3.7%
10. Premium Brands Holdings Corporation	3.6%
<b>Total percentage of top 10 investments</b>	<b>42.4%</b>
<b>Total number of investments</b>	<b>47</b>

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

Information Technology	28.4%
Diversified Financials	19.4%
Communication Services	11.2%
Consumer Discretionary	11.0%
Consumer Staples	7.9%
Real Estate	5.3%
Energy	3.7%
Materials	3.7%
Banks	3.4%
Mutual Funds	3.1%
Cash	2.9%

### 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 O of the fund as low.**

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
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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?

Effective August [•], 2022 (the “Conversion Date”), the Fund’s investment objectives and strategies will be changed to reflect its conversion from a conventional mutual fund into an alternative mutual fund and in connection therewith, among other things, the name, fund type, risk level and fee structure of the Fund will also change. Prior to the Conversion Date, the Fund was a Canadian and US Equity Fund with the primary objective to achieve capital growth over the long-term, while being sufficiently diversified to mitigate volatility. After the Conversion Date, the Fund will be an Alternative Multi-Strategy Income Fund with the primary objective to preserve capital and to generate returns through current income and capital appreciation, while being sufficiently diversified to mitigate volatility. Due to these significant material changes, performance of the Fund prior to the Conversion Date which relates to the Fund’s previous investment objectives and strategies are expected to differ substantially from future performance of the Fund after the Conversion Date under its new investment objectives and strategies.

## YEAR-BY-YEAR RETURNS

Performance information is not available because the fund has changed its investment objectives and has been distributing this class under a simplified prospectus with the new investment objectives for less than one completed calendar year.

## BEST and WORST 3-MONTH RETURNS

Performance information is not available because the fund has changed its investment objectives and has been distributing this class under a simplified prospectus with the new investment objectives for less than one completed calendar year.

## AVERAGE RETURN

Performance information is not available because the fund has changed its investment objectives and has been distributing this class under a simplified prospectus with the new investment objectives for less than one completed calendar year.

## 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 low 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 O 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 O units of the fund.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. The fund's management fees and administration fees are negotiated between you and Pender and will not exceed 2.30%, exclusive of taxes. Upon conversion to an alternative mutual fund, a performance fee is or will be charged directly to Unitholders, as applicable. Unitholders, as applicable, will pay to the Manager a performance fee in relation to Class O units that is equal to 15% of the amount by which the total return of the Class O units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class O units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class O were 0.16% of the value of this class. This equals \$1.60 for every \$1,000 invested.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b> This is the total of the fund's management fee (including, if applicable, the trailing commission) and administration fee.	All fees and expenses are paid directly by you, see "Management fees and administration fees" below.
<b>Trading expense ratio (TER)</b> These are the fund's trading costs for this class.	0.16%
<b>Fund expenses</b>	0.16%

#### More about the trailing commission

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

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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>Management fees and administration fees</b>	The fund's management fees and administration fees are negotiated between you and Pender and will not exceed 2.30%, exclusive of taxes.



### 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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This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: Increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

### 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, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$8.3 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; 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 North American securities and may also invest in foreign securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

#### Top 10 investments - (June 30, 2022)

1. Burford Capital Limited	6.3%
2. Baidu, Inc.	4.9%
3. Optiva Inc.	4.4%
4. eGain Corporation	4.0%
5. SS&C Technologies Holdings, Inc.	4.0%
6. Dye & Durham Limited	3.9%
7. Interactive Brokers Group, Inc.	3.9%
8. CCL Industries Inc.	3.7%
9. Texas Pacific Land Corporation	3.7%
10. Premium Brands Holdings Corporation	3.6%
<b>Total percentage of top 10 investments</b>	<b>42.4%</b>
<b>Total number of investments</b>	<b>47</b>

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

Information Technology	28.4%
Diversified Financials	19.4%
Communication Services	11.2%
Consumer Discretionary	11.0%
Consumer Staples	7.9%
Real Estate	5.3%
Energy	3.7%
Materials	3.7%
Banks	3.4%
Mutual Funds	3.1%
Cash	2.9%

### 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 low.**

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
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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

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## How has the fund performed?

Effective August [•], 2022 (the “Conversion Date”), the Fund’s investment objectives and strategies will be changed to reflect its conversion from a conventional mutual fund into an alternative mutual fund and in connection therewith, among other things, the name, fund type, risk level and fee structure of the Fund will also change. Prior to the Conversion Date, the Fund was a Canadian and US Equity Fund with the primary objective to achieve capital growth over the long-term, while being sufficiently diversified to mitigate volatility. After the Conversion Date, the Fund will be an Alternative Multi-Strategy Income Fund with the primary objective to preserve capital and to generate returns through current income and capital appreciation, while being sufficiently diversified to mitigate volatility. Due to these significant material changes, performance of the Fund prior to the Conversion Date which relates to the Fund’s previous investment objectives and strategies are expected to differ substantially from future performance of the Fund after the Conversion Date under its new investment objectives and strategies.

## YEAR-BY-YEAR RETURNS

Performance information is not available because the fund has changed its investment objectives and has been distributing this class under a simplified prospectus with the new investment objectives for less than one completed calendar year.

## BEST and WORST 3-MONTH RETURNS

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## AVERAGE RETURN

Performance information is not available because the fund has changed its investment objectives and has been distributing this class under a simplified prospectus with the new investment objectives for less than one completed calendar year.

## Who is this fund for?

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## 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. Upon conversion to an alternative mutual fund, the fund will pay to the Manager a performance fee in relation to Class I units that is equal to 15% of the amount by which the total return of the Class I units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class I units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. 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 (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.

<b>Fee</b>	<b>What you pay</b>
<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?

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- 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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## Quick facts

<b>Fund code:</b>	PGF1270	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	December 17, 2019	<b>Portfolio manager(s):</b>	David Barr, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$8.3 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.86%	<b>Minimum investment:</b>	\$5,000,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in North American securities and may also invest in foreign securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Burford Capital Limited	6.3%
2. Baidu, Inc.	4.9%
3. Optiva Inc.	4.4%
4. eGain Corporation	4.0%
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9. Texas Pacific Land Corporation	3.7%
10. Premium Brands Holdings Corporation	3.6%
<b>Total percentage of top 10 investments</b>	<b>42.4%</b>
<b>Total number of investments</b>	<b>47</b>

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

Information Technology	28.4%
Diversified Financials	19.4%
Communication Services	11.2%
Consumer Discretionary	11.0%
Consumer Staples	7.9%
Real Estate	5.3%
Energy	3.7%
Materials	3.7%
Banks	3.4%
Mutual Funds	3.1%
Cash	2.9%

### 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 N of the fund as low.**

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
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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?

Effective August [•], 2022 (the “Conversion Date”), the Fund’s investment objectives and strategies will be changed to reflect its conversion from a conventional mutual fund into an alternative mutual fund and in connection therewith, among other things, the name, fund type, risk level and fee structure of the Fund will also change. Prior to the Conversion Date, the Fund was a Canadian and US Equity Fund with the primary objective to achieve capital growth over the long-term, while being sufficiently diversified to mitigate volatility. After the Conversion Date, the Fund will be an Alternative Multi-Strategy Income Fund with the primary objective to preserve capital and to generate returns through current income and capital appreciation, while being sufficiently diversified to mitigate volatility. Due to these significant material changes, performance of the Fund prior to the Conversion Date which relates to the Fund’s previous investment objectives and strategies are expected to differ substantially from future performance of the Fund after the Conversion Date under its new investment objectives and strategies.

