



Annual Financial Statements of
PENDER MUTUAL FUNDS
And Independent Auditors' Report thereon
Year ended December 31, 2022



MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Pender Mutual Funds (the "Funds") are the responsibility of management. They have been prepared in accordance with International Financial Reporting Standards.

PenderFund Capital Management Ltd. (the "Manager") has developed and maintains a system of internal controls to provide reasonable assurance that all assets are safeguarded and to produce relevant, reliable and timely financial information, including the accompanying financial statements.

The Board of Directors of the Manager is responsible for reviewing and approving the financial statements and for overseeing the Manager's performance of its financial reporting responsibilities. The Board of Directors has approved the accompanying financial statements of the Funds.

These financial statements have been audited by KPMG LLP, Chartered Professional Accountants, on behalf of the unitholders. The auditors' report outlines the scope of their audit and their opinion on the financial statements.

March 30, 2023

(signed) "David Barr"

David Barr
Chief Executive Officer
PenderFund Capital Management Ltd.

(signed) "Gina Jones"

Gina Jones
Chief Financial Officer
PenderFund Capital Management Ltd.



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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of the Pender Mutual Funds (collectively, the "Funds")

Pender Bond Universe Fund,
Pender Corporate Bond Fund
Pender Enhanced Income Fund
Pender Global Focused Fund
Pender Small Cap Opportunities Fund
Pender Small/Mid Cap Dividend Fund
Pender Strategic Growth and Income Fund
Pender Value Fund

Opinion

We have audited the financial statements of the Funds, which comprise:

- the statements of financial position as at December 31, 2022 and December 31, 2021
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2022 and December 31, 2021, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Funds in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.



We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in the Annual Management Report of Fund Performance for each of the Funds filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Annual Management Report on Fund Performance for each of the Funds filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds' ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a single horizontal line that starts under the 'K' and ends under the 'P', with a slight upward curve at the end.

Chartered Professional Accountants

Vancouver, Canada
March 30, 2023

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Pender Bond Universe Fund

Statements of Financial Position

December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Assets		
Cash	15,756,144	1,414,667
Receivable for investments sold	50,088	-
Subscriptions receivable	312,163	212,370
Interest receivable	429,870	421,596
Other receivable	6,113	2,870
Derivative assets	30,113	-
Investments	86,276,200	83,442,975
	102,860,691	85,494,478
Liabilities		
Management and administration fees payable (note 4)	45,941	49,482
Payable for investments purchased	10,637,298	300,000
Redemptions payable to holders of redeemable units	26,104	500
Accrued expenses	131	203
	10,709,474	350,185
Net assets attributable to holders of redeemable units	92,151,217	85,144,293
Net assets attributable to holders of redeemable units per class:		
Class A	3,398,434	3,793,867
Class A (USD)	6,726	-
Class D	-	5,424
Class E	334,259	312,952
Class F	86,293,682	79,955,190
Class F (USD)	184,669	-
Class N	-	5,437
Class O	1,933,447	1,071,423
	92,151,217	85,144,293
Net assets attributable to holders of redeemable units per unit:		
Class A	9.18	10.15
Class A (USD)	13.27	-
Class D	-	10.15
Class E	9.18	10.15
Class F	9.17	10.14
Class F (USD)	13.28	-
Class N	-	10.15
Class O	9.18	10.15

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Bond Universe Fund

Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Revenue		
Distributions from underlying funds	1,113,984	654,279
Interest for distribution purposes	1,821,735	826,652
Securities lending income (note 5)	525	80
Foreign exchange gain (loss)	12,250	-
Changes in fair value of investments:		
Net realized gain (loss)	(3,728,041)	1,177,847
Net change in unrealized appreciation (depreciation)	(4,298,404)	(1,697,686)
Total revenue	(5,077,951)	961,172
Expenses		
Administration fees (note 4)	409,542	223,615
Management fees (note 4)	89,252	92,161
Transaction costs	5,043	3,322
Independent review committee fees	2,420	1,718
Total expenses	506,257	320,816
Less: Expenses absorbed by the Manager (note 4)	(2,420)	(27,401)
Net expenses	503,837	293,415
Increase (decrease) in net assets attributable to holders of redeemable units	(5,581,788)	667,757
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	(256,762)	6,971
Class A (USD)	290	-
Class D	(287)	98
Class E	(19,597)	6,062
Class F	(5,233,126)	379,556
Class F (USD)	(233)	-
Class H	-	39,531
Class I	-	220,069
Class N	(322)	111
Class O	(71,751)	15,359
	(5,581,788)	667,757
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	(0.69)	0.03
Class A (USD)	0.58	-
Class D	(0.54)	0.20
Class E	(0.59)	0.21
Class F	(0.72)	0.12
Class F (USD)	(0.03)	-
Class H	-	0.16
Class I	-	0.29
Class N	(0.59)	0.22
Class O	(0.40)	0.28

Pender Bond Universe Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2022 and 2021

Class A	2022 (\$)	2021 (\$)
Balance, beginning of year	3,793,867	1,277,629
Increase (decrease) in net assets attributable to holders of redeemable units	(256,762)	6,971
Unit transactions:		
Proceeds from issue of redeemable units	559,191	3,153,830
Issued on reinvestment of distributions	67,116	67,436
Amounts paid on redemption of redeemable units	(664,562)	(612,437)
	(38,255)	2,608,829
Distributions paid from:		
Net investment income	(100,416)	(46,787)
Realized gains on sale of investments	-	(52,775)
Return of capital	-	-
	(100,416)	(99,562)
Balance, end of year	3,398,434	3,793,867

Class A (USD)	2022 (\$)	2021 (\$)
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	290	-
Unit transactions:		
Proceeds from issue of redeemable units	6,454	-
Issued on reinvestment of distributions	73	-
Amounts paid on redemption of redeemable units	-	-
	6,527	-
Distributions paid from:		
Net investment income	(91)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	(91)	-
Balance, end of period	6,726	-

Class D	2022 (\$)	2021 (\$)
Balance, beginning of year	5,424	5,326
Increase (decrease) in net assets attributable to holders of redeemable units	(287)	98
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	43	216
Amounts paid on redemption of redeemable units	(5,137)	-
	(5,094)	216
Distributions paid from:		
Net investment income	(43)	(139)
Realized gains on sale of investments	-	(77)
Return of capital	-	-
	(43)	(216)
Balance, end of year	-	5,424

Pender Bond Universe Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class E	2022 (\$)	2021 (\$)
Balance, beginning of year	312,952	279,613
Increase (decrease) in net assets attributable to holders of redeemable units	(19,597)	6,062
Unit transactions:		
Proceeds from issue of redeemable units	40,904	43,032
Issued on reinvestment of distributions	11,375	12,865
Amounts paid on redemption of redeemable units	-	(15,755)
	52,279	40,142
Distributions paid from:		
Net investment income	(11,375)	(8,421)
Realized gains on sale of investments	-	(4,444)
Return of capital	-	-
	(11,375)	(12,865)
Balance, end of year	334,259	312,952

Class F	2022 (\$)	2021 (\$)
Balance, beginning of year	79,955,190	3,557,953
Increase (decrease) in net assets attributable to holders of redeemable units	(5,233,126)	379,556
Unit transactions:		
Proceeds from issue of redeemable units	89,348,315	91,489,864
Issued on reinvestment of distributions	1,167,519	420,371
Amounts paid on redemption of redeemable units	(76,725,825)	(13,882,398)
	13,790,009	78,027,837
Distributions paid from:		
Net investment income	(2,218,391)	(884,987)
Realized gains on sale of investments	-	(1,125,169)
Return of capital	-	-
	(2,218,391)	(2,010,156)
Balance, end of year	86,293,682	79,955,190

Class F (USD)	2022 (\$)	2021 (\$)
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	(233)	-
Unit transactions:		
Proceeds from issue of redeemable units	191,667	-
Issued on reinvestment of distributions	1,435	-
Amounts paid on redemption of redeemable units	(6,722)	-
	186,380	-
Distributions paid from:		
Net investment income	(1,478)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	(1,478)	-
Balance, end of period	184,669	-

Pender Bond Universe Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

	2022	2021
	(\$)	(\$)
Class H		
Balance, beginning of year	-	3,756,763
Increase (decrease) in net assets attributable to holders of redeemable units	-	39,531
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	36,885
Amounts paid on redemption of redeemable units	-	(3,796,294)
	-	(3,759,409)
Distributions paid from:		
Net investment income	-	(36,885)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	(36,885)
Balance, end of year	-	-
Class I		
Balance, beginning of year	-	1,278,496
Increase (decrease) in net assets attributable to holders of redeemable units	-	220,069
Unit transactions:		
Proceeds from issue of redeemable units	-	15,648,917
Issued on reinvestment of distributions	-	152,122
Amounts paid on redemption of redeemable units	-	(17,143,104)
	-	(1,342,065)
Distributions paid from:		
Net investment income	-	(156,500)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	(156,500)
Balance, end of year	-	-
Class N		
Balance, beginning of year	5,437	5,326
Increase (decrease) in net assets attributable to holders of redeemable units	(322)	111
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	56	228
Amounts paid on redemption of redeemable units	(5,115)	-
	(5,059)	228
Distributions paid from:		
Net investment income	(56)	(151)
Realized gains on sale of investments	-	(77)
Return of capital	-	-
	(56)	(228)
Balance, end of year	-	5,437

Pender Bond Universe Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class O	2022 (\$)	2021 (\$)
Balance, beginning of year	1,071,423	869,266
Increase (decrease) in net assets attributable to holders of redeemable units	(71,751)	15,359
Unit transactions:		
Proceeds from issue of redeemable units	1,248,930	1,055,000
Issued on reinvestment of distributions	71,252	33,076
Amounts paid on redemption of redeemable units	(315,155)	(868,202)
	1,005,027	219,874
Distributions paid from:		
Net investment income	(71,252)	(17,854)
Realized gains on sale of investments	-	(15,222)
Return of capital	-	-
	(71,252)	(33,076)
Balance, end of year	1,933,447	1,071,423
Total Fund	2022 (\$)	2021 (\$)
Balance, beginning of year	85,144,293	11,030,372
Increase (decrease) in net assets attributable to holders of redeemable units	(5,581,788)	667,757
Unit transactions:		
Proceeds from issue of redeemable units	91,395,461	111,390,643
Issued on reinvestment of distributions	1,318,869	723,199
Amounts paid on redemption of redeemable units	(77,722,516)	(36,318,190)
	14,991,814	75,795,652
Distributions paid from:		
Net investment income	(2,403,102)	(1,151,724)
Realized gains on sale of investments	-	(1,197,764)
Return of capital	-	-
	(2,403,102)	(2,349,488)
Balance, end of year	92,151,217	85,144,293

Pender Bond Universe Fund

Statements of Cash Flows

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	(5,581,788)	667,757
Adjustments for:		
Distributions from underlying funds	(1,113,984)	(654,279)
Interest for distribution purposes	(1,821,735)	(826,652)
Foreign exchange (loss) gain	(12,250)	-
Net realized (gain) loss on sale of investments	3,481,336	(1,177,847)
Net change in unrealized (appreciation) depreciation of investments	4,328,517	1,697,686
Other receivable	(3,243)	(2,847)
Derivative assets and liabilities	(30,113)	-
Management and administration fees payable	(3,541)	49,482
Accrued expenses	(72)	203
	(756,873)	(246,497)
Proceeds on disposal of investments	58,834,555	11,591,457
Amounts paid on purchase of investments	(59,190,423)	(84,516,356)
Distributions received from underlying funds	1,113,984	654,279
Interest received	1,813,461	456,685
	1,814,704	(72,060,432)
Financing:		
Proceeds from issue of redeemable units	91,240,550	111,178,273
Amounts paid on redemption of redeemable units	(77,641,794)	(36,317,690)
Distributions paid to unitholders	(1,084,233)	(1,626,289)
	12,514,523	73,234,294
Net increase (decrease) in cash	14,329,227	1,173,862
Cash, beginning of year	1,414,667	240,805
Effect of exchange rate fluctuations on cash	12,250	-
Cash, end of year	15,756,144	1,414,667

Pender Bond Universe Fund

Schedule of Investment Portfolio

December 31, 2022

	Issue currency	Number of units / Face value (\$)	Cost (\$)	Fair value (\$)
Mutual funds:				
Pender Corporate Bond Fund, Class 'O'	CAD	2,203,075	24,111,989	22,465,421
Total mutual funds (24.4%)			24,111,989	22,465,421
Corporate bonds:				
Canada (39.5%):				
Bell Canada, Inc., Callable, 3.55%, 2026/03/02	CAD	1,000,000	960,570	960,499
Bell Canada, Inc., Callable, 7.00%, 2027/09/24	CAD	400,000	540,048	430,406
Bell Canada, Inc., Callable, 3.00%, 2031/03/17	CAD	2,600,000	2,519,410	2,239,669
Brookfield Renewable Partners L.P., Callable, 3.63%, 2027/01/15	CAD	1,600,000	1,720,074	1,515,835
Brookfield Renewable Partners L.P., Callable, 4.25%, 2029/01/15	CAD	3,100,000	3,172,388	2,982,719
Cameco Corporation, Callable, 2.95%, 2027/10/21	CAD	3,900,000	3,740,883	3,532,313
Canadian Pacific Railway Co., Callable, 3.15%, 2029/03/13	CAD	1,100,000	1,178,033	1,002,489
Choice Properties Real Estate Investment Trust, Callable, 2.85%, 2027/05/21	CAD	1,100,000	1,139,660	999,199
Choice Properties Real Estate Investment Trust, Series N, Callable, 2.98%, 2030/03/04	CAD	455,000	435,226	389,326
Fairfax Financial Holdings Limited, Callable, 4.70%, 2026/12/16	CAD	2,200,000	2,440,282	2,138,725
Fairfax Financial Holdings Limited, Callable, 4.23%, 2029/06/14	CAD	2,000,000	1,849,900	1,854,746
Fairfax Financial Holdings Limited, Callable, 3.95%, 2031/03/03	CAD	2,000,000	1,769,436	1,753,040
John Deere Financial Inc., 1.63%, 2026/04/09	CAD	2,000,000	1,903,960	1,807,345
Loblaw Companies Limited, Callable, 3.92%, 2024/06/10	CAD	2,500,000	2,581,750	2,461,426
Loblaw Companies Limited, Callable, 4.49%, 2028/12/11	CAD	3,000,000	2,974,480	2,956,653
Loblaw Companies Limited, Callable, 2.28%, 2030/05/07	CAD	1,000,000	837,700	837,643
Ontario Power Generation Inc., Callable, 2.89%, 2025/04/08	CAD	3,500,000	3,586,380	3,360,241
Royal Bank of Canada, 2.33%, 2027/01/28	CAD	1,200,000	1,231,708	1,083,914
Waste Management of Canada Corporation, Callable, 2.60%, 2026/09/23	CAD	3,500,000	3,189,725	3,227,204
WSP Global Inc., Callable, 2.41%, 2028/04/19	CAD	1,000,000	1,003,270	881,010
			38,774,883	36,414,402
United States (19.9%):				
Apple Inc., Callable, 2.51%, 2024/08/19	CAD	1,000,000	970,500	963,825
Bank of America Corporation, Callable, 2.93%, 2025/04/25	CAD	1,000,000	1,051,000	969,385
McDonald's Corporation, Callable, 3.13%, 2025/03/04	CAD	3,440,816	3,504,296	3,311,682
Mondelez International Inc., Callable, 3.25%, 2025/03/07	CAD	1,300,000	1,296,459	1,249,742
PepsiCo, Inc., Callable, 2.15%, 2024/05/06	CAD	3,453,316	3,442,410	3,325,768
The Goldman Sachs Group, Inc., Callable, 2.01%, 2029/02/28	CAD	1,500,000	1,475,300	1,276,845
United Parcel Service, Inc., Callable, 2.13%, 2024/05/21	CAD	2,363,816	2,408,499	2,273,034
Verisign, Inc., Callable, 4.75%, 2027/07/15	CAD	2,000,000	2,551,428	2,622,147
Verizon Communications Inc., Callable, 2.50%, 2030/05/16	CAD	1,600,000	1,607,740	1,350,936
Wells Fargo & Company, 3.87%, 2025/05/21	CAD	1,033,000	1,085,226	993,193
			19,392,858	18,336,557
Total corporate bonds (59.4%)			58,167,741	54,750,959

Pender Bond Universe Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2022

	Issue currency	Number of units / Face value (\$)	Cost (\$)	Fair value (\$)
Government bonds:				
Government of Canada, 2.00%, 2023/09/01	CAD	1,000,000	983,450	983,629
Government of Canada, 1.50%, 2026/06/01	CAD	2,000,000	1,872,500	1,868,068
Government of Canada, Real Return, 4.25%, 2026/12/01	CAD	1,475,000	3,169,597	2,849,697
Government of Canada, Real Return, 4.00%, 2031/12/01	CAD	1,000,000	2,130,878	2,044,376
United States Treasury Bond, 2.25%, 2024/03/31	USD	1,000,000	1,274,399	1,314,050
Total government bonds (9.8%)			9,430,824	9,059,820
Less: Transaction costs included in cost of investments			-	
Total investments (93.6%)			91,710,554	86,276,200
	Contract rate	Pay	Receive	Unrealized gain (loss)
Derivative assets:				
BNY Mellon, Foreign Currency Forward, settlement 2023/01/18	1.136	USD - 2,793,168	CAD - 3,811,800	30,113
Total derivative assets (0.1%)				30,113
Cash (17.1%)				15,756,144
Other assets less liabilities (-10.8%)				(9,911,240)
Total net assets attributable to holders of redeemable units (100.0%)				92,151,217

Pender Corporate Bond Fund

Statements of Financial Position

December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Assets		
Cash	54,963,185	72,140,929
Receivable for investments sold	2,717,244	570,605
Subscriptions receivable	3,968,612	8,732,657
Dividends receivable	592,458	173,024
Interest receivable	17,746,072	11,823,289
Investments	1,392,079,716	1,356,090,706
	1,472,067,287	1,449,531,210
Liabilities		
Management and administration fees payable (note 4)	1,406,010	1,380,738
Payable for investments purchased	36,416,684	49,202,890
Redemptions payable to holders of redeemable units	560,791	1,566,743
Distributions payable to holders of redeemable units	1,066	1,125
Accrued expenses	1,537	1,362
Derivative liabilities	11,537,851	7,598,371
	49,923,939	59,751,229
Net assets attributable to holders of redeemable units	1,422,143,348	1,389,779,981
Net assets attributable to holders of redeemable units per class:		
Class A	95,980,339	110,719,585
Class A (USD)	2,773,052	2,979,068
Class D	-	8,929,820
Class E	3,542,731	4,131,543
Class F	402,879,884	422,354,678
Class F (USD)	20,874,417	15,841,960
Class H	88,359,819	103,092,302
Class H (USD)	7,373,484	8,224,340
Class I	708,267,345	602,870,521
Class I (USD)	36,726,047	35,289,952
Class N	4,660	2,694,955
Class N (USD)	2,443,641	2,663,887
Class O	43,579,903	58,561,873
Class U	9,338,026	11,425,497
	1,422,143,348	1,389,779,981