## YEAR-BY-YEAR RETURNS

Performance information is not available because the fund has changed its investment objectives and has been distributing this class under a simplified prospectus with the new investment objectives for less than one completed calendar year.

## BEST and WORST 3-MONTH RETURNS

Performance information is not available because the fund has changed its investment objectives and has been distributing this class under a simplified prospectus with the new investment objectives for less than one completed calendar year.

## AVERAGE RETURN

Performance information is not available because the fund has changed its investment objectives and has been distributing this class under a simplified prospectus with the new investment objectives for less than one completed calendar year.

## 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 low 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 N 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 N units of the fund.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Upon conversion to an alternative mutual fund, the fund will pay to the Manager a performance fee in relation to Class N units that is equal to 15% of the amount by which the total return of the Class N units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class N units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class N were 1.02% of the value of this class. This equals \$10.20 for every \$1,000 invested.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.86%
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>	1.02%

#### More about the trailing commission

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

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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.

## 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).

PenderFund Capital Management Ltd.  
1066 W. Hastings St., Suite 1830  
Vancouver, BC V6E 3X2  
Toll Free: 1-866-377-4743  
Fax: 604-563-3199  
Email: [info@penderfund.com](mailto:info@penderfund.com)  
[www.penderfund.com](http://www.penderfund.com)

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).

This document contains key information you should know about Pender Alternative Special Situations 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.**

The fund has amended its investment objectives and strategies. For further information, please see the preliminary and pro forma simplified prospectus dated July 26, 2022.

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: Increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

## Quick facts

<b>Fund code:</b>	PGF1500	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	June 25, 2020	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$2.3 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$5,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in Canadian and US equities 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. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Burford Capital Limited	9.1%
2. Saturn Oil & Gas Inc.	7.5%
3. Anterix Inc.	7.2%
4. Spartan Delta Corp.	6.8%
5. Altius Renewable Royalties Corp.	5.4%
6. Partners Value Investments LP	3.6%
7. Athabasca Oil Corporation	3.4%
8. MEG Energy Corp.	3.4%
9. Thinkific Labs Inc.	3.0%
10. Bluerock Residential Growth REIT, Inc.	2.8%
<b>Total percentage of top 10 investments</b>	<b>52.2%</b>
<b>Total number of investments</b>	<b>35</b>

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

Energy	29.3%
Communication Services	13.4%
Diversified Financials	12.8%
Consumer Discretionary	7.2%
Information Technology	6.6%
Cash	5.9%
Utilities	5.4%
Industrials	5.3%
Health Care	4.4%
Real Estate	4.2%
Materials	3.0%
Banks	2.5%

### 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 A of the fund as 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	<b>Medium</b>	Medium to High	High
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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

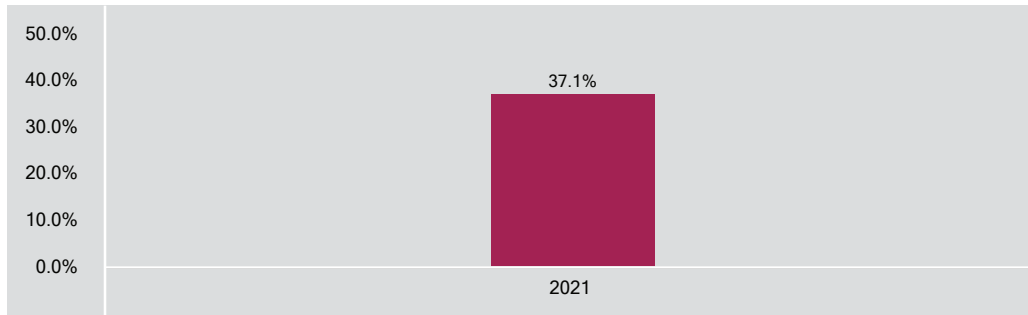
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

## How has the fund performed?

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

### YEAR-BY-YEAR RETURNS

This chart shows how Class A units of the fund have performed in the past year. The fund did not drop in value in the past year. 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 A units of the fund in a 3-month period over the past year. 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>	36.4%	January 31, 2021	Your investment would rise to \$1,364.
<b>Worst return</b>	-17.7%	June 30, 2022	Your investment would drop to \$823.

### AVERAGE RETURN

The annual compounded return of Class A units of the fund was 43.2% since inception. If you had invested \$1,000 in the fund since inception, your investment would be now worth \$2,030.

### Who is this fund for?

This fund is suitable for investors who want long-term capital growth potential. Investors in this fund should have a long-term investment time horizon and a medium tolerance for investment risk. This fund is not suitable for those with a low 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 A 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

Your representative is able to charge you up to 5.00% of the amount you buy (up to \$50 on every \$1,000 you buy). You and your representative decide on the rate. This amount is then deducted from the amount you buy and it goes to your representative's firm as a commission.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. Upon conversion to an alternative mutual fund, the fund will pay to the Manager a performance fee in relation to Class A units that is equal to 15% of the amount by which the total return of the Class A units exceeds a 6% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class A units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class A were 1.17% of the value of this class. This equals \$11.70 for every \$1,000 invested.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	1.17%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	1.17%

#### More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and your representative's firm provide to you. Pender pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The trailing commission is equal to 1.00% of the value of your investment each year. This equals \$10.00 each year for every \$1,000 invested.

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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.

### 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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This document contains key information you should know about Pender Alternative Special Situations 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.**

The fund has amended its investment objectives and strategies. For further information, please see the preliminary and pro forma simplified prospectus dated July 26, 2022.

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: Increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

## Quick facts

<b>Fund code:</b>	PGF1508	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	June 25, 2021	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$2.3 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	Negotiable

## What does the fund invest in?

The fund invests primarily in Canadian and US equities 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. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Burford Capital Limited	9.1%
2. Saturn Oil & Gas Inc.	7.5%
3. Anterix Inc.	7.2%
4. Spartan Delta Corp.	6.8%
5. Altius Renewable Royalties Corp.	5.4%
6. Partners Value Investments LP	3.6%
7. Athabasca Oil Corporation	3.4%
8. MEG Energy Corp.	3.4%
9. Thinkific Labs Inc.	3.0%
10. Bluerock Residential Growth REIT, Inc.	2.8%
<b>Total percentage of top 10 investments</b>	<b>52.2%</b>
<b>Total number of investments</b>	<b>35</b>

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

Energy	29.3%
Communication Services	13.4%
Diversified Financials	12.8%
Consumer Discretionary	7.2%
Information Technology	6.6%
Cash	5.9%
Utilities	5.4%
Industrials	5.3%
Health Care	4.4%
Real Estate	4.2%
Materials	3.0%
Banks	2.5%

### 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 E of the fund as 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	<b>Medium</b>	Medium to High	High
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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 E units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

## YEAR-BY-YEAR RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## BEST and WORST 3-MONTH RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## AVERAGE RETURN

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## Who is this fund for?

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

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund's management fees are negotiated between you and Pender and will not exceed 1.95%, exclusive of taxes. The fund will pay to the Manager a performance fee in relation to Class E units that is equal to 15% of the amount by which the total return of the class of the Class E units exceeds a 6% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class E units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class E were 1.17% of the value of this class. This equals \$11.70 for every \$1,000 invested.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	1.17%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	1.17%

#### More about the trailing commission

No trailing commission is paid by Pender to your representative's firm in respect of Class E 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>Management fees</b>	The fund's management fees are negotiated between you and Pender and will not exceed 1.95%, exclusive of taxes.

## 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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## Quick facts

<b>Fund code:</b>	PGF1510	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	June 25, 2020	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$2.3 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$5,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in Canadian and US equities 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. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Burford Capital Limited	9.1%
2. Saturn Oil & Gas Inc.	7.5%
3. Anterix Inc.	7.2%
4. Spartan Delta Corp.	6.8%
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9. Thinkific Labs Inc.	3.0%
10. Bluerock Residential Growth REIT, Inc.	2.8%
<b>Total percentage of top 10 investments</b>	<b>52.2%</b>
<b>Total number of investments</b>	<b>35</b>

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

Energy	29.3%
Communication Services	13.4%
Diversified Financials	12.8%
Consumer Discretionary	7.2%
Information Technology	6.6%
Cash	5.9%
Utilities	5.4%
Industrials	5.3%
Health Care	4.4%
Real Estate	4.2%
Materials	3.0%
Banks	2.5%

### 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 F of the fund as 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	<b>Medium</b>	Medium to High	High
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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

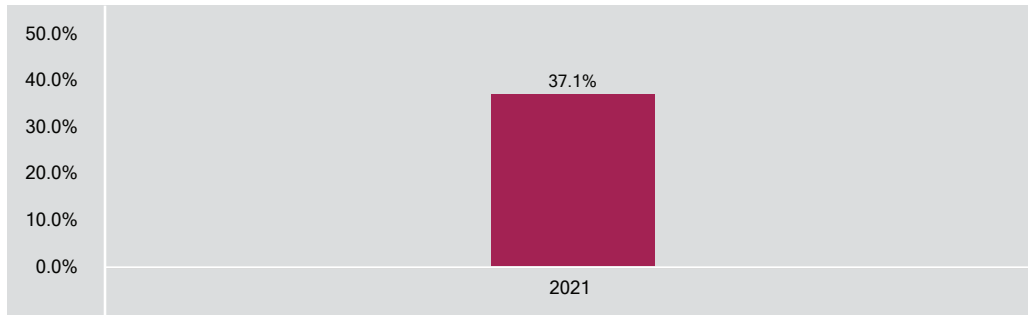
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

## How has the fund performed?

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

### YEAR-BY-YEAR RETURNS

This chart shows how Class F units of the fund have performed in the past year. The fund did not drop in value in the past year. 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 F units of the fund in a 3-month period over the past year. 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>	36.4%	January 31, 2021	Your investment would rise to \$1,364.
<b>Worst return</b>	-17.7%	June 30, 2022	Your investment would drop to \$823.

### AVERAGE RETURN

The annual compounded return of Class F units of the fund was 43.2% since inception. If you had invested \$1,000 in the fund since inception, your investment would be now worth \$2,030.

### Who is this fund for?

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

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. Upon conversion to an alternative mutual fund, the fund will pay to the Manager a performance fee in relation to Class F units that is equal to 15% of the amount by which the total return of the Class F units exceeds a 6% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class F units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class F were 1.17% of the value of this class. This equals \$11.70 for every \$1,000 invested.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	1.17%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	1.17%

#### More about the trailing commission

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

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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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This document contains key information you should know about Pender Alternative Special Situations 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.**

The fund has amended its investment objectives and strategies. For further information, please see the preliminary and pro forma simplified prospectus dated July 26, 2022.

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: Increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

## Quick facts

<b>Fund code:</b>	PGF1530	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	June 25, 2021	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$2.3 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	Management and administration fee is paid directly by you	<b>Minimum investment:</b>	Negotiable

## What does the fund invest in?

The fund invests primarily in Canadian and US equities 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. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Burford Capital Limited	9.1%
2. Saturn Oil & Gas Inc.	7.5%
3. Anterix Inc.	7.2%
4. Spartan Delta Corp.	6.8%
5. Altius Renewable Royalties Corp.	5.4%
6. Partners Value Investments LP	3.6%
7. Athabasca Oil Corporation	3.4%
8. MEG Energy Corp.	3.4%
9. Thinkific Labs Inc.	3.0%
10. Bluerock Residential Growth REIT, Inc.	2.8%
<b>Total percentage of top 10 investments</b>	<b>52.2%</b>
<b>Total number of investments</b>	<b>35</b>

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

Energy	29.3%
Communication Services	13.4%
Diversified Financials	12.8%
Consumer Discretionary	7.2%
Information Technology	6.6%
Cash	5.9%
Utilities	5.4%
Industrials	5.3%
Health Care	4.4%
Real Estate	4.2%
Materials	3.0%
Banks	2.5%

### 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 O of the fund as 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	<b>Medium</b>	Medium to High	High
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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 O units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

## YEAR-BY-YEAR RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## BEST and WORST 3-MONTH RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## AVERAGE RETURN

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## Who is this fund for?

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

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund's management fees and administration fees are negotiated between you and Pender and will not exceed 2.45%, exclusive of taxes. Upon conversion to an alternative mutual fund, a performance fee is or will be charged directly to Unitholders, as applicable. Unitholders, as applicable, will pay to the Manager a performance fee in relation to Class O units that is equal to 15% of the amount by which the total return of the Class O units exceeds a 6% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class O units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class O were 1.17% of the value of this class. This equals \$11.70 for every \$1,000 invested.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b> This is the total of the fund's management fee (including, if applicable, the trailing commission) and administration fee.	All fees and expenses are paid directly by you, see "Management fees and administration fees" below.
<b>Trading expense ratio (TER)</b> These are the fund's trading costs for this class.	1.17%
<b>Fund expenses</b>	1.17%

#### More about the trailing commission

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

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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>Management fees and administration fees</b>	The fund's management fees and administration fees are negotiated between you and Pender and will not exceed 2.45%, exclusive of taxes.

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

The fund has amended its investment objectives and strategies. For further information, please see the preliminary and pro forma simplified prospectus dated July 26, 2022.

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: Increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

## Quick facts

<b>Fund code:</b>	PGF1540	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	June 25, 2021	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$2.3 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$100,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in Canadian and US equities 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. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Burford Capital Limited	9.1%
2. Saturn Oil & Gas Inc.	7.5%
3. Anterix Inc.	7.2%
4. Spartan Delta Corp.	6.8%
5. Altius Renewable Royalties Corp.	5.4%
6. Partners Value Investments LP	3.6%
7. Athabasca Oil Corporation	3.4%
8. MEG Energy Corp.	3.4%
9. Thinkific Labs Inc.	3.0%
10. Bluerock Residential Growth REIT, Inc.	2.8%
<b>Total percentage of top 10 investments</b>	<b>52.2%</b>
<b>Total number of investments</b>	<b>35</b>

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

Energy	29.3%
Communication Services	13.4%
Diversified Financials	12.8%
Consumer Discretionary	7.2%
Information Technology	6.6%
Cash	5.9%
Utilities	5.4%
Industrials	5.3%
Health Care	4.4%
Real Estate	4.2%
Materials	3.0%
Banks	2.5%

### 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 H of the fund as 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	<b>Medium</b>	Medium to High	High
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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 H units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

## YEAR-BY-YEAR RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## BEST and WORST 3-MONTH RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## AVERAGE RETURN

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## Who is this fund for?