Pender Corporate Bond Fund

Statements of Financial Position (cont'd)

December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Net assets attributable to holders of redeemable units per unit:		
Class A	11.58	12.86
Class A (USD)	14.04	14.71
Class D	-	12.06
Class E	9.30	10.31
Class F	11.60	12.88
Class F (USD)	13.85	14.52
Class H	10.30	11.45
Class H (USD)	13.30	13.95
Class I	10.03	11.14
Class I (USD)	13.34	13.99
Class N	8.97	9.95
Class N (USD)	13.36	14.00
Class O	10.20	11.34
Class U	9.89	10.52

Approved on behalf of the Manager, PenderFund Capital Management Ltd:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Corporate Bond Fund

Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Revenue		
Interest for distribution purposes	76,527,653	55,688,477
Dividend income	5,326,029	5,572,470
Securities lending income	4	-
Foreign exchange gain (loss)	(331,624)	(1,655,494)
Changes in fair value of investments and derivatives:		
Net realized gain (loss)	(55,618,700)	84,361,278
Net change in unrealized appreciation (depreciation)	(87,735,280)	(18,766,062)
Total revenue	(61,831,918)	125,200,669
Expenses		
Management fees (note 4)	8,375,839	7,701,037
Administration fees (note 4)	8,012,712	6,425,306
Transaction costs	386,658	316,012
Withholding taxes (recovery) (note 6)	40,273	273,246
Independent review committee fees	37,224	28,096
Total expenses	16,852,706	14,743,697
Less: Expenses absorbed by the Manager (note 4)	(37,224)	(28,096)
Net expenses	16,815,482	14,715,601
Increase (decrease) in net assets attributable to holders of redeemable units	(78,647,400)	110,485,068
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	(6,919,914)	8,970,592
Class A (USD)	(33,473)	233,650
Class D	(276,324)	520,122
Class E	(190,244)	417,256
Class F	(24,517,921)	36,200,763
Class F (USD)	96,803	1,236,228
Class H	(6,479,430)	7,354,383
Class H (USD)	(70,663)	656,454
Class I	(37,687,352)	47,016,727
Class I (USD)	242,532	2,784,984
Class N	(81,802)	361,231
Class N (USD)	6,893	260,320
Class O	(2,551,452)	4,343,722
Class U	(185,053)	128,636
	(78,647,400)	110,485,068
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	(0.85)	1.15
Class A (USD)	(0.14)	1.18
Class D	(0.35)	0.95
Class E	(0.49)	1.07
Class F	(0.71)	1.26
Class F (USD)	0.07	1.28
Class H	(0.73)	0.98
Class H (USD)	(0.12)	1.22
Class I	(0.59)	1.08
Class I (USD)	0.09	1.26
Class N	(0.85)	1.12
Class N (USD)	0.05	1.35
Class O	(0.57)	1.09
Class U	(0.21)	0.81

The accompanying notes are an integral part of these financial statements.

Pender Corporate Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2022 and 2021

Class A	2022 (\$)	2021 (\$)
Balance, beginning of year	110,719,585	92,199,475
Increase (decrease) in net assets attributable to holders of redeemable units	(6,919,914)	8,970,592
Unit transactions:		
Proceeds from issue of redeemable units	18,743,653	47,519,346
Issued on reinvestment of distributions	2,920,486	7,504,791
Amounts paid on redemption of redeemable units	(25,825,001)	(35,893,432)
	(4,160,862)	19,130,705
Distributions paid from:		
Net investment income	(3,658,470)	(3,198,294)
Realized gains on sale of investments	-	(6,382,893)
Return of capital	-	-
	(3,658,470)	(9,581,187)
Balance, end of year	95,980,339	110,719,585

Class A (USD)	2022 (\$)	2021 (\$)
Balance, beginning of year	2,979,068	2,532,696
Increase (decrease) in net assets attributable to holders of redeemable units	(33,473)	233,650
Unit transactions:		
Proceeds from issue of redeemable units	1,805,906	2,177,571
Issued on reinvestment of distributions	87,964	89,040
Amounts paid on redemption of redeemable units	(1,948,084)	(1,933,145)
	(54,214)	333,466
Distributions paid from:		
Net investment income	(118,329)	(88,349)
Realized gains on sale of investments	-	(32,395)
Return of capital	-	-
	(118,329)	(120,744)
Balance, end of year	2,773,052	2,979,068

Class D	2022 (\$)	2021 (\$)
Balance, beginning of year	8,929,820	2,875,571
Increase (decrease) in net assets attributable to holders of redeemable units	(276,324)	520,122
Unit transactions:		
Proceeds from issue of redeemable units	1,079,966	7,976,753
Issued on reinvestment of distributions	82,749	537,974
Amounts paid on redemption of redeemable units	(9,726,762)	(2,394,901)
	(8,564,047)	6,119,826
Distributions paid from:		
Net investment income	(89,449)	(262,474)
Realized gains on sale of investments	-	(323,225)
Return of capital	-	-
	(89,449)	(585,699)
Balance, end of year	-	8,929,820

Pender Corporate Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class E	2022 (\$)	2021 (\$)
Balance, beginning of year	4,131,543	3,291,724
Increase (decrease) in net assets attributable to holders of redeemable units	(190,244)	417,256
Unit transactions:		
Proceeds from issue of redeemable units	70,702	2,011,703
Issued on reinvestment of distributions	193,048	441,044
Amounts paid on redemption of redeemable units	(469,270)	(1,589,140)
	(205,520)	863,607
Distributions paid from:		
Net investment income	(193,048)	(190,707)
Realized gains on sale of investments	-	(250,337)
Return of capital	-	-
	(193,048)	(441,044)
Balance, end of year	3,542,731	4,131,543

Class F	2022 (\$)	2021 (\$)
Balance, beginning of year	422,354,678	342,632,816
Increase (decrease) in net assets attributable to holders of redeemable units	(24,517,921)	36,200,763
Unit transactions:		
Proceeds from issue of redeemable units	229,469,737	213,949,465
Issued on reinvestment of distributions	11,434,939	21,829,480
Amounts paid on redemption of redeemable units	(216,911,843)	(153,927,747)
	23,992,833	81,851,198
Distributions paid from:		
Net investment income	(18,949,706)	(14,964,503)
Realized gains on sale of investments	-	(23,365,596)
Return of capital	-	-
	(18,949,706)	(38,330,099)
Balance, end of year	402,879,884	422,354,678

Class F (USD)	2022 (\$)	2021 (\$)
Balance, beginning of year	15,841,960	11,381,549
Increase (decrease) in net assets attributable to holders of redeemable units	96,803	1,236,228
Unit transactions:		
Proceeds from issue of redeemable units	12,316,612	12,610,834
Issued on reinvestment of distributions	563,629	449,100
Amounts paid on redemption of redeemable units	(7,104,116)	(9,065,170)
	5,776,125	3,994,764
Distributions paid from:		
Net investment income	(840,471)	(545,113)
Realized gains on sale of investments	-	(225,468)
Return of capital	-	-
	(840,471)	(770,581)
Balance, end of year	20,874,417	15,841,960

Pender Corporate Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class H	2022 (\$)	2021 (\$)
Balance, beginning of year	103,092,302	65,160,966
Increase (decrease) in net assets attributable to holders of redeemable units	(6,479,430)	7,354,383
Unit transactions:		
Proceeds from issue of redeemable units	12,849,798	42,178,556
Issued on reinvestment of distributions	3,220,077	6,614,934
Amounts paid on redemption of redeemable units	(20,512,353)	(10,386,951)
	(4,442,478)	38,406,539
Distributions paid from:		
Net investment income	(3,810,575)	(2,953,685)
Realized gains on sale of investments	-	(4,875,901)
Return of capital	-	-
	(3,810,575)	(7,829,586)
Balance, end of year	88,359,819	103,092,302

Class H (USD)	2022 (\$)	2021 (\$)
Balance, beginning of year	8,224,340	6,636,270
Increase (decrease) in net assets attributable to holders of redeemable units	(70,663)	656,454
Unit transactions:		
Proceeds from issue of redeemable units	1,105,023	2,735,922
Issued on reinvestment of distributions	287,893	353,105
Amounts paid on redemption of redeemable units	(1,870,690)	(1,792,426)
	(477,774)	1,296,601
Distributions paid from:		
Net investment income	(302,419)	(250,463)
Realized gains on sale of investments	-	(114,522)
Return of capital	-	-
	(302,419)	(364,985)
Balance, end of year	7,373,484	8,224,340

Class I	2022 (\$)	2021 (\$)
Balance, beginning of year	602,870,521	411,639,551
Increase (decrease) in net assets attributable to holders of redeemable units	(37,687,352)	47,016,727
Unit transactions:		
Proceeds from issue of redeemable units	332,930,135	302,078,978
Issued on reinvestment of distributions	19,972,908	32,274,520
Amounts paid on redemption of redeemable units	(177,878,376)	(140,078,369)
	175,024,667	194,275,129
Distributions paid from:		
Net investment income	(31,940,491)	(20,324,270)
Realized gains on sale of investments	-	(29,736,616)
Return of capital	-	-
	(31,940,491)	(50,060,886)
Balance, end of year	708,267,345	602,870,521

Pender Corporate Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class I (USD)	2022 (\$)	2021 (\$)
Balance, beginning of year	35,289,952	23,198,716
Increase (decrease) in net assets attributable to holders of redeemable units	242,532	2,784,984
Unit transactions:		
Proceeds from issue of redeemable units	13,328,437	22,797,054
Issued on reinvestment of distributions	961,456	1,005,151
Amounts paid on redemption of redeemable units	(11,453,083)	(12,769,274)
	2,836,810	11,032,931
Distributions paid from:		
Net investment income	(1,643,247)	(1,249,165)
Realized gains on sale of investments	-	(477,514)
Return of capital	-	-
	(1,643,247)	(1,726,679)
Balance, end of year	36,726,047	35,289,952

Class N	2022 (\$)	2021 (\$)
Balance, beginning of year	2,694,955	3,474,945
Increase (decrease) in net assets attributable to holders of redeemable units	(81,802)	361,231
Unit transactions:		
Proceeds from issue of redeemable units	4,699	-
Issued on reinvestment of distributions	34,427	140,882
Amounts paid on redemption of redeemable units	(2,605,233)	(868,192)
	(2,566,107)	(727,310)
Distributions paid from:		
Net investment income	(42,386)	(148,372)
Realized gains on sale of investments	-	(265,539)
Return of capital	-	-
	(42,386)	(413,911)
Balance, end of year	4,660	2,694,955

Class N (USD)	2022 (\$)	2021 (\$)
Balance, beginning of year	2,663,887	2,713,346
Increase (decrease) in net assets attributable to holders of redeemable units	6,893	260,320
Unit transactions:		
Proceeds from issue of redeemable units	6,841	-
Issued on reinvestment of distributions	89	-
Amounts paid on redemption of redeemable units	(106,733)	(167,902)
	(99,803)	(167,902)
Distributions paid from:		
Net investment income	(127,336)	(114,414)
Realized gains on sale of investments	-	(27,463)
Return of capital	-	-
	(127,336)	(141,877)
Balance, end of year	2,443,641	2,663,887

Pender Corporate Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class O	2022 (\$)	2021 (\$)
Balance, beginning of year	58,561,873	29,746,446
Increase (decrease) in net assets attributable to holders of redeemable units	(2,551,452)	4,343,722
Unit transactions:		
Proceeds from issue of redeemable units	21,725,902	37,489,319
Issued on reinvestment of distributions	2,677,826	4,811,700
Amounts paid on redemption of redeemable units	(34,156,420)	(13,017,614)
	(9,752,692)	29,283,405
Distributions paid from:		
Net investment income	(2,677,826)	(2,315,820)
Realized gains on sale of investments	-	(2,495,880)
Return of capital	-	-
	(2,677,826)	(4,811,700)
Balance, end of year	43,579,903	58,561,873

Class U	2022 (\$)	2021 (\$)
Balance, beginning of year	11,425,497	39,555
Increase (decrease) in net assets attributable to holders of redeemable units	(185,053)	128,636
Unit transactions:		
Proceeds from issue of redeemable units	2,424,240	11,781,824
Issued on reinvestment of distributions	9,141	3,182
Amounts paid on redemption of redeemable units	(3,942,614)	(164,815)
	(1,509,233)	11,620,191
Distributions paid from:		
Net investment income	(393,185)	(65,161)
Realized gains on sale of investments	-	(297,724)
Return of capital	-	-
	(393,185)	(362,885)
Balance, end of year	9,338,026	11,425,497

Total Fund	2022 (\$)	2021 (\$)
Balance, beginning of year	1,389,779,981	997,523,626
Increase (decrease) in net assets attributable to holders of redeemable units	(78,647,400)	110,485,068
Unit transactions:		
Proceeds from issue of redeemable units	647,861,651	705,307,325
Issued on reinvestment of distributions	42,446,632	76,054,903
Amounts paid on redemption of redeemable units	(514,510,578)	(384,049,078)
	175,797,705	397,313,150
Distributions paid from:		
Net investment income	(64,786,938)	(46,670,790)
Realized gains on sale of investments	-	(68,871,073)
Return of capital	-	-
	(64,786,938)	(115,541,863)
Balance, end of year	1,422,143,348	1,389,779,981

Pender Corporate Bond Fund

Statements of Cash Flows

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	(78,647,400)	110,485,068
Adjustments for:		
Interest for distribution purposes	(76,527,653)	(55,688,477)
Dividend income	(5,326,029)	(5,572,470)
Foreign exchange (gain) loss	331,624	1,655,494
Net realized (gain) loss on sale of investments	1,343,140	(48,266,169)
Net change in unrealized (appreciation) depreciation of investments	83,795,800	(15,843,117)
Derivative assets and liabilities	3,939,480	34,609,179
Management and administration fees payable	25,272	416,014
Accrued expenses	175	(493)
	(71,065,591)	21,795,029
Proceeds on disposal of investments	851,719,477	729,451,964
Amounts paid on purchase of investments	(987,780,272)	(1,039,060,682)
Dividends received	4,906,595	5,678,390
Interest received	70,604,870	51,618,558
	(131,614,921)	(230,516,741)
Financing:		
Proceeds from issue of redeemable units	597,851,623	639,002,175
Amounts paid on redemption of redeemable units	(460,742,457)	(324,314,926)
Distributions paid to unitholders	(22,340,365)	(39,487,034)
	114,768,801	275,200,215
Net increase (decrease) in cash	(16,846,120)	44,683,474
Cash, beginning of year	72,140,929	29,112,949
Effect of exchange rate fluctuations on cash	(331,624)	(1,655,494)
Cash, end of year	54,963,185	72,140,929

Pender Corporate Bond Fund

Schedule of Investment Portfolio

December 31, 2022

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Corporate bonds and loans:				
Canada (17.9%):				
Air Canada 2013-1 Pass Through Trusts A, 4.13%, 2026/11/15	USD	1,712,253	2,065,709	2,114,766
Air Canada 2015-1 Pass Through Trusts A, Sinkable, 3.60%, 2028/09/15	USD	621,114	749,695	761,088
Air Canada 2015-2 Pass Through Trusts A, Sinkable, 4.13%, 2029/06/15	USD	3,295,485	3,837,253	3,670,279
Atlantic Power Corporation, Convertible, Callable, 6.00%, 2025/01/31	CAD	6,000,000	6,000,000	6,000,000
Bausch Health Companies Inc., 9.15%, 2027/02/01	USD	7,000,000	7,714,366	7,242,803
Baytex Energy Corporation, Callable, 8.75%, 2027/04/01	USD	8,291,000	11,562,302	11,441,329
Bell Canada, Inc., Callable, 3.55%, 2026/03/02	CAD	10,000,000	10,676,950	9,604,986
Bell Canada, Inc., Callable, 7.00%, 2027/09/24	CAD	600,000	810,072	645,609
Bell Canada, Inc., Callable, 3.00%, 2031/03/17	CAD	9,400,000	9,516,090	8,097,264
Cameco Corporation, Callable, 2.95%, 2027/10/21	CAD	14,972,000	15,032,694	13,560,461
Canada Goose Inc., 7.14%, 2027/10/07	USD	5,115,902	6,429,453	6,752,026
Canadian Pacific Railway Co., Callable, 3.15%, 2029/03/13	CAD	7,400,000	7,915,318	6,744,017
Canopy Growth Corporation, Term Loan, 9.50%, 2026/03/18	USD	10,605,000	13,812,578	11,810,417
Chemtrade Logistics Income Fund, Callable, 6.50%, 2026/10/31	CAD	1,600,000	1,242,447	1,564,080
Chemtrade Logistics Income Fund, Convertible, Callable, 6.25%, 2027/08/31	CAD	1,001,000	1,057,136	1,028,077
Choice Properties Real Estate Investment Trust, Callable, 3.53%, 2029/06/11	CAD	5,800,000	6,240,580	5,221,608
Choice Properties Real Estate Investment Trust, Series N, Callable, 2.98%, 2030/03/04	CAD	1,545,000	1,530,314	1,321,998
Curaleaf Holdings, Inc., Callable, 8.00%, 2026/12/15	USD	7,000,000	8,973,650	7,832,240
Eldorado Gold Corporation, Callable, 6.25%, 2029/09/01	USD	1,350,000	1,373,690	1,598,782
Fairfax Financial Holdings Limited, Callable, 4.23%, 2029/06/14	CAD	3,000,000	2,806,500	2,782,119
Fairfax Financial Holdings Limited, Callable, 3.95%, 2031/03/03	CAD	21,400,000	20,684,244	18,757,532
Fairfax India Holdings Corp., Callable, 5.00%, 2028/02/26	USD	10,000,000	12,331,398	12,114,915
First Majestic Silver Corp., Callable, 0.38%, 2027/01/15	USD	12,500,000	14,570,389	14,174,688
Loblaw Companies Limited, Callable, 3.92%, 2024/06/10	CAD	15,000,000	15,881,900	14,768,554
Methanex Corp., Callable, 5.65%, 2044/12/01	USD	7,463,000	7,166,433	7,931,792
NFI Group Inc., Convertible, Callable, 5.00%, 2027/01/15	CAD	12,391,000	10,252,028	10,095,567
Northriver Midstream Finance L.P., Callable, 5.63%, 2026/02/15	USD	7,000,000	9,140,670	9,082,578
Ontario Power Generation Inc., Callable, 3.22%, 2030/04/08	CAD	8,000,000	8,601,850	7,252,699
Russel Metals Inc., Callable, 5.75%, 2025/10/27	CAD	10,000,000	10,550,000	9,854,167
SSR Mining Inc., Callable, 2.50%, 2039/04/01	USD	4,000,000	5,671,988	6,079,460
Tamarack Valley Energy Ltd., Callable, 7.25%, 2027/05/10	CAD	4,500,000	4,230,000	4,221,563
Trulieve Cannabis Corp., Callable, 9.75%, 2024/06/18	USD	9,446,000	12,864,191	12,291,526
Videotron Ltd., Callable, 4.50%, 2030/01/15	CAD	1,000,000	1,040,000	872,292
Waste Management of Canada Corporation, Callable, 2.60%, 2026/09/23	CAD	18,791,000	17,291,708	17,326,398
			269,623,596	254,617,680
United States (58.4%):				
Abercrombie & Fitch Management Co., Callable, 8.75%, 2025/07/15	USD	10,075,000	13,521,356	13,390,715

The accompanying notes are an integral part of these financial statements.