This fund is suitable for investors who want long-term capital growth potential. Investors in this fund should have a long-term investment time horizon and a medium tolerance for investment risk. This fund is not suitable for those with a low 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 H 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

Your representative is able to charge you up to 5.00% of the amount you buy (up to \$50 on every \$1,000 you buy). You and your representative decide on the rate. This amount is then deducted from the amount you buy and it goes to your representative's firm as a commission.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. Upon conversion to an alternative mutual fund, the fund will pay to the Manager a performance fee in relation to Class H units that is equal to 15% of the amount by which the total return of the Class H units exceeds a 6% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class H units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class H were 1.17% of the value of this class. This equals \$11.70 for every \$1,000 invested.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	1.17%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	1.17%

#### More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and your representative's firm provide to you. Pender pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The trailing commission is equal to 0.85% of the value of your investment each year. This equals \$8.50 each year for every \$1,000 invested.

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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.

### What if I change my mind?

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

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## Quick facts

<b>Fund code:</b>	PGF1550	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	June 25, 2021	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$2.3 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$100,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in Canadian and US equities 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. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Burford Capital Limited	9.1%
2. Saturn Oil & Gas Inc.	7.5%
3. Anterix Inc.	7.2%
4. Spartan Delta Corp.	6.8%
5. Altius Renewable Royalties Corp.	5.4%
6. Partners Value Investments LP	3.6%
7. Athabasca Oil Corporation	3.4%
8. MEG Energy Corp.	3.4%
9. Thinkific Labs Inc.	3.0%
10. Bluerock Residential Growth REIT, Inc.	2.8%
<b>Total percentage of top 10 investments</b>	<b>52.2%</b>
<b>Total number of investments</b>	<b>35</b>

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

Energy	29.3%
Communication Services	13.4%
Diversified Financials	12.8%
Consumer Discretionary	7.2%
Information Technology	6.6%
Cash	5.9%
Utilities	5.4%
Industrials	5.3%
Health Care	4.4%
Real Estate	4.2%
Materials	3.0%
Banks	2.5%

### 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 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	<b>Medium</b>	Medium to High	High
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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 since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

## YEAR-BY-YEAR RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## BEST and WORST 3-MONTH RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## AVERAGE RETURN

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## Who is this fund for?

This fund is suitable for investors who want long-term capital growth potential. Investors in this fund should have a long-term investment time horizon and a medium tolerance for investment risk. This fund is not suitable for those with a low 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. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. Upon conversion to an alternative mutual fund, the fund will pay to the Manager a performance fee in relation to Class I units that is equal to 15% of the amount by which the total return of the Class I units exceeds a 6% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class I units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class I were 1.17% of the value of this class. This equals \$11.70 for every \$1,000 invested.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	1.17%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	1.17%

#### 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.

<b>Fee</b>	<b>What you pay</b>
<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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[www.penderfund.com](http://www.penderfund.com)

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).

This document contains key information you should know about Pender Alternative Special Situations 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.**

The fund has amended its investment objectives and strategies. For further information, please see the preliminary and pro forma simplified prospectus dated July 26, 2022.

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: Increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

## Quick facts

<b>Fund code:</b>	PGF1570	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	June 25, 2021	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$2.3 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$5,000,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in Canadian and US equities 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. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Burford Capital Limited	9.1%
2. Saturn Oil & Gas Inc.	7.5%
3. Anterix Inc.	7.2%
4. Spartan Delta Corp.	6.8%
5. Altius Renewable Royalties Corp.	5.4%
6. Partners Value Investments LP	3.6%
7. Athabasca Oil Corporation	3.4%
8. MEG Energy Corp.	3.4%
9. Thinkific Labs Inc.	3.0%
10. Bluerock Residential Growth REIT, Inc.	2.8%
<b>Total percentage of top 10 investments</b>	<b>52.2%</b>
<b>Total number of investments</b>	<b>35</b>

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

Energy	29.3%
Communication Services	13.4%
Diversified Financials	12.8%
Consumer Discretionary	7.2%
Information Technology	6.6%
Cash	5.9%
Utilities	5.4%
Industrials	5.3%
Health Care	4.4%
Real Estate	4.2%
Materials	3.0%
Banks	2.5%

### 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 N of the fund as 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	<b>Medium</b>	Medium to High	High
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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 N units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

## YEAR-BY-YEAR RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## BEST and WORST 3-MONTH RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## AVERAGE RETURN

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## Who is this fund for?

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

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. Upon conversion to an alternative mutual fund, the fund will pay to the Manager a performance fee in relation to Class N units that is equal to 15% of the amount by which the total return of the Class N units exceeds a 6% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class N units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class N were 1.17% of the value of this class. This equals \$11.70 for every \$1,000 invested.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	1.17%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	1.17%

#### More about the trailing commission

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

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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.

## 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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This document contains key information you should know about Pender Alternative Absolute Return 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.**

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

**Quick facts**

<b>Fund code:</b>	PGF2000	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Justin Jacobsen, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$125.7 million	<b>Distributions:</b>	Net income monthly; net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$5,000 initial, \$100 additional

**What does the fund invest in?**

The fund invests primarily in a portfolio of North American fixed income securities but may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

**Top 10 investments - (June 30, 2022)**

1. U.S. Treasury Note, 2.875%, 15-May-32	-8.1%
2. iShares iBoxx \$ High Yield Corporate Bond ETF	-6.0%
3. SPDR Bloomberg Barclays High Yield Bond ETF	-5.6%
4. U.S. Treasury Note, 1.375%, 15-Nov-31	-5.3%
5. U.S. Treasury Note, 0.000%, 22-Dec-22	5.1%
6. Videotron Ltd., 5.750%, 15-Jan-26	5.1%
7. Apple Inc., 0.750%, 11-May-23	5.0%
8. Vermilion Energy Inc., 6.875%, 01-May-30	4.6%
9. iShares Russell 2000 ETF	-4.5%
10. Cedar Fair, L.P., 6.500%, 01-Oct-28	4.4%
<b>Total percentage of top 10 investments</b>	<b>-5.3%</b>
<b>Total number of investments</b>	<b>62</b>

**Investment mix - (June 30, 2022)**

US corporate bonds and loans	76.2%
Cash	32.1%
Canadian corporate bonds and loans	26.4%
Exchange-traded funds	-20.4%
Government bonds	-13.4%
US equities	-1.1%
Canadian equities	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 A of the fund as low.**

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
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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 A units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

**YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**BEST and WORST 3-MONTH RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**AVERAGE RETURN**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**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 low 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 A 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

Your representative is able to charge you up to 5.00% of the amount you buy (up to \$50 on every \$1,000 you buy). You and your representative decide on the rate. This amount is then deducted from the amount you buy and it goes to your representative's firm as a commission.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund will pay to the Manager a performance fee in relation to Class A units that is equal to 15% of the amount by which the total return of the Class A units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class A units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class A were 0.16% of the value of this class. This equals \$1.60 for every \$1,000 invested. Class A had no performance fee as at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	0.16%

#### More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and your representative's firm provide to you. Pender pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The trailing commission is equal to 1.00% of the value of your investment each year. This equals \$10.00 each year for every \$1,000 invested.

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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.