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2022

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
United States (58.4%): (cont'd)				
Accelerate Diagnostics Inc., 2.50%, 2023/03/15	USD	1,910,000	1,835,279	2,393,796
Affirm Holdings Inc., Zero Coupon, Convertible, Callable, 2026/11/15	USD	1,500,000	1,302,098	1,127,205
American Tire Distributors Inc., 10.61%, 2028/10/20	USD	16,417,500	20,339,539	20,450,951
Apple Inc., Callable, 2.51%, 2024/08/19	CAD	4,454,684	4,502,973	4,293,536
Bandwidth Inc., Convertible, Callable, 0.25%, 2026/03/01	USD	4,000,000	4,096,090	4,109,661
Bandwidth Inc., Convertible, Callable, 0.50%, 2028/04/01	USD	11,000,000	9,146,397	9,411,519
Bausch + Lomb Corporation, 7.15%, 2027/05/10	USD	1,995,000	2,417,962	2,576,730
Beacon Roofing Supply Inc., Callable, 4.50%, 2026/11/15	USD	16,346,000	21,392,713	20,711,542
Beacon Roofing Supply Inc., Callable, 4.13%, 2029/05/15	USD	7,555,000	9,323,845	8,513,643
Beyond Meat Inc., Zero Coupon, Convertible, Callable, 2027/03/15	USD	8,000,000	8,100,044	2,848,816
Burford Capital Finance LLC, 6.13%, 2025/08/12	USD	9,000,000	11,469,376	11,138,370
Calumet Specialty Products Partners L.P. / Calumet Finance Corp., Callable, 9.25%, 2024/07/15	USD	4,740,000	6,351,679	6,526,391
Calumet Specialty Products Partners L.P. / Calumet Finance Corp., Callable, 11.00%, 2025/04/15	USD	8,881,000	11,700,151	12,551,279
Calumet Specialty Products Partners L.P. / Calumet Finance Corp., Callable, 8.13%, 2027/01/15	USD	5,000,000	5,805,430	6,338,413
Carriage Services, Inc., Callable, 4.25%, 2029/05/15	USD	6,424,000	7,207,397	6,914,755
Coeur Mining Inc., Callable, 5.13%, 2029/02/15	USD	16,967,000	19,592,038	17,958,854
Community Health Systems, Inc., Callable, 8.00%, 2026/03/15	USD	2,677,000	3,634,751	3,307,500
Crown Finance US Inc., Term Loan, Zero Coupon, 2023/09/07	USD	542,636	754,249	723,557
Crown Finance US Inc., Term Loan, Zero Coupon, 2023/09/08	USD	11,457,364	15,848,424	15,277,392
Darling Ingredients Inc., Callable, 5.25%, 2027/04/15	USD	2,267,000	2,932,943	2,959,200
Dollar Tree Inc., Callable, 4.00%, 2025/05/15	USD	859,000	1,139,283	1,137,194
Emergent BioSolutions Inc., Callable, 3.88%, 2028/08/15	USD	10,880,000	8,557,654	7,346,535
Enova International, Inc., Callable, 8.50%, 2024/09/01	USD	1,255,000	1,608,860	1,602,025
Esperion Therapeutics Inc., Callable, 4.00%, 2025/11/15	USD	21,104,000	17,604,202	15,716,149
Eventbrite, Inc., Convertible, Callable, 5.00%, 2025/12/01	USD	3,000,000	3,857,739	3,742,321
Eventbrite, Inc., Convertible, Callable, 0.75%, 2026/09/15	USD	12,500,000	11,919,294	11,762,875
FirstEnergy Corp., Series 'B', Callable, 3.90%, 2027/07/15	USD	2,210,000	2,894,078	2,774,752
Fluor Corporation, Callable, 4.25%, 2028/09/15	USD	2,000,000	2,342,977	2,442,001
Forum Energy Technologies, Inc., Convertible, Callable, 9.00%, 2025/08/04	USD	16,998,134	20,990,359	24,714,006
Gartner, Inc., Callable, 4.50%, 2028/07/01	USD	7,000,000	9,074,799	8,853,400
Gartner, Inc., Callable, 3.75%, 2030/10/01	USD	9,316,000	11,601,120	10,891,723
Great Lakes Dredge & Dock Corp., Callable, 5.25%, 2029/06/01	USD	12,480,000	13,754,945	13,158,410
GTT Communications, Inc., 10.75%, 2025/05/31	USD	6,795,922	7,212,340	4,278,781
Hecla Mining Co., Callable, 7.25%, 2028/02/15	USD	12,045,000	16,437,507	16,083,555
Hologic Inc., Callable, 4.63%, 2028/02/01	USD	5,000,000	6,364,702	6,395,111
Hologic Inc., Callable, 3.25%, 2029/02/15	USD	8,000,000	9,271,177	9,319,056
Intercept Pharmaceuticals, Inc., 2.00%, 2026/05/15	USD	11,795,000	10,260,146	11,985,808
Jervois Mining USA Ltd., Callable, 12.50%, 2026/07/20	USD	2,500,000	3,366,889	3,409,727
Liberty TripAdvisor Holdings Inc., Convertible, Puttable, 0.50%, 2051/06/30	USD	19,945,000	19,466,981	19,497,993
Lumen Technologies Inc., Callable, 4.00%, 2027/02/15	USD	11,000,000	12,710,225	12,655,171

The accompanying notes are an integral part of these financial statements.

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2022

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
United States (58.4%): (cont'd)				
Match Group Holdings II, LLC, Callable, 5.00%, 2027/12/15	USD	1,500,000	1,840,850	1,872,013
McDonald's Corporation, Callable, 3.13%, 2025/03/05	CAD	24,559,184	24,843,260	23,637,478
Morgan Stanley, 5.88%, 2049/12/31	USD	4,000,000	5,528,101	5,300,478
MSCI Inc., Callable, 4.00%, 2029/11/15	USD	6,000,000	7,130,497	7,090,707
MSCI Inc., Callable, 3.63%, 2030/09/01	USD	4,983,000	6,337,704	5,620,405
National CineMedia LLC, Callable, 5.88%, 2028/04/15	USD	7,520,000	8,449,817	2,358,424
Newell Brands Inc., Callable, 4.88%, 2025/06/01	USD	2,000,000	2,808,506	2,637,944
Newell Brands Inc., Callable, 4.20%, 2026/04/01	USD	2,000,000	2,509,390	2,570,610
OPKO Health, Inc., Callable, 4.50%, 2025/02/15	USD	14,000,000	20,409,522	16,550,484
Par Petroleum, LLC, Callable, 7.75%, 2025/12/15	USD	4,500,000	6,085,762	5,877,826
Par Petroleum, LLC, 10.58%, 2026/01/12	USD	6,842,105	9,079,740	9,144,563
Par Petroleum, LLC, Callable, 12.88%, 2026/01/15	USD	326,000	437,298	467,720
Paratek Pharmaceuticals, Inc., Callable, 4.75%, 2024/05/01	USD	15,510,000	15,481,951	18,463,675
PepsiCo, Inc., 2.75%, 2030/03/19	USD	5,000,000	6,127,390	6,015,964
PepsiCo, Inc., Callable, 2.15%, 2024/05/06	CAD	25,546,684	25,187,249	24,603,117
PetSmart Inc., Callable, 4.75%, 2028/02/15	USD	13,320,000	16,130,591	16,351,719
Rackspace Technology Global Inc., Callable, 5.38%, 2028/12/01	USD	9,000,000	12,054,416	5,271,474
Science Applications International Corp., Callable, 4.88%, 2028/04/01	USD	17,130,000	21,475,177	21,491,210
Snap Inc., Convertible, Callable, 0.75%, 2026/08/01	USD	1,000,000	1,216,751	1,151,916
Snap Inc., Convertible, Callable, 0.13%, 2028/03/01	USD	3,000,000	2,790,162	2,731,695
SS&C Technologies, Inc., Callable, 5.50%, 2027/09/30	USD	16,165,000	21,664,717	20,586,460
Syneos Health Inc., Callable, 3.63%, 2029/01/15	USD	2,000,000	2,065,511	2,182,228
Tabula Rasa HealthCare Inc., Convertible, 1.75%, 2026/02/15	USD	1,789,000	1,647,135	1,893,894
Talos Production Inc., Callable, 12.00%, 2026/01/15	USD	6,222,000	8,498,211	8,877,831
Team Health Holdings Inc., 6.82%, 2024/02/06	USD	13,103,024	15,687,994	15,257,685
Topaz Solar Farms LLC, Callable, 5.75%, 2039/09/30	USD	11,625,615	17,014,466	14,962,529
TreeHouse Foods Inc., Callable, 4.00%, 2028/09/01	USD	17,000,000	18,058,898	19,602,129
Tronox Inc., Callable, 4.63%, 2029/03/15	USD	19,213,000	23,702,227	21,673,249
Trulieve Cannabis Corp., Callable, 8.00%, 2026/10/06	USD	13,350,000	16,868,393	15,471,163
Tutor Perini Corporation, 5.75%, 2027/08/18	USD	7,575	9,627	9,680
Uber Technologies, Inc., 8.24%, 2025/04/04	USD	6,917,671	8,632,075	9,371,537
Uber Technologies, Inc., Callable, 8.00%, 2026/11/01	USD	9,860,000	13,709,554	13,423,490
Uber Technologies, Inc., 8.24%, 2027/02/25	USD	5,301,528	7,152,397	7,174,429
United Parcel Service, Inc., Callable, 2.13%, 2024/05/21	CAD	1,536,184	1,522,169	1,477,187
Varex Imaging Corporation, Callable, 7.88%, 2027/10/15	USD	17,023,000	21,942,116	22,941,733
Verisign, Inc., Callable, 5.25%, 2025/04/01	USD	5,300,000	7,118,590	7,169,155
Verisign, Inc., Callable, 4.75%, 2027/07/15	USD	27,062,000	35,378,358	35,480,272
Verizon Communications Inc., Callable, 2.50%, 2030/05/16	CAD	6,000,000	6,000,137	5,066,010
Victoria's Secret & Co., Callable, 4.63%, 2029/07/15	USD	5,750,000	5,817,920	6,122,517
W&T Offshore, Inc., Callable, 9.75%, 2023/11/01	USD	26,028,000	29,556,534	34,742,887
WDB Holding PA Inc., 12.88%, 2024/12/18	USD	7,950,526	10,814,326	9,957,637
Wells Fargo & Company, 3.87%, 2025/05/21	CAD	5,467,000	5,766,350	5,256,329
Windstream Escrow Finance Corp., Callable, 7.75%, 2028/08/15	USD	11,755,000	15,302,304	13,006,621
			861,564,154	832,206,492

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2022

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Foreign (6.7%):				
Country Garden Holdings Company Limited, Callable, 8.00%, 2024/01/27	USD	4,000,000	3,516,310	4,198,231
Country Garden Holdings Company Limited, Callable, 5.40%, 2025/05/27	USD	2,000,000	2,199,246	1,805,695
Country Garden Holdings Company Limited, Callable, 7.25%, 2026/04/08	USD	3,000,000	3,063,231	2,500,973
DTEK Finance PLC, Payment-In-Kind, Sinkable, Restricted, Callable, 7.00%, 2027/12/31	USD	4,970,260	1,207,998	2,018,920
Ferroglobe PLC / Globe Specialty Metals Inc., Callable, 9.38%, 2025/12/31	USD	10,000,000	13,062,748	13,770,451
Grupo FAMSA, S.A.B de C.V., Callable, 9.75%, 2024/12/15	USD	5,887,000	7,128,006	1,155,795
Lealand Finance Co. BV, 7.07%, 2024/06/28	USD	85,929	116,249	75,626
Lealand Finance Co. BV, 5.10%, 2025/06/30	USD	13,090,535	10,385,300	9,514,291
Maxon Solar Technologies Ltd., Convertible, Callable, 6.50%, 2025/07/15	USD	740,000	915,435	1,099,651
Seaspan Corp., 6.50%, 2024/02/05	USD	500,000	649,396	677,000
Seaspan Corp., Restricted, Callable, 6.50%, 2026/04/29	USD	15,500,000	20,672,767	20,672,195
Seaspan Corp., Callable, 5.50%, 2029/08/01	USD	4,000,000	4,979,800	4,118,706
SFL Corp. Ltd., Callable, 7.25%, 2026/05/12	USD	13,000,000	15,960,750	16,864,124
Shelf Drilling Holdings, Ltd., Callable, 8.88%, 2024/11/15	USD	13,000,000	16,770,060	17,210,708
			100,627,296	95,682,366
Total corporate bonds and loans (83.0%)			1,231,815,046	1,182,506,538
Closed end funds:				
Aberdeen Asia-Pacific Income Fund, Inc.	USD	2,160,000	7,763,385	7,691,803
Aberdeen Asia-Pacific Income Investment Company Limited	CAD	346,119	1,030,012	882,603
Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.	USD	652,623	3,838,357	3,888,067
Nuveen Municipal Credit Income Fund	USD	300,000	4,447,863	4,906,896
Sprott Physical Gold and Silver Trust	CAD	10,000	245,500	242,943
Sprott Physical Uranium Trust	CAD	110,000	1,673,142	1,741,300
Western Asset / Claymore Inflation-Linked Opportunities & Income Fund	USD	276,588	3,895,409	3,419,186
Western Asset Emerging Markets Debt Fund Inc.	USD	407,658	4,803,241	5,028,437
Western Asset Inflation - Linked Securities & Income Fund	USD	21,467	322,015	250,261
Total closed end funds (2.0%)			28,018,924	28,051,496
Common shares:				
ATD New Holdings Inc.	USD	85,552	4,962,152	8,398,211
McDermott International, Ltd.	USD	8,939,534	13,397,437	5,161,200
PHI Group Inc.	USD	180,299	1,878,398	2,319,186
Total common shares (1.1%)			20,237,987	15,878,597
Government bonds:				
Government of Canada, 1.25%, 2025/03/01	CAD	8,000,000	8,028,320	7,562,243
Government of Canada, 1.50%, 2026/06/01	CAD	7,000,000	7,207,200	6,538,238
Government of Canada, Real Return, 4.25%, 2026/12/01	CAD	16,075,000	33,627,141	31,056,872
Government of Canada, 2.25%, 2029/06/01	CAD	12,000,000	11,336,100	11,299,528
Government of Canada, 1.25%, 2030/06/01	CAD	7,000,000	6,055,597	6,068,999

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2022

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Government bonds: (cont'd)				
Government of Canada, Real Return, 4.00%, 2031/12/01	CAD	7,500,000	17,263,253	15,332,822
United States Treasury Bond, Inflation Indexed, 1.75%, 2028/01/15	USD	16,354,610	23,213,759	22,163,137
Total government bonds (7.0%)			106,731,370	100,021,839
Preferred shares:				
BCE Inc., Series AB, Variable	CAD	99,800	1,447,196	1,812,368
BCE Inc., Series AC, 4.38%	CAD	255,900	3,919,012	4,674,014
BCE Inc., Series AF, 3.87%	CAD	100,000	1,305,797	1,672,500
BCE Inc., Series AG, 3.37%	CAD	58,200	821,556	879,402
BCE Inc., Series AJ, Variable	CAD	100,000	2,088,000	1,813,000
BCE Inc., Series AQ, 4.81%	CAD	226,300	4,206,376	4,301,963
Brookfield Office Properties Inc., Series AA, 4.71%	CAD	38,000	638,020	532,380
Brookfield Office Properties Inc., Series V, Variable	CAD	120,700	1,477,036	1,330,718
Brookfield Office Properties Inc., Series Y, Variable	CAD	4,800	59,274	53,400
Canadian Utilities Ltd., Preferred, Series 'FF', Variable Rate, Perpetual	CAD	48,900	1,163,303	1,189,248
Canadian Utilities Ltd., Preferred, Series 'Y', Variable Rate, Perpetual	CAD	175,000	3,620,483	3,355,625
Capstone Infrastructure Corporation, Series A, Callable, 3.70%	CAD	31,900	399,088	432,245
Cenovus Energy Inc., Series 3, 4.50%	CAD	178,650	2,928,846	3,556,922
Cenovus Energy Inc., Series 5, 4.50%	CAD	270,400	4,641,089	6,117,800
Cenovus Energy Inc., Series 7, 4.60%	CAD	47,475	820,318	949,500
Enbridge Inc., Series B, Variable	CAD	266,200	5,160,393	4,586,626
Fairfax Financial Holdings Limited, Series C, 4.71%	CAD	131,200	2,017,971	2,286,816
Fairfax Financial Holdings Limited, Series E, Callable, 3.18%	CAD	129,800	1,821,995	1,745,810
Fairfax Financial Holdings Limited, Series I, 3.33%	CAD	172,550	2,678,846	2,519,230
Fairfax Financial Holdings Limited, Series M, 5.00%	CAD	26,100	495,343	519,390
Fannie Mae, Series M, 4.75%	USD	101,000	515,677	356,928
Fannie Mae, Series R, 7.63%	USD	126,465	270,430	282,535
Fannie Mae, Series S, Variable	USD	2,190,089	9,458,665	6,938,990
Freddie Mac, Series K, 5.79%	USD	199,898	995,909	706,428
Freddie Mac, Series Z, Variable	USD	153,000	531,719	420,539
George Weston Limited, Series III, 5.20%	CAD	148,300	3,598,496	2,955,619
George Weston Limited, Series IV, 5.20%	CAD	98,100	2,346,198	1,974,753
George Weston Limited, Series V, 4.75%	CAD	131,500	3,035,109	2,491,925
Thomson Reuters Corporation, Series II, Variable	CAD	326,422	3,226,390	4,325,092
Total preferred shares (4.6%)			65,688,535	64,781,766
Warrants:				
Acreage Holdings Inc., Class D, strike price \$3.01, expiry 2024/11/02	USD	249,169	-	-
Acreage Holdings Inc., Class E, strike price \$3.15, expiry 2024/11/02	USD	556,048	-	-
McDermott International Ltd., Tranche A, strike price \$12.33, expiry 2027/06/30	USD	173,860	-	-
McDermott International Ltd., Tranche B, strike price \$15.98, expiry 2027/06/30	USD	193,177	-	-
PHI Group Inc., strike price \$6.50, expiry 2044/09/04	USD	50,000	503,859	839,480
Total warrants (0.1%)			503,859	839,480