### What if I change my mind?

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

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

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

## Quick facts

<b>Fund code:</b>	PGF2002	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Justin Jacobsen, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$125.7 million	<b>Distributions:</b>	Net income monthly; net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$5,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in a portfolio of North American fixed income securities but may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. U.S. Treasury Note, 2.875%, 15-May-32	-8.1%
2. iShares iBoxx \$ High Yield Corporate Bond ETF	-6.0%
3. SPDR Bloomberg Barclays High Yield Bond ETF	-5.6%
4. U.S. Treasury Note, 1.375%, 15-Nov-31	-5.3%
5. U.S. Treasury Note, 0.000%, 22-Dec-22	5.1%
6. Videotron Ltd., 5.750%, 15-Jan-26	5.1%
7. Apple Inc., 0.750%, 11-May-23	5.0%
8. Vermilion Energy Inc., 6.875%, 01-May-30	4.6%
9. iShares Russell 2000 ETF	-4.5%
10. Cedar Fair, L.P., 6.500%, 01-Oct-28	4.4%
<b>Total percentage of top 10 investments</b>	<b>-5.3%</b>
<b>Total number of investments</b>	<b>62</b>

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

US corporate bonds and loans	76.2%
Cash	32.1%
Canadian corporate bonds and loans	26.4%
Exchange-traded funds	-20.4%
Government bonds	-13.4%
US equities	-1.1%
Canadian equities	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 AF of the fund as low.**

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 AF units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

**YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**BEST and WORST 3-MONTH RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**AVERAGE RETURN**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**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 low 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 AF 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

Your representative is able to charge you up to 5.00% of the amount you buy (up to \$50 on every \$1,000 you buy). You and your representative decide on the rate. This amount is then deducted from the amount you buy and it goes to your representative's firm as a commission.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund will pay to the Manager a performance fee in relation to Class AF units that is equal to 15% of the amount by which the total return of the Class AF units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class AF units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class AF were 0.16% of the value of this class. This equals \$1.60 for every \$1,000 invested. Class AF had no performance fee as at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	0.16%

#### More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and your representative's firm provide to you. Pender pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The trailing commission is equal to 1.00% of the value of your investment each year. This equals \$10.00 each year for every \$1,000 invested.

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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.

### 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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This document contains key information you should know about Pender Alternative Absolute Return 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.**

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

## Quick facts

<b>Fund code:</b>	PGF2010	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Justin Jacobsen, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$125.7 million	<b>Distributions:</b>	Net income monthly; net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$5,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in a portfolio of North American fixed income securities but may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. U.S. Treasury Note, 2.875%, 15-May-32	-8.1%
2. iShares iBoxx \$ High Yield Corporate Bond ETF	-6.0%
3. SPDR Bloomberg Barclays High Yield Bond ETF	-5.6%
4. U.S. Treasury Note, 1.375%, 15-Nov-31	-5.3%
5. U.S. Treasury Note, 0.000%, 22-Dec-22	5.1%
6. Videotron Ltd., 5.750%, 15-Jan-26	5.1%
7. Apple Inc., 0.750%, 11-May-23	5.0%
8. Vermilion Energy Inc., 6.875%, 01-May-30	4.6%
9. iShares Russell 2000 ETF	-4.5%
10. Cedar Fair, L.P., 6.500%, 01-Oct-28	4.4%
<b>Total percentage of top 10 investments</b>	<b>-5.3%</b>
<b>Total number of investments</b>	<b>62</b>

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

US corporate bonds and loans	76.2%
Cash	32.1%
Canadian corporate bonds and loans	26.4%
Exchange-traded funds	-20.4%
Government bonds	-13.4%
US equities	-1.1%
Canadian equities	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 F of the fund as low.**

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
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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 F units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

## YEAR-BY-YEAR RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## BEST and WORST 3-MONTH RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## AVERAGE RETURN

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

## 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 low 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 F 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 F units of the fund.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund will pay to the Manager a performance fee in relation to Class F units that is equal to 15% of the amount by which the total return of the Class F units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class F units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class F were 0.16% of the value of this class. This equals \$1.60 for every \$1,000 invested. Class F had no performance fee as at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	0.16%

#### More about the trailing commission

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

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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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This document contains key information you should know about Pender Alternative Absolute Return 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.

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## Quick facts

<b>Fund code:</b>	PGF2012	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Justin Jacobsen, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$125.7 million	<b>Distributions:</b>	Net income monthly; net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$5,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in a portfolio of North American fixed income securities but may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. U.S. Treasury Note, 2.875%, 15-May-32	-8.1%
2. iShares iBoxx \$ High Yield Corporate Bond ETF	-6.0%
3. SPDR Bloomberg Barclays High Yield Bond ETF	-5.6%
4. U.S. Treasury Note, 1.375%, 15-Nov-31	-5.3%
5. U.S. Treasury Note, 0.000%, 22-Dec-22	5.1%
6. Videotron Ltd., 5.750%, 15-Jan-26	5.1%
7. Apple Inc., 0.750%, 11-May-23	5.0%
8. Vermilion Energy Inc., 6.875%, 01-May-30	4.6%
9. iShares Russell 2000 ETF	-4.5%
10. Cedar Fair, L.P., 6.500%, 01-Oct-28	4.4%
<b>Total percentage of top 10 investments</b>	<b>-5.3%</b>
<b>Total number of investments</b>	<b>62</b>

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

US corporate bonds and loans	76.2%
Cash	32.1%
Canadian corporate bonds and loans	26.4%
Exchange-traded funds	-20.4%
Government bonds	-13.4%
US equities	-1.1%
Canadian equities	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 FF of the fund as low.**

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
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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 FF units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

### **YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

### **BEST and WORST 3-MONTH RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

### **AVERAGE RETURN**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

### **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 low 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 FF 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 FF units of the fund.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund will pay to the Manager a performance fee in relation to Class FF units that is equal to 15% of the amount by which the total return of the Class FF units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class FF units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class FF were 0.16% of the value of this class. This equals \$1.60 for every \$1,000 invested. Class FF had no performance fee as at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	0.16%

#### More about the trailing commission

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

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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?

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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

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## Quick facts

<b>Fund code:</b>	PGF2030	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Justin Jacobsen, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$125.7 million	<b>Distributions:</b>	Net income monthly; net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	Management and administration fee is paid directly by you	<b>Minimum investment:</b>	Negotiable

## What does the fund invest in?

The fund invests primarily in a portfolio of North American fixed income securities but may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. U.S. Treasury Note, 2.875%, 15-May-32	-8.1%
2. iShares iBoxx \$ High Yield Corporate Bond ETF	-6.0%
3. SPDR Bloomberg Barclays High Yield Bond ETF	-5.6%
4. U.S. Treasury Note, 1.375%, 15-Nov-31	-5.3%
5. U.S. Treasury Note, 0.000%, 22-Dec-22	5.1%
6. Videotron Ltd., 5.750%, 15-Jan-26	5.1%
7. Apple Inc., 0.750%, 11-May-23	5.0%
8. Vermilion Energy Inc., 6.875%, 01-May-30	4.6%
9. iShares Russell 2000 ETF	-4.5%
10. Cedar Fair, L.P., 6.500%, 01-Oct-28	4.4%
<b>Total percentage of top 10 investments</b>	<b>-5.3%</b>
<b>Total number of investments</b>	<b>62</b>

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

US corporate bonds and loans	76.2%
Cash	32.1%
Canadian corporate bonds and loans	26.4%
Exchange-traded funds	-20.4%
Government bonds	-13.4%
US equities	-1.1%
Canadian equities	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 O of the fund as low.**

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
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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 O units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

### YEAR-BY-YEAR RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

### BEST and WORST 3-MONTH RETURNS

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

### AVERAGE RETURN

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

### 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 low 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 O 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 O units of the fund.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund's management fees and administration fees are negotiated between you and Pender and will not exceed 2.30%, exclusive of taxes. A performance fee is or will be charged directly to Unitholders, as applicable. Unitholders, as applicable, will pay to the Manager a performance fee in relation to Class O units that is equal to 15% of the amount by which the total return of the Class O units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class O units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class O were 0.16% of the value of this class. This equals \$1.60 for every \$1,000 invested. Class O had no performance fee as at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b> This is the total of the fund's management fee (including, if applicable, the trailing commission) and administration fee.	All fees and expenses are paid directly by you, see "Management fees and administration fees" below.
<b>Trading expense ratio (TER)</b> These are the fund's trading costs for this class.	0.16%
<b>Fund expenses</b>	0.16%

#### More about the trailing commission

No trailing commission is paid by Pender to your representative's firm in respect of Class O 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>Management fees and administration fees</b>	The fund's management fees and administration fees are negotiated between you and Pender and will not exceed 2.30%, exclusive of taxes.

### 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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[www.penderfund.com](http://www.penderfund.com)

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This document contains key information you should know about Pender Alternative Absolute Return 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.**

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

## Quick facts

<b>Fund code:</b>	PGF2040	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Justin Jacobsen, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$125.7 million	<b>Distributions:</b>	Net income monthly; net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$100,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in a portfolio of North American fixed income securities but may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. U.S. Treasury Note, 2.875%, 15-May-32	-8.1%
2. iShares iBoxx \$ High Yield Corporate Bond ETF	-6.0%
3. SPDR Bloomberg Barclays High Yield Bond ETF	-5.6%
4. U.S. Treasury Note, 1.375%, 15-Nov-31	-5.3%
5. U.S. Treasury Note, 0.000%, 22-Dec-22	5.1%
6. Videotron Ltd., 5.750%, 15-Jan-26	5.1%
7. Apple Inc., 0.750%, 11-May-23	5.0%
8. Vermilion Energy Inc., 6.875%, 01-May-30	4.6%
9. iShares Russell 2000 ETF	-4.5%
10. Cedar Fair, L.P., 6.500%, 01-Oct-28	4.4%
<b>Total percentage of top 10 investments</b>	<b>-5.3%</b>
<b>Total number of investments</b>	<b>62</b>

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

US corporate bonds and loans	76.2%
Cash	32.1%
Canadian corporate bonds and loans	26.4%
Exchange-traded funds	-20.4%
Government bonds	-13.4%
US equities	-1.1%
Canadian equities	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 H of the fund as low.**

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
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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 H units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

**YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**BEST and WORST 3-MONTH RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**AVERAGE RETURN**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**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 low 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 H 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

Your representative is able to charge you up to 5.00% of the amount you buy (up to \$50 on every \$1,000 you buy). You and your representative decide on the rate. This amount is then deducted from the amount you buy and it goes to your representative's firm as a commission.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund will pay to the Manager a performance fee in relation to Class H units that is equal to 15% of the amount by which the total return of the Class H units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class H units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class H were 0.16% of the value of this class. This equals \$1.60 for every \$1,000 invested. Class H had no performance fee as at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	0.16%

#### More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and your representative's firm provide to you. Pender pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The trailing commission is equal to 0.85% of the value of your investment each year. This equals \$8.50 each year for every \$1,000 invested.

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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.

### 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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This document contains key information you should know about Pender Alternative Absolute Return 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.**

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

## Quick facts

<b>Fund code:</b>	PGF2050	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Justin Jacobsen, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$125.7 million	<b>Distributions:</b>	Net income monthly; net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$100,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in a portfolio of North American fixed income securities but may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. U.S. Treasury Note, 2.875%, 15-May-32	-8.1%
2. iShares iBoxx \$ High Yield Corporate Bond ETF	-6.0%
3. SPDR Bloomberg Barclays High Yield Bond ETF	-5.6%
4. U.S. Treasury Note, 1.375%, 15-Nov-31	-5.3%
5. U.S. Treasury Note, 0.000%, 22-Dec-22	5.1%
6. Videotron Ltd., 5.750%, 15-Jan-26	5.1%
7. Apple Inc., 0.750%, 11-May-23	5.0%
8. Vermilion Energy Inc., 6.875%, 01-May-30	4.6%
9. iShares Russell 2000 ETF	-4.5%
10. Cedar Fair, L.P., 6.500%, 01-Oct-28	4.4%
<b>Total percentage of top 10 investments</b>	<b>-5.3%</b>
<b>Total number of investments</b>	<b>62</b>

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

US corporate bonds and loans	76.2%
Cash	32.1%
Canadian corporate bonds and loans	26.4%
Exchange-traded funds	-20.4%
Government bonds	-13.4%
US equities	-1.1%
Canadian equities	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 I of the fund as low.**

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
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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 since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

**YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**BEST and WORST 3-MONTH RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**AVERAGE RETURN**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**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 low 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 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. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund will pay to the Manager a performance fee in relation to Class I units that is equal to 15% of the amount by which the total return of the Class I units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class I units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class I were 0.16% of the value of this class. This equals \$1.60 for every \$1,000 invested. Class I had no performance fee as at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	0.16%

#### 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.

<b>Fee</b>	<b>What you pay</b>
<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

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## Quick facts

<b>Fund code:</b>	PGF2070	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Justin Jacobsen, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$125.7 million	<b>Distributions:</b>	Net income monthly; net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$5,000,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in a portfolio of North American fixed income securities but may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. U.S. Treasury Note, 2.875%, 15-May-32	-8.1%
2. iShares iBoxx \$ High Yield Corporate Bond ETF	-6.0%
3. SPDR Bloomberg Barclays High Yield Bond ETF	-5.6%
4. U.S. Treasury Note, 1.375%, 15-Nov-31	-5.3%
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6. Videotron Ltd., 5.750%, 15-Jan-26	5.1%
7. Apple Inc., 0.750%, 11-May-23	5.0%
8. Vermilion Energy Inc., 6.875%, 01-May-30	4.6%
9. iShares Russell 2000 ETF	-4.5%
10. Cedar Fair, L.P., 6.500%, 01-Oct-28	4.4%
<b>Total percentage of top 10 investments</b>	<b>-5.3%</b>
<b>Total number of investments</b>	<b>62</b>

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

US corporate bonds and loans	76.2%
Cash	32.1%
Canadian corporate bonds and loans	26.4%
Exchange-traded funds	-20.4%
Government bonds	-13.4%
US equities	-1.1%
Canadian equities	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 N of the fund as low.**

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
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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 N units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

**YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**BEST and WORST 3-MONTH RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**AVERAGE RETURN**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**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 low 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 N 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 N units of the fund.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund will pay to the Manager a performance fee in relation to Class N units that is equal to 15% of the amount by which the total return of the Class N units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years where no performance fee is paid, provided that the total return of the Class N units for such period exceeds the previous high-water mark, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class N were 0.16% of the value of this class. This equals \$1.60 for every \$1,000 invested. Class N had no performance fee as at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	0.16%

#### More about the trailing commission

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

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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.