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2022

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Less: Transaction costs included in cost of investments			(207,325)	
Total investments (97.8%)			1,452,788,396	1,392,079,716
	Contract rate	Pay	Receive	Unrealized gain (loss)
Derivative liabilities:				
BNY Mellon, Foreign Currency Forward, settlement 2023/01/18	1.31	USD - 309,214,876	CAD - 404,675,100	(13,972,838)
BNY Mellon, Foreign Currency Forward, settlement 2023/04/12	1.36	USD - 293,181,230	CAD - 399,060,700	2,434,987
Total derivative liabilities (-0.8%)				(11,537,851)
Cash (3.9%)				54,963,185
Other assets less liabilities (-0.9%)				(13,361,702)
Total net assets attributable to holders of redeemable units (100.0%)				1,422,143,348

Pender Enhanced Income Fund

Statements of Financial Position

December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Assets		
Cash	88,465	509,499
Subscriptions Receivable	1,518	-
Dividends receivable	34,280	46,162
Other receivable	543	286
Investments	35,148,508	43,373,661
	35,273,314	43,929,608
Liabilities		
Management and administration fees payable (note 4)	41,994	52,954
Redemptions payable to holders of redeemable units	-	11,596
Accrued expenses	372	201
	42,366	64,751
Net assets attributable to holders of redeemable units	35,230,948	43,864,857
Net assets attributable to holders of redeemable units per class:		
Class A	6,535,315	10,215,166
Class A1	-	433,685
Class E	25,393	6,335
Class F	7,117,599	6,569,596
Class F1	-	1,316,783
Class I	21,540,750	25,310,605
Class N	5,869	6,290
Class O	6,022	6,397
	35,230,948	43,864,857
Net assets attributable to holders of redeemable units per unit:		
Class A	7.19	8.22
Class A1	-	11.09
Class E	10.23	11.48
Class F	7.58	8.58
Class F1	-	11.31
Class I	10.04	11.34
Class N	10.12	11.40
Class O	10.38	11.59

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Enhanced Income Fund

Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Revenue		
Distributions from underlying funds	880,544	852,874
Interest for distribution purposes	1,728	-
Dividend income	505,219	447,123
Securities lending income (note 5)	6,836	4,271
Foreign exchange gain (loss)	(12,946)	(16,940)
Changes in fair value of investments:		
Net realized gain (loss)	343,371	5,007,790
Net change in unrealized appreciation (depreciation)	(4,234,623)	3,617,315
Total revenue	(2,509,871)	9,912,433
Expenses		
Management fees (note 4)	318,380	421,132
Administration fees (note 4)	227,713	242,734
Withholding taxes (recovery) (note 6)	25,268	25,528
Transaction costs	9,252	39,628
Independent review committee fees	922	888
Total expenses	581,535	729,910
Less: Expenses absorbed by the Manager (note 4)	(922)	(888)
Net expenses	580,613	729,022
Increase (decrease) in net assets attributable to holders of redeemable units	(3,090,484)	9,183,411
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	(663,671)	2,352,506
Class A1	(30,564)	62,944
Class E	(557)	1,268
Class F	(422,181)	5,329,079
Class F1	(255,788)	60,892
Class I	(1,716,927)	1,374,176
Class N	(421)	1,240
Class O	(375)	1,306
	(3,090,484)	9,183,411
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	(0.64)	1.70
Class A1	(0.92)	0.51
Class E	(0.40)	2.36
Class F	(0.48)	3.50
Class F1	(1.38)	1.00
Class I	(0.76)	0.82
Class N	(0.75)	2.31
Class O	(0.67)	2.43

Pender Enhanced Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Class A		
Balance, beginning of year	10,215,166	10,966,906
Increase (decrease) in net assets attributable to holders of redeemable units	(663,671)	2,352,506
Unit transactions:		
Proceeds from issue of redeemable units	377,789	42,000
Issued on reinvestment of distributions	350,867	508,283
Amounts paid on redemption of redeemable units	(3,355,193)	(3,091,702)
	(2,626,537)	(2,541,419)
Distributions paid from:		
Net investment income	(87,931)	(126,542)
Realized gains on sale of investments	-	-
Return of capital	(301,712)	(436,285)
	(389,643)	(562,827)
Balance, end of year	6,535,315	10,215,166
Class A1	2022 (\$)	2021 (\$)
Balance, beginning of year	433,685	4,979
Increase (decrease) in net assets attributable to holders of redeemable units	(30,564)	62,944
Unit transactions:		
Proceeds from issue of redeemable units	173	3,618,881
Issued on reinvestment of distributions	7,312	68,028
Amounts paid on redemption of redeemable units	(402,542)	(3,252,180)
	(395,057)	434,729
Distributions paid from:		
Net investment income	(1,112)	(8,644)
Realized gains on sale of investments	-	-
Return of capital	(6,952)	(60,323)
	(8,064)	(68,967)
Balance, end of year	-	433,685
Class E	2022 (\$)	2021 (\$)
Balance, beginning of year	6,335	5,067
Increase (decrease) in net assets attributable to holders of redeemable units	(557)	1,268
Unit transactions:		
Proceeds from issue of redeemable units	19,615	-
Issued on reinvestment of distributions	720	301
Amounts paid on redemption of redeemable units	-	-
	20,335	301
Distributions paid from:		
Net investment income	(454)	(103)
Realized gains on sale of investments	-	-
Return of capital	(266)	(198)
	(720)	(301)
Balance, end of year	25,393	6,335

Pender Enhanced Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class F	2022 (\$)	2021 (\$)
Balance, beginning of year	6,569,596	28,988,987
Increase (decrease) in net assets attributable to holders of redeemable units	(422,181)	5,329,079
Unit transactions:		
Proceeds from issue of redeemable units	2,585,145	2,339
Issued on reinvestment of distributions	321,195	600,074
Amounts paid on redemption of redeemable units	(1,588,751)	(27,719,006)
	1,317,589	(27,116,593)
Distributions paid from:		
Net investment income	(160,552)	(101,167)
Realized gains on sale of investments	-	-
Return of capital	(186,853)	(530,710)
	(347,405)	(631,877)
Balance, end of year	7,117,599	6,569,596
Class F1	2022 (\$)	2021 (\$)
Balance, beginning of year	1,316,783	113,078
Increase (decrease) in net assets attributable to holders of redeemable units	(255,788)	60,892
Unit transactions:		
Proceeds from issue of redeemable units	2,327,908	1,643,483
Issued on reinvestment of distributions	35,371	23,610
Amounts paid on redemption of redeemable units	(3,382,412)	(489,714)
	(1,019,133)	1,177,379
Distributions paid from:		
Net investment income	(16,570)	(15,641)
Realized gains on sale of investments	-	-
Return of capital	(25,292)	(18,925)
	(41,862)	(34,566)
Balance, end of year	-	1,316,783
Class I	2022 (\$)	2021 (\$)
Balance, beginning of year	25,310,605	5,035
Increase (decrease) in net assets attributable to holders of redeemable units	(1,716,927)	1,374,176
Unit transactions:		
Proceeds from issue of redeemable units	2,098,326	25,855,296
Issued on reinvestment of distributions	1,144,747	919,099
Amounts paid on redemption of redeemable units	(4,124,766)	(1,901,217)
	(881,693)	24,873,178
Distributions paid from:		
Net investment income	(558,815)	(370,179)
Realized gains on sale of investments	-	-
Return of capital	(612,420)	(571,605)
	(1,171,235)	(941,784)
Balance, end of year	21,540,750	25,310,605

Pender Enhanced Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class N	2022 (\$)	2021 (\$)
Balance, beginning of year	6,290	5,050
Increase (decrease) in net assets attributable to holders of redeemable units	(421)	1,240
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	296	300
Amounts paid on redemption of redeemable units	-	-
	296	300
Distributions paid from:		
Net investment income	(156)	(98)
Realized gains on sale of investments	-	-
Return of capital	(140)	(202)
	(296)	(300)
Balance, end of year	5,869	6,290
Class O	2022 (\$)	2021 (\$)
Balance, beginning of year	6,397	5,091
Increase (decrease) in net assets attributable to holders of redeemable units	(375)	1,306
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	303	304
Amounts paid on redemption of redeemable units	-	-
	303	304
Distributions paid from:		
Net investment income	(211)	(104)
Realized gains on sale of investments	-	-
Return of capital	(92)	(200)
	(303)	(304)
Balance, end of year	6,022	6,397
Total Fund	2022 (\$)	2021 (\$)
Balance, beginning of year	43,864,857	40,094,193
Increase (decrease) in net assets attributable to holders of redeemable units	(3,090,484)	9,183,411
Unit transactions:		
Proceeds from issue of redeemable units	7,408,956	31,161,999
Issued on reinvestment of distributions	1,860,811	2,119,999
Amounts paid on redemption of redeemable units	(12,853,664)	(36,453,819)
	(3,583,897)	(3,171,821)
Distributions paid from:		
Net investment income	(825,801)	(622,478)
Realized gains on sale of investments	-	-
Return of capital	(1,133,727)	(1,618,448)
	(1,959,528)	(2,240,926)
Balance, end of year	35,230,948	43,864,857

Pender Enhanced Income Fund

Statements of Cash Flows

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	(3,090,484)	9,183,411
Adjustments for:		
Distributions from underlying funds	(880,544)	(852,874)
Interest for distribution purposes	(1,728)	1,234
Dividend income	(505,219)	(446,901)
Foreign exchange (gain) loss	12,946	16,940
Net realized (gain) loss on sale of investments	(343,371)	(5,007,790)
Net change in unrealized (appreciation) depreciation of investments	4,234,623	(3,617,315)
Other receivable	(257)	(284)
Management and administration fees payable	(10,960)	1,902
Accrued expenses	171	(568)
	(584,823)	(722,245)
Proceeds on disposal of investments	13,269,407	19,011,806
Amounts paid on purchase of investments	(8,935,506)	(13,807,632)
Dividends received	517,101	440,534
Distributions received from underlying funds	880,544	852,874
Interest received	1,728	(1,234)
	5,148,451	5,774,103
Financing:		
Proceeds from issue of redeemable units	7,271,318	30,394,696
Amounts paid on redemption of redeemable units	(12,729,140)	(35,729,760)
Distributions paid to unitholders	(98,717)	(120,927)
	(5,556,539)	(5,455,991)
Net increase (decrease) in cash	(408,088)	318,112
Cash, beginning of year	509,499	208,327
Effect of exchange rate fluctuations on cash	(12,946)	(16,940)
Cash, end of year	88,465	509,499

Pender Enhanced Income Fund

Schedule of Investment Portfolio

December 31, 2022

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Mutual funds:				
Pender Alternative Absolute Return Fund, Class 'O'		131,703	1,314,949	1,341,545
Pender Alternative Arbitrage Fund, Class 'O'		82,349	840,836	869,764
Pender Corporate Bond Fund, Class 'O'		1,237,840	13,495,802	12,622,626
Pender Small Cap Opportunities Fund, Class 'O'		88,641	2,424,712	2,276,672
Total mutual funds (48.6%)			18,076,299	17,110,607
Equities:				
Communication services (3.2%):				
Baidu, Inc., ADR		4,200	696,333	650,456
KAB Distribution Inc.		1,508,544	-	-
Liberty Broadband Corporation, Class 'C'		4,690	581,663	484,334
			1,277,996	1,134,790
Consumer discretionary (2.2%):				
Starbucks Corporation		5,680	551,163	762,919
			551,163	762,919
Diversified financials (21.3%):				
Brookfield Asset Management Inc., Class 'A'		6,082	143,916	235,799
Brookfield Corp., Class 'A'		24,330	1,055,518	1,035,971
Burford Capital Limited		94,000	850,583	1,037,299
Community Vehicle Financing & Leasing Inc.		153	8	-
Community Vehicle Financing & Leasing Inc., Preferred, Series '1', 6.00%		23,400	2,049,148	152,334
Exor N.V.		11,200	875,413	1,108,725
Fiera Capital Corporation, Class 'A'		83,210	936,907	722,263
Jack Cooper Enterprises, Inc.		1,410	18	-
KKR & Co. Inc.		22,200	800,543	1,395,330
Onex Corporation		19,160	1,440,333	1,250,956
Rubix Lending Co. Inc., Class 'B'		698	7	7
Starwood Property Trust, Inc.		23,200	450,587	575,797
			8,602,981	7,514,481
Energy (6.0%):				
ARC Resources Ltd.		61,640	387,172	1,124,930
Artis Exploration Ltd.		183,200	503,800	522,120
Bukit Energy Inc.		800,000	-	-
Bukit Energy Inc., Preferred, Series 'A', Convertible		223,000	-	-
CBM Asia Development Corp.		4,166,667	417	417
Texas Pacific Land Corporation		150	218,281	476,113
			1,109,670	2,123,580
Health care (0.0%):				
MJardin Group, Inc.		52,215	10,182	-
MSI Methylation Sciences Inc.		175,000	-	-
MSI Methylation Sciences Inc., Preferred, Class 'A', Series '1'		423,572	-	-
			10,182	-
Industrials (6.2%):				
Chorus Aviation Inc.		111,147	435,247	360,116
Exchange Income Corporation		17,800	715,220	936,814
Northrop Grumman Corporation		1,220	494,620	901,282
			1,645,087	2,198,212

The accompanying notes are an integral part of these financial statements.

Pender Enhanced Income Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2022

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Information Technology (3.3%):				
Microchip Technology, Inc.		6,690	586,586	636,343
SS&C Technologies Holdings, Inc.		7,500	672,450	528,669
			1,259,036	1,165,012
Materials (2.3%):				
CCL Industries Inc., Class 'B'		14,000	780,678	809,760
			780,678	809,760
Real estate (3.2%):				
Dream Unlimited Corp., Class 'A'		18,000	590,166	457,740
Kennedy-Wilson Holdings, Inc.		30,700	576,705	653,861
			1,166,871	1,111,601
Utilities (3.4%):				
Altius Renewable Royalties Corp.		136,021	1,251,597	1,203,786
Genalta Power Inc., Rights		1	-	-
			1,251,597	1,203,786
Total equities (51.1%)			17,655,261	18,024,141
Corporate bonds:				
Escrow Quicksilver Resources Inc., Callable, 11.00%, 2021/07/01	USD	2,000,000	2,294,008	5,416
Total corporate bonds (0.0%)			2,294,008	5,416
Warrants:				
Affinion Group Holdings, Inc., strike price \$67.12, expiry 2024/04/10	USD	1,858	551,891	-
Hammerhead Resources Inc., strike price \$3.50, expiry 2026/05/02	CAD	596,000	-	8,344
Total warrants (0.0%)			551,891	8,344
Less: Transaction costs included in cost of investments			(9,725)	
Total investments (99.7%)			38,567,734	35,148,508
Cash (0.3%)				88,465
Other assets less liabilities (0.0%)				(6,025)
Total net assets attributable to holders of redeemable units (100.0%)				35,230,948

Pender Global Focused Fund

Statements of Financial Position

December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Assets		
Cash	118,737	47,072
Subscriptions receivable	700	13,929
Other receivable	4,220	713
Investments	9,123,370	26,214,518
	9,247,027	26,276,232
Liabilities		
Management and administration fees payable (note 4)	9,973	22,460
Redemptions payable to holders of redeemable units	10,499	12,359
Distributions payable to holders of redeemable units	637	1,093
Accrued expenses	696	120
	21,805	36,032
Net assets attributable to holders of redeemable units	9,225,222	26,240,200
Net assets attributable to holders of redeemable units per class:		
Class A	2,377,173	5,822,803
Class A (USD)	96,729	362,184
Class D	-	970,492
Class E	1,316,649	2,122,144
Class F	3,382,309	5,625,136
Class F (USD)	133,334	188,723
Class H	165,391	449,878
Class I	122,444	222,463
Class N	4,548	7,399
Class N (USD)	5,964	9,701
Class O	1,620,681	10,459,277
	9,225,222	26,240,200
Net assets attributable to holders of redeemable units per unit:		
Class A	9.55	15.79
Class A (USD)	9.25	15.30
Class D	-	12.37
Class E	9.28	15.06
Class F	9.52	15.57
Class F (USD)	9.52	15.57
Class H	7.59	12.51
Class I	7.66	12.52
Class N	8.52	13.87
Class N (USD)	11.16	18.16
Class O	8.18	13.19

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Global Focused Fund

Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Revenue		
Interest for distribution purposes	2,057	771
Dividend income	124,149	153,321
Securities lending income (note 5)	21,419	8,307
Foreign exchange gain (loss)	54,504	(4,212)
Changes in fair value of investments:		
Net realized gain (loss)	(4,110,344)	3,816,647
Net change in unrealized appreciation (depreciation)	(4,975,738)	(7,409,894)
Total revenue	(8,883,953)	(3,435,060)
Expenses		
Management fees (note 4)	103,278	214,523
Administration fees (note 4)	58,972	105,461
Withholding taxes (recovery) (note 6)	11,701	12,786
Transaction costs	5,637	14,294
Independent review committee fees	241	531
Total expenses	179,829	347,595
Less: Expenses absorbed by the Manager (note 4)	(241)	(531)
Net expenses	179,588	347,064
Increase (decrease) in net assets attributable to holders of redeemable units	(9,063,541)	(3,782,124)
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	(1,937,748)	(380,025)
Class A (USD)	(120,842)	(37,127)
Class D	(240,705)	(272,320)
Class E	(815,753)	(174,689)
Class F	(2,120,793)	(739,052)
Class F (USD)	(80,650)	(16,273)
Class H	(135,447)	(159,475)
Class I	(90,512)	(51,928)
Class N	(2,851)	(594)
Class N (USD)	(3,737)	(777)
Class O	(3,514,503)	(1,949,864)
	(9,063,541)	(3,782,124)
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	(6.70)	(1.01)
Class A (USD)	(6.72)	(2.00)
Class D	(3.38)	(4.06)
Class E	(5.76)	(1.31)
Class F	(5.99)	(2.06)
Class F (USD)	(5.88)	(1.46)
Class H	(5.38)	(5.01)
Class I	(4.61)	(3.39)
Class N	(5.34)	(1.19)
Class N (USD)	(6.99)	(1.55)
Class O	(5.06)	(2.80)

Pender Global Focused Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2022 and 2021

Class A	2022 (\$)	2021 (\$)
Balance, beginning of year	5,822,803	7,385,666
Increase (decrease) in net assets attributable to holders of redeemable units	(1,937,748)	(380,025)
Unit transactions:		
Proceeds from issue of redeemable units	97,644	523,322
Issued on reinvestment of distributions	-	190,496
Amounts paid on redemption of redeemable units	(1,605,526)	(1,705,400)
	(1,507,882)	(991,582)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(191,256)
Return of capital	-	-
	-	(191,256)
Balance, end of year	2,377,173	5,822,803

Class A (USD)	2022 (\$)	2021 (\$)
Balance, beginning of year	362,184	328,897
Increase (decrease) in net assets attributable to holders of redeemable units	(120,842)	(37,127)
Unit transactions:		
Proceeds from issue of redeemable units	-	149,499
Issued on reinvestment of distributions	-	11,319
Amounts paid on redemption of redeemable units	(144,613)	(76,254)
	(144,613)	84,564
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(14,150)
Return of capital	-	-
	-	(14,150)
Balance, end of year	96,729	362,184

Class D	2022 (\$)	2021 (\$)
Balance, beginning of year	970,492	164,275
Increase (decrease) in net assets attributable to holders of redeemable units	(240,705)	(272,320)
Unit transactions:		
Proceeds from issue of redeemable units	104,170	1,841,685
Issued on reinvestment of distributions	-	21,881
Amounts paid on redemption of redeemable units	(833,957)	(763,148)
	(729,787)	1,100,418
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(21,881)
Return of capital	-	-
	-	(21,881)
Balance, end of year	-	970,492

Pender Global Focused Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class E	2022 (\$)	2021 (\$)
Balance, beginning of year	2,122,144	2,264,780
Increase (decrease) in net assets attributable to holders of redeemable units	(815,753)	(174,689)
Unit transactions:		
Proceeds from issue of redeemable units	11,001	115,161
Issued on reinvestment of distributions	-	140,175
Amounts paid on redemption of redeemable units	(743)	(83,108)
	10,258	172,228
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(140,175)
Return of capital	-	-
	-	(140,175)
Balance, end of year	1,316,649	2,122,144

Class F	2022 (\$)	2021 (\$)
Balance, beginning of year	5,625,136	5,635,536
Increase (decrease) in net assets attributable to holders of redeemable units	(2,120,793)	(739,052)
Unit transactions:		
Proceeds from issue of redeemable units	1,089,861	1,788,447
Issued on reinvestment of distributions	3,366	340,704
Amounts paid on redemption of redeemable units	(1,212,351)	(1,059,989)
	(119,124)	1,069,162
Distributions paid from:		
Net investment income	(2,910)	(5,660)
Realized gains on sale of investments	-	(334,850)
Return of capital	-	-
	(2,910)	(340,510)
Balance, end of year	3,382,309	5,625,136

Class F (USD)	2022 (\$)	2021 (\$)
Balance, beginning of year	188,723	199,936
Increase (decrease) in net assets attributable to holders of redeemable units	(80,650)	(16,273)
Unit transactions:		
Proceeds from issue of redeemable units	31,947	5,060
Issued on reinvestment of distributions	-	10,600
Amounts paid on redemption of redeemable units	(6,686)	-
	25,261	15,660
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(10,600)
Return of capital	-	-
	-	(10,600)
Balance, end of year	133,334	188,723

Pender Global Focused Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class H	2022 (\$)	2021 (\$)
Balance, beginning of year	449,878	123,225
Increase (decrease) in net assets attributable to holders of redeemable units	(135,447)	(159,475)
Unit transactions:		
Proceeds from issue of redeemable units	-	580,738
Issued on reinvestment of distributions	-	17,893
Amounts paid on redemption of redeemable units	(149,040)	(94,610)
	(149,040)	504,021
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(17,893)
Return of capital	-	-
	-	(17,893)
Balance, end of year	165,391	449,878
Class I	2022 (\$)	2021 (\$)
Balance, beginning of year	222,463	7,208
Increase (decrease) in net assets attributable to holders of redeemable units	(90,512)	(51,928)
Unit transactions:		
Proceeds from issue of redeemable units	69,793	274,916
Issued on reinvestment of distributions	-	13,066
Amounts paid on redemption of redeemable units	(79,300)	(7,733)
	(9,507)	280,249
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(13,066)
Return of capital	-	-
	-	(13,066)
Balance, end of year	122,444	222,463
Class N	2022 (\$)	2021 (\$)
Balance, beginning of year	7,399	7,993
Increase (decrease) in net assets attributable to holders of redeemable units	(2,851)	(594)
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	466
Amounts paid on redemption of redeemable units	-	-
	-	466
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(466)
Return of capital	-	-
	-	(466)
Balance, end of year	4,548	7,399

The accompanying notes are an integral part of these financial statements.

Pender Global Focused Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class N (USD)	2022 (\$)	2021 (\$)
Balance, beginning of year	9,701	10,478
Increase (decrease) in net assets attributable to holders of redeemable units	(3,737)	(777)
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	613
Amounts paid on redemption of redeemable units	-	-
	-	613
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(613)
Return of capital	-	-
	-	(613)
Balance, end of year	5,964	9,701

Class O	2022 (\$)	2021 (\$)
Balance, beginning of year	10,459,277	6,008,181
Increase (decrease) in net assets attributable to holders of redeemable units	(3,514,503)	(1,949,864)
Unit transactions:		
Proceeds from issue of redeemable units	-	6,475,000
Issued on reinvestment of distributions	-	783,052
Amounts paid on redemption of redeemable units	(5,324,093)	(74,040)
	(5,324,093)	7,184,012
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(783,052)
Return of capital	-	-
	-	(783,052)
Balance, end of year	1,620,681	10,459,277

Total Fund	2022 (\$)	2021 (\$)
Balance, beginning of year	26,240,200	22,136,175
Increase (decrease) in net assets attributable to holders of redeemable units	(9,063,541)	(3,782,124)
Unit transactions:		
Proceeds from issue of redeemable units	1,404,416	11,753,828
Issued on reinvestment of distributions	3,366	1,530,265
Amounts paid on redemption of redeemable units	(9,356,309)	(3,864,282)
	(7,948,527)	9,419,811
Distributions paid from:		
Net investment income	(2,910)	(5,660)
Realized gains on sale of investments	-	(1,528,002)
Return of capital	-	-
	(2,910)	(1,533,662)
Balance, end of year	9,225,222	26,240,200

Pender Global Focused Fund

Statements of Cash Flows

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	(9,063,541)	(3,782,124)
Adjustments for:		
Interest for distribution purposes	(2,057)	(771)
Dividend income	(124,149)	(153,321)
Foreign exchange (gain) loss on cash	(54,504)	4,212
Net realized (gain) loss on sale of investments	4,110,344	(3,816,647)
Net change in unrealized (appreciation) depreciation of investments	4,975,738	7,409,894
Other receivable	(3,507)	(393)
Management and administration fees payable	(12,487)	1,751
Accrued expenses	576	(18)
	(173,587)	(337,417)
Proceeds on disposal of investments	9,196,155	13,510,274
Amounts paid on purchase of investments	(1,191,089)	(21,728,991)
Dividends received	124,149	153,321
Interest received	2,057	771
	7,957,685	(8,402,042)
Financing:		
Proceeds from issue of redeemable units	1,321,457	11,278,985
Amounts paid on redemption of redeemable units	(9,261,981)	(3,387,289)
Distributions paid to unitholders	-	(3,591)
	(7,940,524)	7,888,105
Net increase (decrease) in cash	17,161	(513,937)
Cash, beginning of year	47,072	565,221
Effect of exchange rate fluctuations on cash	54,504	(4,212)
Cash, end of year	118,737	47,072

Pender Global Focused Fund

Schedule of Investment Portfolio

December 31, 2022

	Number of shares	Cost (\$)	Fair value (\$)
Equities:			
Communication services (16.2%):			
Baidu, Inc., ADR	6,390	1,629,215	989,623
IAC/InterActiveCorp	2,600	304,042	156,306
Warner Bros. Discovery, Inc.	27,000	1,009,920	346,570
		2,943,177	1,492,499
Consumer discretionary (17.2%):			
JD.com, Inc., ADR	16,470	1,089,249	1,251,720
Peloton Interactive, Inc., Class 'A'	14,900	1,171,047	160,186
Stitch Fix, Inc., Class 'A'	41,580	1,696,119	175,091
		3,956,415	1,586,997
Diversified financials (37.0%):			
Burford Capital Limited	99,377	1,006,491	1,096,635
Coinbase Global, Inc., Class 'A'	2,900	894,279	138,962
FRMO Corporation	70,748	653,087	789,333
Interactive Brokers Group, Inc., Class 'A'	6,760	451,584	662,222
KKR & Co. Inc.	11,580	330,390	727,834
		3,335,831	3,414,986
Energy (8.3%):			
McDermott International, Ltd.	331,336	206,042	191,295
Texas Pacific Land Corporation	180	266,600	571,336
		472,642	762,631
Health care (4.1%)			
Semler Scientific, Inc.	8,400	303,407	375,329
		303,407	375,329
Information technology (9.1%):			
Block, Inc.	2,730	282,690	232,283
PAR Technology Corporation	17,260	752,609	609,257
		1,035,299	841,540
Real estate (7.0%):			
Zillow Group, Inc., Class 'C'	14,890	966,915	649,388
		966,915	649,388
Less: Transaction costs included in cost of investments		(18,111)	
Total investments (98.9%)		12,995,575	9,123,370
Cash (1.3%)			118,737
Other assets less liabilities (-0.2%)			(16,885)
Total net assets attributable to holders of redeemable units (100.0%)			9,225,222

Pender Small Cap Opportunities Fund

Statements of Financial Position

December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Assets		
Cash	7,243,534	16,691,420
Receivable for investments sold	-	75,020
Subscriptions receivable	345,506	446,696
Dividends receivable	382,439	77,792
Investments	231,247,249	308,125,394
	239,218,728	325,416,322
Liabilities		
Management and administration fees payable (note 4)	277,276	138,821
Payable for investments purchased	-	119,265
Redemptions payable to holders of redeemable units	97,855	147,519
Distributions payable to holders of redeemable units	35,510	52,930
Accrued expenses	731	1,097
	411,372	459,632
Net assets attributable to holders of redeemable units	238,807,356	324,956,690
Net assets attributable to holders of redeemable units per class:		
Class A	20,765,490	37,415,911
Class B	14,495,892	26,051,170
Class E	2,660,006	3,513,165
Class F	70,142,699	97,457,101
Class G	93,761,733	99,606,986
Class I	16,871,593	23,048,374
Class M	10,185,835	9,642,849
Class N	95,583	613,334
Class O	9,828,525	27,607,800
	238,807,356	324,956,690
Net assets attributable to holders of redeemable units per unit:		
Class A	24.24	34.25
Class B	8.94	12.63
Class E	10.50	14.52
Class F	25.08	35.07
Class G	9.15	12.81
Class I	11.79	16.40
Class M	5.47	7.60
Class N	14.14	19.68
Class O	25.68	35.27

Approved on behalf of the Manager, PenderFund Capital Management Ltd:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Small Cap Opportunities Fund

Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Revenue		
Interest for distribution purposes	1,412	751,672
Dividend income	3,251,603	2,915,686
Foreign exchange gain (loss)	62,294	(38,220)
Changes in fair value of investments:		
Net realized gain (loss)	(4,676,017)	77,944,299
Net change in unrealized appreciation (depreciation)	(89,837,899)	(16,995,220)
Total revenue	(91,198,607)	64,578,217
Expenses		
Management fees (note 4)	2,522,944	3,030,872
Administration fees (note 4)	1,538,305	1,588,985
Transaction costs	355,484	587,867
Performance fee (note 4)	-	138,044
Independent review committee fees	6,251	6,568
Withholding taxes (recovery) (note 6)	2,183	1,704
Other taxes (recovery)	(100,830)	(93,715)
Total expenses	4,324,337	5,260,325
Less: Expenses absorbed by the Manager (note 4)	(6,251)	(6,568)
Net expenses	4,318,086	5,253,757
Increase (decrease) in net assets attributable to holders of redeemable units	(95,516,693)	59,324,460
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	(9,670,629)	7,897,572
Class B	(7,804,117)	4,475,113
Class E	(972,017)	691,829
Class F	(28,322,381)	21,992,375
Class G	(31,318,549)	14,080,615
Class I	(6,606,229)	4,893,817
Class M	(2,782,532)	(497,880)
Class N	(176,060)	1,310,016
Class O	(7,864,179)	4,481,003
	(95,516,693)	59,324,460
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	(10.28)	8.67
Class B	(3.90)	2.56
Class E	(3.97)	3.76
Class F	(10.03)	9.41
Class G	(3.41)	2.42
Class I	(4.81)	4.37
Class M	(1.82)	(1.48)
Class N	(8.62)	12.12
Class O	(10.44)	8.00

Pender Small Cap Opportunities Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2022 and 2021

Class A	2022 (\$)	2021 (\$)
Balance, beginning of year	37,415,911	32,406,020
Increase (decrease) in net assets attributable to holders of redeemable units	(9,670,629)	7,897,572
Unit transactions:		
Proceeds from issue of redeemable units	-	38,783
Issued on reinvestment of distributions	-	7,408,800
Amounts paid on redemption of redeemable units	(6,979,792)	(2,882,316)
	(6,979,792)	4,565,267
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(7,452,948)
Return of capital	-	-
	-	(7,452,948)
Balance, end of year	20,765,490	37,415,911
Class B	2022 (\$)	2021 (\$)
Balance, beginning of year	26,051,170	17,134,689
Increase (decrease) in net assets attributable to holders of redeemable units	(7,804,117)	4,475,113
Unit transactions:		
Proceeds from issue of redeemable units	3,068,086	10,110,169
Issued on reinvestment of distributions	-	3,678,601
Amounts paid on redemption of redeemable units	(6,819,247)	(5,488,051)
	(3,751,161)	8,300,719
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(3,859,351)
Return of capital	-	-
	-	(3,859,351)
Balance, end of year	14,495,892	26,051,170
Class E	2022 (\$)	2021 (\$)
Balance, beginning of year	3,513,165	2,500,345
Increase (decrease) in net assets attributable to holders of redeemable units	(972,017)	691,829
Unit transactions:		
Proceeds from issue of redeemable units	371,516	448,463
Issued on reinvestment of distributions	-	783,935
Amounts paid on redemption of redeemable units	(252,658)	(127,472)
	118,858	1,104,926
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(783,935)
Return of capital	-	-
	-	(783,935)
Balance, end of year	2,660,006	3,513,165

The accompanying notes are an integral part of these financial statements.

Pender Small Cap Opportunities Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class F	2022 (\$)	2021 (\$)
Balance, beginning of year	97,457,101	85,902,772
Increase (decrease) in net assets attributable to holders of redeemable units	(28,322,381)	21,992,375
Unit transactions:		
Proceeds from issue of redeemable units	5,449,607	1,344,827
Issued on reinvestment of distributions	168,277	18,228,473
Amounts paid on redemption of redeemable units	(4,458,217)	(9,553,782)
	1,159,667	10,019,518
Distributions paid from:		
Net investment income	(151,688)	(202,565)
Realized gains on sale of investments	-	(20,254,999)
Return of capital	-	-
	(151,688)	(20,457,564)
Balance, end of year	70,142,699	97,457,101

Class G	2022 (\$)	2021 (\$)
Balance, beginning of year	99,606,986	44,524,413
Increase (decrease) in net assets attributable to holders of redeemable units	(31,318,549)	14,080,615
Unit transactions:		
Proceeds from issue of redeemable units	45,356,082	60,150,976
Issued on reinvestment of distributions	-	14,855,668
Amounts paid on redemption of redeemable units	(19,882,786)	(16,171,551)
	25,473,296	58,835,093
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(17,833,135)
Return of capital	-	-
	-	(17,833,135)
Balance, end of year	93,761,733	99,606,986

Class I	2022 (\$)	2021 (\$)
Balance, beginning of year	23,048,374	19,221,142
Increase (decrease) in net assets attributable to holders of redeemable units	(6,606,229)	4,893,817
Unit transactions:		
Proceeds from issue of redeemable units	3,934,440	178,000
Issued on reinvestment of distributions	8,770	4,874,750
Amounts paid on redemption of redeemable units	(3,505,823)	(1,245,456)
	437,387	3,807,294
Distributions paid from:		
Net investment income	(7,939)	(11,585)
Realized gains on sale of investments	-	(4,862,294)
Return of capital	-	-
	(7,939)	(4,873,879)
Balance, end of year	16,871,593	23,048,374

Pender Small Cap Opportunities Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class M	2022 (\$)	2021 (\$)
Balance, beginning of year	9,642,849	-
Increase (decrease) in net assets attributable to holders of redeemable units	(2,782,532)	(497,880)
Unit transactions:		
Proceeds from issue of redeemable units	4,028,972	10,140,729
Issued on reinvestment of distributions	-	2,172,344
Amounts paid on redemption of redeemable units	(703,454)	-
	3,325,518	12,313,073
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(2,172,344)
Return of capital	-	-
	-	(2,172,344)
Balance, end of year	10,185,835	9,642,849

Class N	2022 (\$)	2021 (\$)
Balance, beginning of year	613,334	5,607,875
Increase (decrease) in net assets attributable to holders of redeemable units	(176,060)	1,310,016
Unit transactions:		
Proceeds from issue of redeemable units	-	1,000,000
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(341,691)	(7,304,557)
	(341,691)	(6,304,557)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	95,583	613,334

Class O	2022 (\$)	2021 (\$)
Balance, beginning of year	27,607,800	13,989,062
Increase (decrease) in net assets attributable to holders of redeemable units	(7,864,179)	4,481,003
Unit transactions:		
Proceeds from issue of redeemable units	2,712,297	10,250,999
Issued on reinvestment of distributions	-	6,270,661
Amounts paid on redemption of redeemable units	(12,627,393)	(1,113,264)
	(9,915,096)	15,408,396
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(6,270,661)
Return of capital	-	-
	-	(6,270,661)
Balance, end of year	9,828,525	27,607,800

Pender Small Cap Opportunities Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Total Fund	2022 (\$)	2021 (\$)
Balance, beginning of year	324,956,690	221,286,318
Increase (decrease) in net assets attributable to holders of redeemable units	(95,516,693)	59,324,460
Unit transactions:		
Proceeds from issue of redeemable units	64,921,000	93,662,946
Issued on reinvestment of distributions	177,047	58,273,232
Amounts paid on redemption of redeemable units	(55,571,061)	(43,886,449)
	9,526,986	108,049,729
Distributions paid from:		
Net investment income	(159,627)	(214,150)
Realized gains on sale of investments	-	(63,489,667)
Return of capital	-	-
	(159,627)	(63,703,817)
Balance, end of year	238,807,356	324,956,690

Pender Small Cap Opportunities Fund

Statements of Cash Flows

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	(95,516,693)	59,324,460
Adjustments for:		
Interest for distribution purposes	(1,412)	(751,672)
Dividend income	(3,251,603)	(2,915,686)
Foreign exchange (gain) loss	(62,294)	38,220
Net realized (gain) loss on sale of investments	4,676,017	(77,944,299)
Net change in unrealized (appreciation) depreciation of investments	89,837,899	16,995,220
Performance fees payable	-	(2,489,097)
Management and administration fees payable	138,455	(97,179)
Accrued expenses	(366)	(491)
	(4,179,997)	(7,840,524)
Proceeds on disposal of investments	102,186,228	180,011,476
Amounts paid on purchase of investments	(119,866,244)	(209,208,406)
Dividends received	2,946,956	2,887,781
Interest received	1,412	1,248,580
	(18,911,645)	(32,901,093)
Financing:		
Proceeds from issue of redeemable units	63,763,285	91,152,991
Amounts paid on redemption of redeemable units	(54,361,820)	(40,664,059)
Distributions paid to unitholders	-	(5,421,106)
	9,401,465	45,067,826
Net increase (decrease) in cash	(9,510,180)	12,166,733
Cash, beginning of year	16,691,420	4,562,907
Effect of exchange rate fluctuations on cash	62,294	(38,220)
Cash, end of year	7,243,534	16,691,420

The accompanying notes are an integral part of these financial statements.