## 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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This document contains key information you should know about Pender Alternative Arbitrage 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.**

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

## Quick facts

<b>Fund code:</b>	PGF2100	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$25.4 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$5,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in North American securities. The fund may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Intertape Polymer Group Inc.	3.0%
2. Points.com Inc.	3.0%
3. Pershing Square Tontine Holdings, Ltd.	2.9%
4. Bluerock Residential Growth REIT, Inc.	2.9%
5. Alleghany Corporation	2.6%
6. GTY Technology Holdings Inc.	2.5%
7. Hemisphere Media Group, Inc.	2.5%
8. Citrix Systems, Inc.	2.5%
9. Nielsen Holdings plc	2.4%
10. NeoPhotonics Corporation	2.4%
<b>Total percentage of top 10 investments</b>	<b>26.7%</b>
<b>Total number of investments</b>	<b>117</b>

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

Diversified Financials	23.3%
Information Technology	20.7%
Cash	10.9%
Consumer Discretionary	6.8%
Real Estate	6.2%
Industrials	6.1%
Health Care	5.7%
Energy	5.4%
Communication Services	5.4%
Insurance	3.6%
Materials	3.0%
Utilities	1.4%
Consumer Staples	0.9%
Banks	0.6%

### 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 A of the fund as low.**

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
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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 A units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

**YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**BEST and WORST 3-MONTH RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**AVERAGE RETURN**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**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 low 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 A 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

Your representative is able to charge you up to 5.00% of the amount you buy (up to \$50 on every \$1,000 you buy). You and your representative decide on the rate. This amount is then deducted from the amount you buy and it goes to your representative's firm as a commission.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund will pay to the Manager a performance fee in relation to Class A units that is equal to 15% of the amount by which the total return of the Class A units exceeds its high-water mark for the period since the performance fee was last paid, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class A were 0.69% of the value of this class. This equals \$6.90 for every \$1,000 invested. Class A performance fee was waived at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	0.69%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	0.69%

#### More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and your representative's firm provide to you. Pender pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The trailing commission is equal to 1.00% of the value of your investment each year. This equals \$10.00 each year for every \$1,000 invested.

### 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.

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

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## Quick facts

<b>Fund code:</b>	PGF2102	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$25.4 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$5,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in North American securities. The fund may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Intertape Polymer Group Inc.	3.0%
2. Points.com Inc.	3.0%
3. Pershing Square Tontine Holdings, Ltd.	2.9%
4. Blueroock Residential Growth REIT, Inc.	2.9%
5. Alleghany Corporation	2.6%
6. GTY Technology Holdings Inc.	2.5%
7. Hemisphere Media Group, Inc.	2.5%
8. Citrix Systems, Inc.	2.5%
9. Nielsen Holdings plc	2.4%
10. NeoPhotonics Corporation	2.4%
<b>Total percentage of top 10 investments</b>	<b>26.7%</b>
<b>Total number of investments</b>	<b>117</b>

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

Diversified Financials	23.3%
Information Technology	20.7%
Cash	10.9%
Consumer Discretionary	6.8%
Real Estate	6.2%
Industrials	6.1%
Health Care	5.7%
Energy	5.4%
Communication Services	5.4%
Insurance	3.6%
Materials	3.0%
Utilities	1.4%
Consumer Staples	0.9%
Banks	0.6%

### 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 AF of the fund as low.**

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
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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 AF units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

**YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**BEST and WORST 3-MONTH RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**AVERAGE RETURN**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**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 low 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 AF 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

Your representative is able to charge you up to 5.00% of the amount you buy (up to \$50 on every \$1,000 you buy). You and your representative decide on the rate. This amount is then deducted from the amount you buy and it goes to your representative's firm as a commission.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund will pay to the Manager a performance fee in relation to Class AF units that is equal to 15% of the amount by which the total return of the Class AF units exceeds its high-water mark for the period since the performance fee was last paid, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class AF were 0.69% of the value of this class. This equals \$6.90 for every \$1,000 invested. Class AF performance fee was waived at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	0.69%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	0.69%

#### More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and your representative's firm provide to you. Pender pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The trailing commission is equal to 1.00% of the value of your investment each year. This equals \$10.00 each year for every \$1,000 invested.

### 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.

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

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## Quick facts

<b>Fund code:</b>	PGF2110	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$25.4 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$5,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in North American securities. The fund may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Intertape Polymer Group Inc.	3.0%
2. Points.com Inc.	3.0%
3. Pershing Square Tontine Holdings, Ltd.	2.9%
4. Bluerock Residential Growth REIT, Inc.	2.9%
5. Alleghany Corporation	2.6%
6. GTY Technology Holdings Inc.	2.5%
7. Hemisphere Media Group, Inc.	2.5%
8. Citrix Systems, Inc.	2.5%
9. Nielsen Holdings plc	2.4%
10. NeoPhotonics Corporation	2.4%
<b>Total percentage of top 10 investments</b>	<b>26.7%</b>
<b>Total number of investments</b>	<b>117</b>

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

Diversified Financials	23.3%
Information Technology	20.7%
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Consumer Discretionary	6.8%
Real Estate	6.2%
Industrials	6.1%
Health Care	5.7%
Energy	5.4%
Communication Services	5.4%
Insurance	3.6%
Materials	3.0%
Utilities	1.4%
Consumer Staples	0.9%
Banks	0.6%

### 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 F of the fund as low.**

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
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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 F units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

**YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**BEST and WORST 3-MONTH RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**AVERAGE RETURN**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**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 low 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 F 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 F units of the fund.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund will pay to the Manager a performance fee in relation to Class F units that is equal to 15% of the amount by which the total return of the Class F units exceeds its high-water mark for the period since the performance fee was last paid, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class F were 0.69% of the value of this class. This equals \$6.90 for every \$1,000 invested. Class F performance fee was waived at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	0.69%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	0.69%

#### More about the trailing commission

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

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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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Toll Free: 1-866-377-4743  
Fax: 604-563-3199  
Email: [info@penderfund.com](mailto:info@penderfund.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).



This document contains key information you should know about Pender Alternative Arbitrage 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.**

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

## Quick facts

<b>Fund code:</b>	PGF2112	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$25.4 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$5,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in North American securities. The fund may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Intertape Polymer Group Inc.	3.0%
2. Points.com Inc.	3.0%
3. Pershing Square Tontine Holdings, Ltd.	2.9%
4. Bluerock Residential Growth REIT, Inc.	2.9%
5. Alleghany Corporation	2.6%
6. GTY Technology Holdings Inc.	2.5%
7. Hemisphere Media Group, Inc.	2.5%
8. Citrix Systems, Inc.	2.5%
9. Nielsen Holdings plc	2.4%
10. NeoPhotonics Corporation	2.4%
<b>Total percentage of top 10 investments</b>	<b>26.7%</b>
<b>Total number of investments</b>	<b>117</b>

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

Diversified Financials	23.3%
Information Technology	20.7%
Cash	10.9%
Consumer Discretionary	6.8%
Real Estate	6.2%
Industrials	6.1%
Health Care	5.7%
Energy	5.4%
Communication Services	5.4%
Insurance	3.6%
Materials	3.0%
Utilities	1.4%
Consumer Staples	0.9%
Banks	0.6%

### 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 FF of the fund as low.**

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
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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 FF units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

### **YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

### **BEST and WORST 3-MONTH RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

### **AVERAGE RETURN**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

### **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 low 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 FF 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 FF units of the fund.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund will pay to the Manager a performance fee in relation to Class FF units that is equal to 15% of the amount by which the total return of the Class FF units exceeds its high-water mark for the period since the performance fee was last paid, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class FF were 0.69% of the value of this class. This equals \$6.90 for every \$1,000 invested. Class FF performance fee was waived at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	0.69%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	0.69%