Pender Small Cap Opportunities Fund

Schedule of Investment Portfolio

December 31, 2022

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Equities:				
Communication services (3.8%)				
Anterix Inc.		123,320	7,933,876	5,371,595
Corus Entertainment Inc., Class 'B'		1,706,023	9,141,728	3,685,010
			17,075,604	9,056,605
Consumer discretionary (10.9%)				
Aritzia Inc.		129,560	2,588,766	6,134,666
ATD New Holdings Inc.		85,551	4,959,524	8,398,114
BuildDirect.com Technologies Inc.		1,766,000	2,905,270	481,235
D2L Inc.		868,022	8,102,459	5,624,783
Nova Cannabis Inc.		1,567,931	4,703,793	1,944,234
Unisync Corp.		1,557,675	3,753,997	3,520,346
			27,013,809	26,103,378
Consumer staples (2.1%)				
GH Group, Inc., Preferred, Series 'C', 20.00%		2,880	3,932,208	3,899,520
GreenSpace Brands Inc.		48,455,868	8,444,541	242,279
MAV Beauty Brands Inc.		1,621,891	8,085,508	729,851
			20,462,257	4,871,650
Diversified financials (5.3%)				
Chesswood Group Limited		536,700	6,075,471	6,139,848
Deans Knight Income Corporation		3,000	1,200	1,200
Fiera Capital Corporation, Class 'A'		748,991	7,976,102	6,501,242
			14,052,773	12,642,290
Energy (11.7%)				
McDermott International, Ltd.		5,559,379	3,457,284	3,209,683
Saturn Oil & Gas Inc.		3,366,390	9,257,573	7,911,017
Spartan Delta Corp.		590,765	1,951,729	8,831,937
TerraVest Industries Inc.		288,100	1,953,764	7,948,679
			16,620,350	27,901,316
Health care (2.9%)				
Clarius Mobile Health Corp., Preferred, Series '1'		1,123,596	1,000,000	1,536,518
Well Health Technologies Corp.		1,925,450	7,710,286	5,468,278
			8,710,286	7,004,796
Industrials (9.6%)				
Blackline Safety Corp.		3,317,130	15,841,870	6,004,005
Maxar Technologies Inc.		128,060	3,430,015	8,964,200
Mullen Group Ltd.		316,100	2,362,793	4,599,255
Savaria Corporation		245,000	4,791,761	3,427,550
			26,426,439	22,995,010
Information technology (40.0%)				
Aviat Networks, Inc.		129,524	1,447,588	5,469,962
Copperleaf Technologies Inc.		1,671,387	9,387,470	9,593,761
Docebo Inc.		117,820	5,141,316	5,271,267
Dye & Durham Limited, Restricted		172,638	3,697,127	2,832,990
Kinaxis Inc.		32,400	4,778,146	4,921,884
Magnet Forensics Inc.		241,100	4,618,447	8,956,865
Optiva Inc.		299,822	6,969,103	5,321,841
PAR Technology Corporation		212,621	11,080,276	7,505,262
ProntoForms Corporation		11,351,627	5,839,813	5,619,055
Quorum Information Technologies Inc.		4,993,619	3,744,851	3,944,959

The accompanying notes are an integral part of these financial statements.

Pender Small Cap Opportunities Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2022

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Information technology (40.0%) (cont'd)				
Sangoma Technologies Corporation		1,300,000	15,976,182	8,255,000
Sylogist Ltd.		1,940,420	17,677,800	11,952,986
Tantalus Systems Holding Inc.		2,665,659	5,997,734	2,692,316
Thinkific Labs Inc.		4,110,888	14,605,384	7,728,469
WeCommerce Holdings Ltd., Class 'A'		1,817,831	16,237,405	3,453,879
Wishpond Technologies Ltd.		2,455,400	3,517,526	1,718,780
			130,716,168	95,239,276
Real estate (2.5%)				
Dream Unlimited Corp., Class 'A'		235,809	5,114,757	5,996,623
			5,114,757	5,996,623
Utilities (8.0%)				
Altius Renewable Royalties Corp.		1,099,177	11,136,885	9,727,715
Maxim Power Corp.		1,315,400	3,522,062	4,472,360
Polaris Renewable Energy Inc.		348,713	4,590,465	4,906,392
			19,249,412	19,106,467
Total equities (96.8%)			285,441,855	230,917,411
Warrants:				
BeWhere Holdings Inc., strike price \$0.35, expiry 2024/02/15	CAD	15,500	388	-
BIGG Digital Assets Inc., strike price \$0.70, expiry 2023/01/28	CAD	1,550,000	-	-
BIGG Digital Assets Inc., strike price \$2.70, expiry 2023/04/16	CAD	250,000	-	-
Glass House Brand Inc., strike price \$5.00, expiry 2027/08/31	USD	576,000	-	-
Greenspace Brands Inc., strike price \$0.10, expiry 2023/03/30	CAD	2,142,857	-	-
Greenspace Brands Inc., strike price \$0.09, expiry 2023/09/28	CAD	2,011,500	-	-
GreenSpace Brands Inc., strike price \$0.08, expiry 2023/12/22	CAD	14,116,334	-	-
INEO Tech Corp., strike price \$0.55, expiry 2023/03/10	CAD	2,370,000	-	-
INX Ltd., strike price \$1.88, expiry 2024/01/10	CAD	1,200,000	-	-
Luxxfolio Holdings Inc., strike price \$1.00, expiry 2023/12/07	CAD	875,000	-	-
Martello Technologies Group Inc., strike price \$0.30, expiry 2023/05/26	CAD	4,700,000	-	-
Medexus Pharmaceuticals Inc., strike price \$9.45, expiry 2023/10/16	CAD	98,038	126	-
NEXE Innovations Inc., strike price \$2.50, expiry 2023/04/09	CAD	87,500	-	-
Saturn Oil & Gas Inc., strike price \$3.20, expiry 2023/07/07	CAD	1,858,245	-	329,838
Siyata Mobile Inc., strike price \$65.25, expiry 2022/12/23	CAD	14,517	-	-
Sphere 3D Corp., strike price \$9.50, expiry 2026/09/08	USD	294,100	-	-
Total warrants (0.1%)			514	329,838
Less: Transaction costs included in cost of investments			(426,218)	
Total investments (96.9%)			285,016,151	231,247,249
Cash (3.0%)				7,243,534
Other assets less liabilities (0.1%)				316,573
Total net assets attributable to holders of redeemable units (100.0%)				238,807,356

The accompanying notes are an integral part of these financial statements.

Pender Small/Mid Cap Dividend Fund

Statements of Financial Position

December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Assets		
Cash	-	2,847,810
Receivable for investments sold	185,827	-
Subscriptions receivable	1,250	6,500
Dividends receivable	96,712	30,483
Other receivable	-	569
Investments	24,517,969	21,616,595
	24,801,758	24,501,957
Liabilities		
Bank overdraft	184,097	-
Management and administration fees payable (note 4)	34,025	27,078
Accrued expenses	583	485
	218,705	27,563
Net assets attributable to holders of redeemable units	24,583,053	24,474,394
Net assets attributable to holders of redeemable units per class:		
Class A	2,203,529	945,087
Class D	-	1,302,816
Class E	870,084	895,306
Class F	6,205,275	5,001,533
Class H	3,322,160	2,800,564
Class I	8,731,866	11,315,293
Class N	8,252	9,226
Class O	3,241,887	2,204,569
	24,583,053	24,474,394
Net assets attributable to holders of redeemable units per unit:		
Class A	13.48	15.78
Class D	-	16.46
Class E	14.62	16.76
Class F	13.59	15.74
Class H	13.49	15.74
Class I	13.55	15.67
Class N	13.57	15.64
Class O	14.90	17.00

Approved on behalf of the Manager, PenderFund Capital Management Ltd:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Small/Mid Cap Dividend Fund

Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Revenue		
Dividend income	640,891	380,146
Securities lending income (note 5)	19,466	2,940
Foreign exchange gain (loss)	215	(5,120)
Changes in fair value of investments:		
Net realized gain (loss)	141,288	1,699,607
Net change in unrealized appreciation (depreciation)	(3,207,078)	1,417,995
Total revenue	(2,405,218)	3,495,568
Expenses		
Management fees (note 4)	228,893	145,643
Administration fees (note 4)	130,950	80,064
Transaction costs	32,722	47,723
Independent review committee fees	643	495
Withholding taxes (recovery) (note 6)	21	21
Other taxes (recovery)	(8,441)	(384)
Total expenses	384,788	273,562
Less: Expenses absorbed by the Manager (note 4)	(643)	(495)
Net expenses	384,145	273,067
Increase (decrease) in net assets attributable to holders of redeemable units	(2,789,363)	3,222,501
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	(195,669)	150,647
Class D	(75,381)	127,268
Class E	(94,921)	210,690
Class F	(666,945)	783,847
Class H	(378,303)	436,451
Class I	(1,146,282)	1,508,297
Class N	(985)	2,090
Class O	(230,877)	3,211
	(2,789,363)	3,222,501
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	(1.58)	3.19
Class D	(0.76)	2.74
Class E	(1.69)	3.98
Class F	(1.70)	3.41
Class H	(1.74)	3.19
Class I	(1.52)	3.53
Class N	(1.65)	3.79
Class O	(1.46)	0.10

Pender Small/Mid Cap Dividend Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Class A		
Balance, beginning of year	945,087	478,636
Increase (decrease) in net assets attributable to holders of redeemable units	(195,669)	150,647
Unit transactions:		
Proceeds from issue of redeemable units	2,760,765	461,842
Issued on reinvestment of distributions	50,407	52,514
Amounts paid on redemption of redeemable units	(1,303,544)	(142,212)
	1,507,628	372,144
Distributions paid from:		
Net investment income	(150)	(610)
Realized gains on sale of investments	(18,660)	(55,730)
Return of capital	(34,707)	-
	(53,517)	(56,340)
Balance, end of year	2,203,529	945,087
Class D		
Balance, beginning of year	1,302,816	293,707
Increase (decrease) in net assets attributable to holders of redeemable units	(75,381)	127,268
Unit transactions:		
Proceeds from issue of redeemable units	664,536	1,409,015
Issued on reinvestment of distributions	13,723	27,408
Amounts paid on redemption of redeemable units	(1,891,176)	(526,909)
	(1,212,917)	909,514
Distributions paid from:		
Net investment income	(246)	(3,887)
Realized gains on sale of investments	(4,990)	(23,786)
Return of capital	(9,282)	-
	(14,518)	(27,673)
Balance, end of year	-	1,302,816
Class E		
Balance, beginning of year	895,306	1,694,166
Increase (decrease) in net assets attributable to holders of redeemable units	(94,921)	210,690
Unit transactions:		
Proceeds from issue of redeemable units	135,570	63,712
Issued on reinvestment of distributions	25,519	18,365
Amounts paid on redemption of redeemable units	(65,871)	(1,073,262)
	95,218	(991,185)
Distributions paid from:		
Net investment income	(10,104)	(5,141)
Realized gains on sale of investments	(5,390)	(13,224)
Return of capital	(10,025)	-
	(25,519)	(18,365)
Balance, end of year	870,084	895,306

Pender Small/Mid Cap Dividend Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class F	2022 (\$)	2021 (\$)
Balance, beginning of year	5,001,533	2,161,866
Increase (decrease) in net assets attributable to holders of redeemable units	(666,945)	783,847
Unit transactions:		
Proceeds from issue of redeemable units	3,773,206	3,135,560
Issued on reinvestment of distributions	138,044	241,259
Amounts paid on redemption of redeemable units	(1,875,546)	(999,482)
	2,035,704	2,377,337
Distributions paid from:		
Net investment income	(23,421)	(16,836)
Realized gains on sale of investments	(49,509)	(304,681)
Return of capital	(92,087)	-
	(165,017)	(321,517)
Balance, end of year	6,205,275	5,001,533

Class H	2022 (\$)	2021 (\$)
Balance, beginning of year	2,800,564	1,439,646
Increase (decrease) in net assets attributable to holders of redeemable units	(378,303)	436,451
Unit transactions:		
Proceeds from issue of redeemable units	1,207,311	1,545,946
Issued on reinvestment of distributions	90,821	147,437
Amounts paid on redemption of redeemable units	(304,184)	(613,908)
	993,948	1,079,475
Distributions paid from:		
Net investment income	(1,872)	(3,012)
Realized gains on sale of investments	(32,230)	(151,996)
Return of capital	(59,947)	-
	(94,049)	(155,008)
Balance, end of year	3,322,160	2,800,564

Class I	2022 (\$)	2021 (\$)
Balance, beginning of year	11,315,293	4,380,584
Increase (decrease) in net assets attributable to holders of redeemable units	(1,146,282)	1,508,297
Unit transactions:		
Proceeds from issue of redeemable units	8,152,502	5,914,586
Issued on reinvestment of distributions	325,999	621,478
Amounts paid on redemption of redeemable units	(9,587,668)	(488,174)
	(1,109,167)	6,047,890
Distributions paid from:		
Net investment income	(56,622)	(37,413)
Realized gains on sale of investments	(94,880)	(584,065)
Return of capital	(176,476)	-
	(327,978)	(621,478)
Balance, end of year	8,731,866	11,315,293

Pender Small/Mid Cap Dividend Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class N	2022 (\$)	2021 (\$)
Balance, beginning of year	9,226	7,136
Increase (decrease) in net assets attributable to holders of redeemable units	(985)	2,090
Unit transactions:		
Proceeds from issue of redeemable units	11	-
Issued on reinvestment of distributions	251	728
Amounts paid on redemption of redeemable units	-	-
	262	728
Distributions paid from:		
Net investment income	(66)	(40)
Realized gains on sale of investments	(65)	(688)
Return of capital	(120)	-
	(251)	(728)
Balance, end of year	8,252	9,226

Class O	2022 (\$)	2021 (\$)
Balance, beginning of year	2,204,569	1,078,188
Increase (decrease) in net assets attributable to holders of redeemable units	(230,877)	3,211
Unit transactions:		
Proceeds from issue of redeemable units	1,268,195	2,050,002
Issued on reinvestment of distributions	75,057	22,141
Amounts paid on redemption of redeemable units	-	(926,832)
	1,343,252	1,145,311
Distributions paid from:		
Net investment income	(41,849)	(4,553)
Realized gains on sale of investments	(11,611)	(17,588)
Return of capital	(21,597)	-
	(75,057)	(22,141)
Balance, end of year	3,241,887	2,204,569

Total Fund	2022 (\$)	2021 (\$)
Balance, beginning of year	24,474,394	11,533,929
Increase (decrease) in net assets attributable to holders of redeemable units	(2,789,363)	3,222,501
Unit transactions:		
Proceeds from issue of redeemable units	17,962,096	14,580,663
Issued on reinvestment of distributions	719,821	1,131,330
Amounts paid on redemption of redeemable units	(15,027,989)	(4,770,779)
	3,653,928	10,941,214
Distributions paid from:		
Net investment income	(134,330)	(71,492)
Realized gains on sale of investments	(217,335)	(1,151,758)
Return of capital	(404,241)	-
	(755,906)	(1,223,250)
Balance, end of year	24,583,053	24,474,394

Pender Small/Mid Cap Dividend Fund

Statements of Cash Flows

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	(2,789,363)	3,222,501
Adjustments for:		
Interest for distribution purposes	-	(106)
Dividend income	(640,891)	(379,980)
Foreign exchange (gain) loss	(215)	5,120
Net realized (gain) loss on sale of investments	(141,288)	(1,699,607)
Net change in unrealized (appreciation) depreciation of investments	3,207,078	(1,417,995)
Other receivable	569	(386)
Management and administration fees payable	6,947	16,933
Accrued expenses	98	169
	(357,065)	(253,351)
Proceeds on disposal of investments	9,524,109	8,010,910
Amounts paid on purchase of investments	(15,677,100)	(20,182,417)
Dividends received	574,662	365,478
Interest received	-	106
	(5,935,394)	(12,059,274)
Financing:		
Proceeds from issue of redeemable units	17,547,781	14,472,272
Amounts paid on redemption of redeemable units	(14,608,424)	(4,556,849)
Distributions paid to unitholders	(36,085)	(91,920)
	2,903,272	9,823,503
Net increase (decrease) in cash	(3,032,122)	(2,235,771)
Cash, beginning of year	2,847,810	5,088,701
Effect of exchange rate fluctuations on cash	215	(5,120)
(Bank overdraft) Cash, end of year	(184,097)	2,847,810

Pender Small/Mid Cap Dividend Fund

Schedule of Investment Portfolio

December 31, 2022

	Issue currency	Number of shares/units	Cost (\$)	Fair value (\$)
Equities:				
Communication services (1.2%):				
Corus Entertainment Inc., Class 'B'		142,192	504,428	307,135
			504,428	307,135
Diversified financials (14.2%):				
Alaris Equity Partners Income Trust		66,600	1,043,529	1,068,264
Chesswood Group Limited		87,580	1,113,041	1,001,915
Fiera Capital Corporation		96,860	1,000,258	840,745
Guardian Capital Group Limited		14,760	561,022	573,131
			3,717,850	3,484,055
Energy (20.7%):				
Computer Modelling Group Ltd.		229,900	1,250,851	1,340,316
North American Construction Group Ltd.		44,910	747,338	811,973
Saturn Oil & Gas Inc.		359,910	1,033,102	845,789
Spartan Delta Corp.		80,800	356,209	1,207,959
Total Energy Services Inc.		103,210	816,628	888,638
			4,204,128	5,094,675
Health care (4.2%):				
Hamilton Thorne Ltd.		638,390	1,031,687	1,040,576
			1,031,687	1,040,576
Industrials (23.2%):				
Chorus Aviation Inc.		306,699	1,060,389	993,705
Exchange Income Corporation		22,170	915,125	1,166,807
GDI Integrated Facility Services Inc.		14,550	593,116	662,025
Héroux Devtek Inc.		67,300	1,090,770	884,659
K-Bro Linen Inc.		13,820	466,269	377,286
Mullen Group Ltd.		70,270	685,573	1,022,429
NFI Group Inc.		62,400	582,342	594,048
			5,393,584	5,700,959
Information technology (13.3%):				
Evertz Technologies Limited		57,800	740,815	738,106
Sylogist Ltd.		192,272	1,503,083	1,184,395
Vecima Networks Inc.		69,550	1,081,538	1,348,574
			3,325,436	3,271,075
Materials (5.6%):				
Richards Packaging Income Fund		15,990	957,434	691,568
Transcontinental Inc., Class 'A'		23,120	470,974	353,274
Winpak Ltd.		7,800	319,154	328,068
			1,747,562	1,372,910
Real estate (8.6%):				
Colliers International Group Inc.		6,070	749,061	754,987
Dream Unlimited Corp., Class 'A'		31,511	926,325	801,325
Information Services Corporation, Class 'A'		22,640	412,114	547,209
			2,087,500	2,103,521
Utilities (8.3%):				
Altius Renewable Royalties Corp.		146,100	1,401,589	1,292,984
Polaris Renewable Energy Inc.		52,800	959,358	742,896
			2,360,947	2,035,880
Total equities (99.3%)			24,373,122	24,410,786

The accompanying notes are an integral part of these financial statements.

Pender Small/Mid Cap Dividend Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2022

	Issue currency	Number of shares/units	Cost (\$)	Fair value (\$)
Warrants:				
Saturn Oil & Gas Inc., strike price \$3.20, expiry 2023/07/07	CAD	96,805	-	17,183
Saturn Oil & Gas Inc., strike price \$4.00, expiry 2025/03/10	CAD	180,000	-	90,000
Total warrants (0.4%)			-	107,183
Less: Transaction costs included in cost of investments			(31,714)	
Total investments (99.7%)			24,341,408	24,517,969
Bank overdraft (-0.7%)				(184,097)
Other assets less liabilities (1.0%)				249,181
Total net assets attributable to holders of redeemable units (100.0%)				24,583,053

Pender Strategic Growth and Income Fund

Statements of Financial Position

December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Assets		
Cash	261,079	295,806
Subscriptions receivable	200	100
Dividends receivable	12,021	21,995
Other receivable	1,102	60
Investments	12,644,551	20,461,734
	12,918,953	20,779,695
Liabilities		
Management and administration fees payable (note 4)	19,882	28,895
Redemptions payable to holders of redeemable units	-	60,617
Accrued expenses	533	131
	20,415	89,643
Net assets attributable to holders of redeemable units	12,898,538	20,690,052
Net assets attributable to holders of redeemable units per class:		
Class A	5,869,468	7,681,703
Class D	-	162,938
Class E	181,982	185,744
Class F	3,749,850	5,309,368
Class H	1,277,350	1,463,409
Class I	1,811,180	5,877,561
Class O	8,708	9,329
	12,898,538	20,690,052
Net assets attributable to holders of redeemable units per unit:		
Class A	12.86	14.85
Class D	-	12.83
Class E	10.47	12.11
Class F	13.55	15.66
Class H	9.28	10.74
Class I	9.71	11.21
Class O	11.28	13.06

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Strategic Growth and Income Fund

Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Revenue		
Distributions from underlying funds	353,809	369,727
Interest for distribution purposes	487	-
Dividend income	202,729	220,007
Securities lending income (note 5)	3,775	1,403
Foreign exchange gain (loss)	(4,365)	(3,746)
Changes in fair value of investments:		
Net realized gain (loss)	360,684	1,324,902
Net change in unrealized appreciation (depreciation)	(2,098,686)	1,052,958
Total revenue	(1,181,567)	2,965,251
Expenses		
Management fees (note 4)	180,476	207,215
Administration fees (note 4)	95,085	102,558
Transaction costs	6,634	9,574
Withholding taxes (recovery) (note 6)	5,809	12,986
Independent review committee fees	338	420
Total expenses	288,342	332,753
Less: Expenses absorbed by the Manager (note 4)	(338)	(420)
Net expenses	288,004	332,333
Increase (decrease) in net assets attributable to holders of redeemable units	(1,469,571)	2,632,918
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	(643,488)	1,128,185
Class D	(7,626)	13,205
Class E	(13,763)	23,416
Class F	(372,632)	873,652
Class H	(133,606)	167,554
Class I	(297,835)	425,303
Class O	(621)	1,603
	(1,469,571)	2,632,918
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	(1.35)	2.40
Class D	(0.66)	1.40
Class E	(0.85)	1.87
Class F	(1.26)	2.47
Class H	(0.96)	1.51
Class I	(0.94)	1.08
Class O	(0.85)	2.43

Pender Strategic Growth and Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2022 and 2021

Class A	2022 (\$)	2021 (\$)
Balance, beginning of year	7,681,703	6,227,856
Increase (decrease) in net assets attributable to holders of redeemable units	(643,488)	1,128,185
Unit transactions:		
Proceeds from issue of redeemable units	331,675	1,516,917
Issued on reinvestment of distributions	285,278	432,823
Amounts paid on redemption of redeemable units	(1,481,983)	(1,158,860)
	(865,030)	790,880
Distributions paid from:		
Net investment income	(85,973)	(43,562)
Realized gains on sale of investments	(217,744)	(421,656)
Return of capital	-	-
	(303,717)	(465,218)
Balance, end of year	5,869,468	7,681,703
Class D	2022 (\$)	2021 (\$)
Balance, beginning of year	162,938	32,699
Increase (decrease) in net assets attributable to holders of redeemable units	(7,626)	13,205
Unit transactions:		
Proceeds from issue of redeemable units	2,833	140,333
Issued on reinvestment of distributions	641	10,120
Amounts paid on redemption of redeemable units	(158,145)	(23,299)
	(154,671)	127,154
Distributions paid from:		
Net investment income	(641)	(2,564)
Realized gains on sale of investments	-	(7,556)
Return of capital	-	-
	(641)	(10,120)
Balance, end of year	-	162,938
Class E	2022 (\$)	2021 (\$)
Balance, beginning of year	185,744	96,579
Increase (decrease) in net assets attributable to holders of redeemable units	(13,763)	23,416
Unit transactions:		
Proceeds from issue of redeemable units	10,001	65,749
Issued on reinvestment of distributions	12,639	15,580
Amounts paid on redemption of redeemable units	-	-
	22,640	81,329
Distributions paid from:		
Net investment income	(5,868)	(3,906)
Realized gains on sale of investments	(6,771)	(11,674)
Return of capital	-	-
	(12,639)	(15,580)
Balance, end of year	181,982	185,744

Pender Strategic Growth and Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class F	2022 (\$)	2021 (\$)
Balance, beginning of year	5,309,368	2,367,806
Increase (decrease) in net assets attributable to holders of redeemable units	(372,632)	873,652
Unit transactions:		
Proceeds from issue of redeemable units	1,228,499	9,165,575
Issued on reinvestment of distributions	200,837	204,640
Amounts paid on redemption of redeemable units	(2,376,779)	(7,062,262)
	(947,443)	2,307,953
Distributions paid from:		
Net investment income	(98,696)	(110,287)
Realized gains on sale of investments	(140,747)	(129,756)
Return of capital	-	-
	(239,443)	(240,043)
Balance, end of year	3,749,850	5,309,368

Class H	2022 (\$)	2021 (\$)
Balance, beginning of year	1,463,409	867,521
Increase (decrease) in net assets attributable to holders of redeemable units	(133,606)	167,554
Unit transactions:		
Proceeds from issue of redeemable units	118,506	475,576
Issued on reinvestment of distributions	59,564	76,213
Amounts paid on redemption of redeemable units	(158,513)	(18,864)
	19,557	532,925
Distributions paid from:		
Net investment income	(24,132)	(13,098)
Realized gains on sale of investments	(47,878)	(91,493)
Return of capital	-	-
	(72,010)	(104,591)
Balance, end of year	1,277,350	1,463,409

Class I	2022 (\$)	2021 (\$)
Balance, beginning of year	5,877,561	905,795
Increase (decrease) in net assets attributable to holders of redeemable units	(297,835)	425,303
Unit transactions:		
Proceeds from issue of redeemable units	440,497	5,194,283
Issued on reinvestment of distributions	108,718	379,955
Amounts paid on redemption of redeemable units	(4,181,857)	(623,927)
	(3,632,642)	4,950,311
Distributions paid from:		
Net investment income	(67,801)	(93,752)
Realized gains on sale of investments	(68,103)	(310,096)
Return of capital	-	-
	(135,904)	(403,848)
Balance, end of year	1,811,180	5,877,561

Pender Strategic Growth and Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class O	2022 (\$)	2021 (\$)
Balance, beginning of year	9,329	7,726
Increase (decrease) in net assets attributable to holders of redeemable units	(621)	1,603
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	654	841
Amounts paid on redemption of redeemable units	-	-
	654	841
Distributions paid from:		
Net investment income	(330)	(255)
Realized gains on sale of investments	(324)	(586)
Return of capital	-	-
	(654)	(841)
Balance, end of year	8,708	9,329
Total Fund	2022 (\$)	2021 (\$)
Balance, beginning of year	20,690,052	10,505,982
Increase (decrease) in net assets attributable to holders of redeemable units	(1,469,571)	2,632,918
Unit transactions:		
Proceeds from issue of redeemable units	2,132,011	16,558,433
Issued on reinvestment of distributions	668,331	1,120,172
Amounts paid on redemption of redeemable units	(8,357,277)	(8,887,212)
	(5,556,935)	8,791,393
Distributions paid from:		
Net investment income	(283,441)	(267,424)
Realized gains on sale of investments	(481,567)	(972,817)
Return of capital	-	-
	(765,008)	(1,240,241)
Balance, end of year	12,898,538	20,690,052

Pender Strategic Growth and Income Fund

Statements of Cash Flows

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,469,571)	2,632,918
Adjustments for:		
Distributions from underlying funds	(353,809)	(369,727)
Interest for distribution purposes	(487)	123
Dividend income	(202,729)	(219,944)
Foreign exchange (gain) loss on cash	4,365	3,746
Net realized (gain) loss on sale of investments	(360,684)	(1,324,902)
Net change in unrealized (appreciation) depreciation of investments	2,098,686	(1,052,958)
Other receivable	(1,042)	(44)
Management and administration fees payable	(9,013)	12,374
Accrued expenses	402	(45)
	(293,882)	(318,459)
Proceeds on disposal of investments	9,362,409	3,919,780
Amounts paid on purchase of investments	(3,283,228)	(11,643,609)
Dividends received	212,703	213,300
Distributions received from underlying funds	353,809	369,727
Interest received	487	(134)
	6,352,298	(7,459,395)
Financing:		
Proceeds from issue of redeemable units	1,918,727	15,404,558
Payments on redemption of redeemable units	(8,204,710)	(7,661,692)
Distributions paid to unitholders	(96,677)	(120,069)
	(6,382,660)	7,622,797
Net increase (decrease) in cash	(30,362)	163,402
Cash, beginning of year	295,806	136,150
Effect of exchange rate fluctuations on cash	(4,365)	(3,746)
Cash, end of year	261,079	295,806

Pender Strategic Growth and Income Fund

Schedule of Investment Portfolio

December 31, 2022

	Number of units / shares	Cost (\$)	Fair value (\$)
Mutual funds:			
Pender Alternative Absolute Return Fund, Class 'O'	47,806	477,300	486,954
Pender Alternative Arbitrage Fund, Class 'O'	29,937	305,673	316,189
Pender Corporate Bond Fund, Class 'O'	471,475	5,165,758	4,807,777
Pender Small Cap Opportunities Fund, Class 'O'	32,426	1,058,911	832,834
Total mutual funds (50.2%)		7,007,642	6,443,754
Equities:			
Communication services (3.1%):			
Baidu, Inc., ADR	1,510	383,416	233,854
Liberty Broadband Corporation, Class 'C'	1,560	193,474	161,101
		576,890	394,955
Consumer discretionary (2.1%):			
Starbucks Corporation	2,040	197,953	274,006
		197,953	274,006
Diversified financials (20.3%):			
Brookfield Asset Management Limited	2,190	42,705	84,906
Brookfield Asset Management Inc., Class 'A'	8,760	313,170	373,001
Burford Capital Limited	33,350	352,924	368,021
Exor N.V.	4,060	356,262	401,913
Fiera Capital Corporation	29,080	306,771	252,414
KKR & Co. Inc.	8,000	380,083	502,821
Onex Corporation	6,680	538,263	436,137
Starwood Property Trust, Inc.	8,200	199,962	203,514
		2,490,140	2,622,727
Energy (4.5%):			
ARC Resources Ltd.	22,220	165,624	405,515
Texas Pacific Land Corporation	57	74,590	180,923
		240,214	586,438
Industrials (6.0%):			
Chorus Aviation Inc.	46,395	186,888	150,320
Exchange Income Corporation	6,060	246,197	318,938
Northrop Grumman Corporation	420	169,741	310,277
		602,826	779,535
Information technology (3.2%):			
Microchip Technology, Inc.	2,370	207,804	225,431
SS&C Technologies Holdings, Inc.	2,680	240,289	188,911
		448,093	414,342
Materials (2.3%):			
CCL Industries Inc., Class 'B'	5,130	333,543	296,719
		333,543	296,719
Real estate (3.1%):			
Dream Unlimited Corp., Class 'A'	7,050	231,149	179,282
Kennedy-Wilson Holdings, Inc.	10,450	215,437	222,568
		446,586	401,850
Utilities (3.3%):			
Altius Renewable Royalties Corp.	48,613	446,033	430,225
		446,033	430,225
Total equities (47.9%)		5,782,278	6,200,797
Less: Transaction costs included in cost of investments		(3,870)	
Total investments (98.1%)		12,786,050	12,644,551

The accompanying notes are an integral part of these financial statements.

Pender Strategic Growth and Income Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2022

	Number of units / shares	Cost (\$)	Fair value (\$)
Cash (2.0%)			261,079
Other assets less liabilities (-0.1%)			(7,092)
Total net assets attributable to holders of redeemable units (100.0%)			12,898,538

Pender Value Fund

Statements of Financial Position

December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Assets		
Cash	423,730	31,620
Receivable for investments sold	181,435	700,012
Subscriptions receivable	11,249	259,505
Dividends receivable	42,910	147,743
Investments	120,670,864	265,093,693
	121,330,188	266,232,573
Liabilities		
Management and administration fees payable (note 4)	168,492	344,439
Redemptions payable to holders of redeemable units	30,535	578,123
Distributions payable to holders of redeemable units	801	1,189
Accrued expenses	738	863
	200,566	924,614
Net assets attributable to holders of redeemable units	121,129,622	265,307,959
Net assets attributable to holders of redeemable units per class:		
Class A	22,633,418	43,761,108
Class D	-	2,202,286
Class E	671,717	896,075
Class F	49,964,163	94,884,680
Class H	7,216,176	13,547,045
Class I	38,791,024	91,624,807
Class N	874,464	1,564,976
Class O	978,660	16,826,982
	121,129,622	265,307,959
Net assets attributable to holders of redeemable units per unit:		
Class A	14.60	21.26
Class D	-	13.16
Class E	8.73	12.46
Class F	15.14	21.81
Class H	10.56	15.32
Class I	11.07	15.92
Class N	7.93	11.36
Class O	12.85	18.24

Approved on behalf of the Manager, PenderFund Capital Management Ltd.:

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Value Fund

Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Revenue		
Distributions from underlying funds	240,552	111,049
Interest for distribution purposes	22,834	853,520
Dividend income	1,244,784	2,614,627
Foreign exchange gain (loss)	350,329	(4,168)
Changes in fair value of investments:		
Net realized gain (loss)	(12,032,210)	22,691,680
Net change in unrealized appreciation (depreciation)	(60,542,020)	(23,833,379)
Total revenue	(70,715,731)	2,433,329
Expenses		
Management fees (note 4)	1,623,858	2,942,823
Administration fees (note 4)	978,149	1,581,511
Transaction costs	109,501	327,311
Withholding taxes (recovery) (note 6)	81,546	81,570
Independent review committee fees	3,170	5,373
Other taxes (recovery)	(60,014)	-
Total expenses	2,736,210	4,938,588
Less: Expenses absorbed by the Manager (note 4)	(3,170)	(5,373)
Net expenses	2,733,040	4,933,215
Increase (decrease) in net assets attributable to holders of redeemable units	(73,448,771)	(2,499,886)
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	(12,744,311)	(351,611)
Class D	(370,126)	(23,871)
Class E	(288,354)	(2,088)
Class F	(26,519,090)	(253,183)
Class H	(4,041,978)	(434,309)
Class I	(24,526,643)	(1,390,802)
Class N	(547,795)	(158,612)
Class O	(4,410,474)	114,590
	(73,448,771)	(2,499,886)
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	(7.18)	(0.16)
Class D	(2.32)	(0.13)
Class E	(3.73)	(0.03)
Class F	(7.18)	(0.06)
Class H	(5.23)	(0.52)
Class I	(5.29)	(0.23)
Class N	(3.46)	(2.11)
Class O	(6.47)	0.13

Pender Value Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2022 and 2021

Class A	2022 (\$)	2021 (\$)
Balance, beginning of year	43,761,108	50,955,672
Increase (decrease) in net assets attributable to holders of redeemable units	(12,744,311)	(351,611)
Unit transactions:		
Proceeds from issue of redeemable units	2,243,866	5,949,251
Issued on reinvestment of distributions	-	1,567,102
Amounts paid on redemption of redeemable units	(10,627,245)	(12,663,961)
	(8,383,379)	(5,147,608)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(1,695,345)
Return of capital	-	-
	-	(1,695,345)
Balance, end of year	22,633,418	43,761,108
Class D	2022 (\$)	2021 (\$)
Balance, beginning of year	2,202,286	2,208,560
Increase (decrease) in net assets attributable to holders of redeemable units	(370,126)	(23,871)
Unit transactions:		
Proceeds from issue of redeemable units	23,988	1,042,411
Issued on reinvestment of distributions	-	47,172
Amounts paid on redemption of redeemable units	(1,856,148)	(1,022,757)
	(1,832,160)	66,826
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(49,229)
Return of capital	-	-
	-	(49,229)
Balance, end of year	-	2,202,286
Class E	2022 (\$)	2021 (\$)
Balance, beginning of year	896,075	860,592
Increase (decrease) in net assets attributable to holders of redeemable units	(288,354)	(2,088)
Unit transactions:		
Proceeds from issue of redeemable units	101,689	106,279
Issued on reinvestment of distributions	-	49,133
Amounts paid on redemption of redeemable units	(37,693)	(68,708)
	63,996	86,704
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(49,133)
Return of capital	-	-
	-	(49,133)
Balance, end of year	671,717	896,075

Pender Value Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class F	2022 (\$)	2021 (\$)
Balance, beginning of year	94,884,680	107,636,584
Increase (decrease) in net assets attributable to holders of redeemable units	(26,519,090)	(253,183)
Unit transactions:		
Proceeds from issue of redeemable units	12,028,919	24,385,264
Issued on reinvestment of distributions	3,898	2,787,411
Amounts paid on redemption of redeemable units	(30,430,734)	(36,106,108)
	(18,397,917)	(8,933,433)
Distributions paid from:		
Net investment income	(3,510)	(5,636)
Realized gains on sale of investments	-	(3,559,652)
Return of capital	-	-
	(3,510)	(3,565,288)
Balance, end of year	49,964,163	94,884,680

Class H	2022 (\$)	2021 (\$)
Balance, beginning of year	13,547,045	12,283,446
Increase (decrease) in net assets attributable to holders of redeemable units	(4,041,978)	(434,309)
Unit transactions:		
Proceeds from issue of redeemable units	992,397	4,305,393
Issued on reinvestment of distributions	-	600,412
Amounts paid on redemption of redeemable units	(3,281,288)	(2,592,422)
	(2,288,891)	2,313,383
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(615,475)
Return of capital	-	-
	-	(615,475)
Balance, end of year	7,216,176	13,547,045