#### More about the trailing commission

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

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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
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## Quick facts

<b>Fund code:</b>	PGF2130	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$25.4 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	Management and administration fee is paid directly by you	<b>Minimum investment:</b>	Negotiable

## What does the fund invest in?

The fund invests primarily in North American securities. The fund may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Intertape Polymer Group Inc.	3.0%
2. Points.com Inc.	3.0%
3. Pershing Square Tontine Holdings, Ltd.	2.9%
4. Bluerock Residential Growth REIT, Inc.	2.9%
5. Alleghany Corporation	2.6%
6. GTY Technology Holdings Inc.	2.5%
7. Hemisphere Media Group, Inc.	2.5%
8. Citrix Systems, Inc.	2.5%
9. Nielsen Holdings plc	2.4%
10. NeoPhotonics Corporation	2.4%
<b>Total percentage of top 10 investments</b>	<b>26.7%</b>
<b>Total number of investments</b>	<b>117</b>

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

Diversified Financials	23.3%
Information Technology	20.7%
Cash	10.9%
Consumer Discretionary	6.8%
Real Estate	6.2%
Industrials	6.1%
Health Care	5.7%
Energy	5.4%
Communication Services	5.4%
Insurance	3.6%
Materials	3.0%
Utilities	1.4%
Consumer Staples	0.9%
Banks	0.6%

### 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 O of the fund as low.**

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
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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 O units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

**YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**BEST and WORST 3-MONTH RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**AVERAGE RETURN**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**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 low 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 O 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 O units of the fund.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund's management fees and administration fees are negotiated between you and Pender and will not exceed 2.30%, exclusive of taxes. A performance fee is or will be charged directly to Unitholders, as applicable. Unitholders, as applicable, will pay to the Manager a performance fee in relation to Class O units that is equal to 15% of the amount by which the total return of the Class O units exceeds its high-water mark for the period since the performance fee was last paid, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class O were 0.69% of the value of this class. This equals \$6.90 for every \$1,000 invested. Class O performance fee was waived at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b> This is the total of the fund's management fee (including, if applicable, the trailing commission) and administration fee.	All fees and expenses are paid directly by you, see "Management fees and administration fees" below.
<b>Trading expense ratio (TER)</b> These are the fund's trading costs for this class.	0.69%
<b>Fund expenses</b>	0.69%

#### More about the trailing commission

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

### 3. OTHER FEES

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

<b>Fee</b>	<b>What you pay</b>
<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>Management fees and administration fees</b>	The fund's management fees and administration fees are negotiated between you and Pender and will not exceed 2.30%, exclusive of taxes.



### What if I change my mind?

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## Quick facts

<b>Fund code:</b>	PGF2140	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$25.4 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$100,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in North American securities. The fund may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Intertape Polymer Group Inc.	3.0%
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<b>Total percentage of top 10 investments</b>	<b>26.7%</b>
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### Investment mix - (June 30, 2022)

Diversified Financials	23.3%
Information Technology	20.7%
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Insurance	3.6%
Materials	3.0%
Utilities	1.4%
Consumer Staples	0.9%
Banks	0.6%

### 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 H of the fund as low.**

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
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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 H units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

**YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**BEST and WORST 3-MONTH RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**AVERAGE RETURN**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**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 low 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 H 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

Your representative is able to charge you up to 5.00% of the amount you buy (up to \$50 on every \$1,000 you buy). You and your representative decide on the rate. This amount is then deducted from the amount you buy and it goes to your representative's firm as a commission.

### 2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund will pay to the Manager a performance fee in relation to Class H units that is equal to 15% of the amount by which the total return of the Class H units exceeds its high-water mark for the period since the performance fee was last paid, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class H were 0.69% of the value of this class. This equals \$6.90 for every \$1,000 invested. Class H performance fee was waived at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	0.69%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	0.69%

#### More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and your representative's firm provide to you. Pender pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The trailing commission is equal to 0.85% of the value of your investment each year. This equals \$8.50 each year for every \$1,000 invested.

### 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.

## 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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[www.penderfund.com](http://www.penderfund.com)

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).

This document contains key information you should know about Pender Alternative Arbitrage 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.**

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

## Quick facts

<b>Fund code:</b>	PGF2150	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$25.4 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$100,000 initial, \$100 additional

## What does the fund invest in?

The fund invests primarily in North American securities. The fund may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

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

### Top 10 investments - (June 30, 2022)

1. Intertape Polymer Group Inc.	3.0%
2. Points.com Inc.	3.0%
3. Pershing Square Tontine Holdings, Ltd.	2.9%
4. Bluerock Residential Growth REIT, Inc.	2.9%
5. Alleghany Corporation	2.6%
6. GTY Technology Holdings Inc.	2.5%
7. Hemisphere Media Group, Inc.	2.5%
8. Citrix Systems, Inc.	2.5%
9. Nielsen Holdings plc	2.4%
10. NeoPhotonics Corporation	2.4%
<b>Total percentage of top 10 investments</b>	<b>26.7%</b>
<b>Total number of investments</b>	<b>117</b>

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

Diversified Financials	23.3%
Information Technology	20.7%
Cash	10.9%
Consumer Discretionary	6.8%
Real Estate	6.2%
Industrials	6.1%
Health Care	5.7%
Energy	5.4%
Communication Services	5.4%
Insurance	3.6%
Materials	3.0%
Utilities	1.4%
Consumer Staples	0.9%
Banks	0.6%

### 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 low.**

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
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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 since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

**YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**BEST and WORST 3-MONTH RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**AVERAGE RETURN**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

**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 low 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 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. Pender waived some of the fund's expenses. If it had not done so, the MER would have been higher. The fund will pay to the Manager a performance fee in relation to Class I units that is equal to 15% of the amount by which the total return of the Class I units exceeds its high-water mark for the period since the performance fee was last paid, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of December 31, 2021, the expenses of Class I were 0.69% of the value of this class. This equals \$6.90 for every \$1,000 invested. Class I performance fee was waived at December 31, 2021.

	<b>Annual rate (as a % of the class' value)</b>
<b>Management expense ratio (MER)</b>	0.00%
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>	0.69%
These are the fund's trading costs for this class.	
<b>Fund expenses</b>	0.69%

#### 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.

<b>Fee</b>	<b>What you pay</b>
<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?

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## Quick facts

<b>Fund code:</b>	PGF2170	<b>Fund manager:</b>	PenderFund Capital Management Ltd.
<b>Date class started:</b>	August 25, 2021	<b>Portfolio manager(s):</b>	Amar Pandya, CFA, PenderFund Capital Management Ltd.
<b>Total value of the fund on June 30, 2022:</b>	\$25.4 million	<b>Distributions:</b>	Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request.
<b>Management expense ratio (MER):</b>	0.00%	<b>Minimum investment:</b>	\$5,000,000 initial, \$100 additional

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### Risk rating

**Pender has rated the volatility of Class N of the fund as low.**

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<b>Low</b>	<b>Low to Medium</b>	<b>Medium</b>	<b>Medium to High</b>	<b>High</b>
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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

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**How has the fund performed?**

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**YEAR-BY-YEAR RETURNS**

Performance information for this class is not available because it has been in operation for less than one completed calendar year.

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#### More about the trailing commission

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