Class I	2022 (\$)	2021 (\$)
Balance, beginning of year	91,624,807	90,635,563
Increase (decrease) in net assets attributable to holders of redeemable units	(24,526,643)	(1,390,802)
Unit transactions:		
Proceeds from issue of redeemable units	9,980,403	22,228,989
Issued on reinvestment of distributions	-	3,198,970
Amounts paid on redemption of redeemable units	(38,287,543)	(19,091,348)
	(28,307,140)	6,336,611
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(3,956,565)
Return of capital	-	-
	-	(3,956,565)
Balance, end of year	38,791,024	91,624,807

Pender Value Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (cont'd)

Years ended December 31, 2022 and 2021

Class N	2022 (\$)	2021 (\$)
Balance, beginning of year	1,564,976	6,267
Increase (decrease) in net assets attributable to holders of redeemable units	(547,795)	(158,612)
Unit transactions:		
Proceeds from issue of redeemable units	704,199	1,717,321
Issued on reinvestment of distributions	-	95,165
Amounts paid on redemption of redeemable units	(846,916)	-
	(142,717)	1,812,486
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(95,165)
Return of capital	-	-
	-	(95,165)
Balance, end of year	874,464	1,564,976

Class O	2022 (\$)	2021 (\$)
Balance, beginning of year	16,826,982	16,943,091
Increase (decrease) in net assets attributable to holders of redeemable units	(4,410,474)	114,590
Unit transactions:		
Proceeds from issue of redeemable units	361,336	285,630
Issued on reinvestment of distributions	-	828,605
Amounts paid on redemption of redeemable units	(11,799,184)	(311,009)
	(11,437,848)	803,226
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(1,033,925)
Return of capital	-	-
	-	(1,033,925)
Balance, end of year	978,660	16,826,982

Total Fund	2022 (\$)	2021 (\$)
Balance, beginning of year	265,307,959	281,529,775
Increase (decrease) in net assets attributable to holders of redeemable units	(73,448,771)	(2,499,886)
Unit transactions:		
Proceeds from issue of redeemable units	26,436,797	60,020,538
Issued on reinvestment of distributions	3,898	9,173,970
Amounts paid on redemption of redeemable units	(97,166,751)	(71,856,313)
	(70,726,056)	(2,661,805)
Distributions paid from:		
Net investment income	(3,510)	(5,636)
Realized gains on sale of investments	-	(11,054,489)
Return of capital	-	-
	(3,510)	(11,060,125)
Balance, end of year	121,129,622	265,307,959

Pender Value Fund

Statements of Cash Flows

Years ended December 31, 2022 and 2021

	2022 (\$)	2021 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	(73,448,771)	(2,499,886)
Adjustments for:		
Distribution from underlying funds	(240,552)	(111,049)
Interest for distribution purposes	(22,834)	(853,520)
Dividend income	(1,244,784)	(2,614,627)
Foreign exchange (gain) loss on cash	(350,329)	4,168
Net realized (gain) loss on sale of investments	12,032,210	(22,691,680)
Net change in unrealized (appreciation) depreciation of investments	60,542,020	23,833,379
Management and administration fees payable	(175,947)	7,831
Accrued expenses	(125)	10
	(2,909,112)	(4,925,374)
Proceeds on disposal of investments	97,307,211	207,828,569
Amounts paid on purchase of investments	(24,940,035)	(201,559,919)
Dividends received	1,349,617	2,538,554
Distributions received from underlying funds	240,552	111,049
Interest received	22,834	1,338,270
	71,071,067	5,331,149
Financing:		
Proceeds from issue of redeemable units	21,169,505	52,087,764
Amounts paid on redemption of redeemable units	(92,198,791)	(63,897,476)
Distributions paid to unitholders	-	(1,886,279)
	(71,029,286)	(13,695,991)
Net increase (decrease) in cash	41,781	(8,364,842)
Cash, beginning of year	31,620	8,400,630
Effect of exchange rate fluctuations on cash	350,329	(4,168)
Cash, end of year	423,730	31,620

Pender Value Fund

Schedule of Investment Portfolio

December 31, 2022

	Issue Currency	Number of shares / units	Cost (\$)	Fair value (\$)
Equities:				
Banks (3.2%):				
	Federal National Mortgage Association, Preferred, Series 'S', 8.25%	1,223,862	3,732,296	3,877,635
			3,732,296	3,877,635
Communication services (5.2%):				
	Baidu, Inc., ADR	20,810	4,239,229	3,222,856
	IAC/InterActiveCorp	26,100	3,081,647	1,569,069
	TeraGo Inc.	538,302	3,627,447	1,561,076
			10,948,323	6,353,001
Consumer discretionary (10.1%):				
	D2L Inc.	482,678	6,527,591	3,127,753
	JD.com, Inc., ADR	40,875	2,068,677	3,106,501
	Peloton Interactive, Inc., Class 'A'	219,315	13,095,046	2,357,803
	Universal Technical Institute, Inc.	403,862	3,364,379	3,674,692
			25,055,693	12,266,749
Consumer staples (6.8%):				
	CareRx Corporation	794,630	3,969,694	2,034,253
	GreenSpace Brands Inc.	45,327,028	2,618,523	226,635
	MAV Beauty Brands Inc.	2,117,011	5,616,356	952,655
	Premium Brands Holdings Corporation	61,300	5,482,902	5,043,764
			17,687,475	8,257,307
Diversified financials (19.1%):				
	Burford Capital Limited	497,006	7,089,719	5,484,511
	Exor N.V.	40,910	3,640,577	4,049,815
	Interactive Brokers Group, Inc., Class 'A'	47,208	3,333,544	4,624,585
	KKR & Co. Inc.	70,610	2,945,134	4,438,028
	Onex Corporation	66,740	5,187,977	4,357,455
			22,196,951	22,954,394
Energy (2.7%):				
	Texas Pacific Land Corporation	1,040	1,738,473	3,301,051
			1,738,473	3,301,051
Information technology (41.9%):				
	Block, Inc.	24,400	4,030,531	2,076,083
	Copperleaf Technologies Inc.	972,912	4,782,831	5,584,515
	Dye & Durham Limited, Restricted	285,485	8,590,853	4,684,809
	eGain Corporation	405,056	4,852,051	4,952,466
	Kinaxis Inc.	19,200	2,745,963	2,916,672
	Magnet Forensics Inc.	133,900	3,161,175	4,974,385
	Optiva Inc.	197,329	5,147,302	3,502,590
	ProntoForms Corporation	7,456,950	3,007,397	3,691,190
	Sangoma Technologies Corporation	793,764	7,951,933	5,040,401
	SS&C Technologies Holdings, Inc.	75,770	5,595,241	5,340,970
	Sylogist Ltd.	1,144,030	9,555,049	7,047,225
	Tantalus Systems Holding Inc.	983,334	2,178,500	993,167
			61,598,826	50,804,473
Materials (4.2%):				
	CCL Industries Inc., Class 'B'	87,695	5,188,661	5,072,279
			5,188,661	5,072,279

The accompanying notes are an integral part of these financial statements.

Pender Value Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2022

	Issue Currency	Number of shares / units	Cost (\$)	Fair value (\$)
Real estate (6.4%):				
The Howard Hughes Corporation		32,834	4,743,691	3,397,422
Zillow Group, Inc., Class 'C'		99,697	7,664,281	4,348,019
			12,407,972	7,745,441
Total equities (99.6%)			160,554,670	120,632,330
Warrants:				
BuildDirect.com Technologies Inc., strike price \$6.90, expiry 2023/08/13	CAD	1,636,400	-	-
Cano Health Inc., strike price \$11.50, expiry 2026/06/03	USD	50,232	-	14,963
GreenSpace Brands Inc., strike price \$0.08, expiry 2023/12/22	CAD	21,936,514	-	-
GreenSpace Brands Inc., strike price \$0.10, expiry 2023/03/30	CAD	2,142,857	-	-
GreenSpace Brands Inc., strike price \$0.09, expiry 2023/09/28	CAD	2,011,500	-	-
Pershing Square Tontine Holdings, Ltd., strike price \$23.00, expiry 2025/07/24	USD	9,444	-	-
Taiga Motors Corporation, strike price \$17.25, expiry 2026/12/31	CAD	82,706	407,724	23,571
Total warrants (0.0%)			407,724	38,534
Less: Transaction costs included in cost of investments			(212,501)	
Total investments (99.6%)			160,749,893	120,670,864
Cash (0.4%)				423,730
Other assets less liabilities (0.0%)				35,028
Total net assets attributable to holders of redeemable units (100.0%)				121,129,622

PENDER MUTUAL FUNDS: Notes to Financial Statements

Year/period ended December 31, 2022

1. The Funds

The Pender Mutual Funds (individually a “Fund” and collectively the “Funds”) include the following:

	Commencement of operations	Classes
Bond Universe Fund	January 31, 2020	A, A(USD), E, F, F(USD), O
Corporate Bond Fund	June 1, 2009	A, A(USD), E, F, F(USD), H, H(USD), I, I(USD), N, N(USD), O, U
Enhanced Income Fund	September 21, 2009	A, E, F, I, N, O
Global Focused Fund	June 28, 2013	A, A(USD), E, F, F(USD), H, I, N, N(USD), O
Small Cap Opportunities Fund	June 1, 2009	A, B, E, F, G, I, M, N, O
Small/Mid Cap Dividend Fund	January 31, 2020	A, E, F, H, I, N, O
Strategic Growth and Income Fund	November 24, 2010	A, E, F, H, I, O
Value Fund	June 28, 2013	A, E, F, H, I, N, O

Effective April 22, 2022, Class D units were closed in all Funds that had Class D units. Effective May 18, 2022, Class N units of the Pender Bond Universe Fund were closed. Effective June 24, 2022, Class A1 and Class F1 units of the Pender Enhanced Income Fund were closed. Each of the Funds is an open-end investment trust governed under the laws of the Province of British Columbia pursuant to the Nineteenth Amended and Restated Mutual Fund Trust Agreement dated August 15, 2022 (previously the Eighteenth Amended and Restated Mutual Fund Trust Agreement dated July 26, 2022).

The Funds' registered office is located at 1830 - 1066 West Hastings Street, Vancouver, BC, V6E 3X2.

The Manager and Trustee of the Funds is PenderFund Capital Management Ltd. CIBC Mellon Trust Company is the custodian of the Funds.

2. Basis of preparation:

(a) Statement of compliance:

The financial statements of the Funds are prepared under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. These financial statements were authorized for issue by the Manager on March 30, 2023.

(b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments, investments sold short and derivatives, which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, the Funds' functional currency.

(d) Use of estimates and judgment:

The preparation of these financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

The Funds may hold financial instruments that are not quoted in an active market, including derivatives.

The determination of the fair value of these investments is the area with the Manager's most significant accounting judgements and estimates in preparing these financial statements.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments:

(i) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL for which transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the particular Fund becomes a party to the contractual provisions of the instrument. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position only when the Funds have a legal right to offset the amounts and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and/or interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is both to hold assets to collect contractual cash flows and to potentially sell financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and/or interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Funds may irrevocably elect to measure financial assets that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets are not reclassified subsequent to their initial recognition, unless the Funds change their business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Funds may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

(ii) Amortized cost:

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Funds classify cash, receivable for investments sold, subscriptions receivable, dividends receivable, interest receivable, other receivable, bank overdraft, management and administration fees payable, payable for investments purchased, redemptions payable to holders of redeemable units, distributions payable to holders of redeemable units, and accrued expenses as amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

(iii) Fair value through profit and loss:

Financial assets and liabilities classified as FVTPL are recognized initially at fair value at each reporting period with changes in fair value recognized in the Statements of Comprehensive Income in the period in which they occur. The Funds' derivative assets and derivative liabilities, investments in securities, and investments sold short are classified as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) is based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities. In circumstances where there is no closing price, the average of the closing bid and the closing ask price on the valuation date is used. The Funds each have a policy of recognizing transfers in and out of the fair value hierarchy levels described in Note 10(a) as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative instruments, is determined using valuation techniques. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and other methods commonly used by market participants that make the maximum use of observable inputs. Where the value of a financial asset or liability is not readily available or where the Manager is of the opinion that the value available is inaccurate or unreliable, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

(iv) Fair Value through other comprehensive income:

The Funds have not classified any of their financial assets or liabilities as FVOCI.

(b) Redeemable units

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Funds have designated redeemable units as financial liabilities at FVTPL because they are managed and their performance is evaluated on a fair value basis. The redeemable units provide investors with the right to require redemptions for cash, subject to available liquidity at a unit price based on the Funds' valuation policies at each redemption date. Distributions to holders of redeemable units are recognized in comprehensive income when they are authorized and no longer at the discretion of the Manager.

(c) Per unit amounts:

Net assets attributable to holders of redeemable units is calculated based on the number of units outstanding at the end of the period. The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the period.

(d) Securities lending transactions:

The Funds are permitted to enter into securities lending transactions as set out in the Funds' Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

Securities lending transactions are administered by Canadian Imperial Bank of Commerce and The Bank of New York Mellon (collectively the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statements of Comprehensive Income as securities lending income and recognized when earned.

Note 5 summarizes the details of securities loaned and collateral received, and presents a reconciliation of the gross amount generated from securities lending to the securities lending income earned by the Funds.

(e) Foreign exchange:

The financial statements of the Funds are denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the Statements of Comprehensive Income.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

(f) Income recognition:

Interest for distribution purposes shown on the Statements of Comprehensive Income is recognized on an accrual basis. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments.

(g) Income taxes:

The Funds qualify as unit trusts under the *Income Tax Act* (Canada). All of the Funds' net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Funds. As a result, the Funds do not record income taxes.

4. Related party transactions

(a) Management fees:

Each Fund pays management fees calculated as a percentage of the net asset value of each respective class. Management fees are subject to applicable taxes such as GST or HST. The fees are calculated at the close of business on each valuation day and are paid monthly. The management fees charged to the Fund by the Manager are intended to cover, among other things, investment management costs, including any portfolio advisory fees, as well as distribution, marketing and promotion of the Fund. The management fees for Class E and Class O units are negotiable and paid directly by the investors and not by the Funds. The annual management fee percentages before applicable taxes such as GST or HST of the remaining classes as at December 31, 2022 and 2021 are as follows:

2022	Class A/ A (USD)/ B (%)	Class F/ F (USD)/ G (%)	Class H/ H (USD) (%)
	Bond Universe Fund	0.60	0.10
Corporate Bond Fund	1.40	0.60	1.10
Enhanced Income Fund	1.70	0.70	-
Global Focused Fund	1.80	0.80	1.50
Small Cap Opportunities Fund	1.95	0.95	-
Small/Mid Cap Dividend Fund	1.95	0.95	1.65
Strategic Growth and Income Fund	1.70	0.70	1.40
Value Fund	1.85	0.85	1.55

2022 (cont'd)	Class I/ I (USD) (%)	Class N/ N (USD)/ M (%)	Class U U (USD) (%)
	Bond Universe Fund	-	-
Corporate Bond Fund	0.45	0.20	0.60
Enhanced Income Fund	0.55	0.30	-
Global Focused Fund	0.65	0.30	-
Small Cap Opportunities Fund	0.80	0.45	-
Small/Mid Cap Dividend Fund	0.80	0.45	-
Strategic Growth and Income Fund	0.55	-	-
Value Fund	0.70	0.30	-

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

	Class A/ A (USD)/ B (%)	Class D (%)	Class F/ F (USD)/ G (%)	Class H/ H (USD) (%)
2021				
Bond Universe Fund*	0.60	0.25	0.10	-
Corporate Bond Fund	1.40	0.60	0.60	1.10
Enhanced Income Fund	1.70	-	0.70	-
Global Focused Fund	1.80	0.80	0.80	1.50
Small Cap Opportunities Fund	1.95	-	0.95	-
Small/Mid Cap Dividend Fund*	1.95	0.95	0.95	1.65
Strategic Growth and Income Fund	1.70	0.70	0.70	1.40
Value Fund	1.85	0.85	0.85	1.55

	Class I/ I (USD) (%)	Class N/ N (USD)/ M (%)	Class U (%)
2021 (cont'd)			
Bond Universe Fund*	-	0.10	-
Corporate Bond Fund	0.45	0.20	0.60
Enhanced Income Fund	0.55	0.30	-
Global Focused Fund	0.65	0.30	-
Small Cap Opportunities Fund	0.80	0.45	-
Small/Mid Cap Dividend Fund*	0.80	0.45	-
Strategic Growth and Income Fund	0.55	-	-
Value Fund	0.70	0.30	-

* Refer to note 4 (b) below for further details.

The Management Expense Ratio ("MER") before applicable taxes such as GST or HST for each class does not exceed certain levels as set out in the Fund's offering documents. Please refer to the tables in note 4 (b) below.

(b) Administration fees and other expenses:

Each Fund pays an administration fee calculated as a percentage of the net asset value of each respective class equal to 0.50%. Administration fees are subject to applicable taxes such as GST or HST. The fees are calculated at the close of business on each valuation day and are paid monthly. In exchange for the fee, the Manager pays the operating costs of each Fund (including administrative and operating expenses, registrar and transfer agency fees, custody fees, unitholder servicing costs, costs of prospectus and reports, regulatory fees, and audit and legal fees for example) other than taxes, brokerage commissions, transaction costs and Independent Review Committee ("IRC") fees. The administration fees for Class O units are negotiable and paid directly by the investors and not by the Funds.

The Manager has agreed to cap the management fees, administration fees and other expenses before applicable taxes such as GST or HST charged to each Fund class so that the management expense ratio ("MER") before applicable taxes such as GST or HST as at December 31, 2022 and 2021, such that the MER before applicable taxes such as GST or HST for each class does not exceed the percentage of average NAV set out in the Fund's offering documents, as follows:

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

	Class A/ A (USD)/ B (%)	Class E (%)	Class F/ F (USD)/ G (%)	Class H/ H (USD) (%)
2022				
Bond Universe Fund	1.10	0.50	0.60	-
Corporate Bond Fund	1.90	0.50	1.10	1.60
Enhanced Income Fund	2.20	0.50	1.20	-
Global Focused Fund	2.30	0.50	1.30	2.00
Small Cap Opportunities Fund	2.45	0.50	1.45	-
Small/Mid Cap Dividend Fund	2.45	0.50	1.45	2.15
Strategic Growth and Income Fund	2.20	0.50	1.20	1.90
Value Fund	2.35	0.50	1.35	2.05

	Class I/ I (USD) (%)	Class N/ N (USD)/ M (%)	Class U (%)
2022 (cont'd)			
Bond Universe Fund	-	-	-
Corporate Bond Fund	0.95	0.70	1.10
Enhanced Income Fund	1.05	0.80	-
Global Focused Fund	1.15	0.80	-
Small Cap Opportunities Fund	1.30	0.95	-
Small/Mid Cap Dividend Fund	1.30	0.95	-
Strategic Growth and Income Fund	1.05	-	-
Value Fund	1.20	0.80	-

	Class A/ A (USD)/ B (%)	Class D (%)	Class E (%)	Class F/ F (USD)/ G (%)
2021				
Bond Universe Fund*	1.10	0.75	0.50	0.60
Corporate Bond Fund	1.90	1.10	0.50	1.10
Enhanced Income Fund	2.20	-	0.50	1.20
Global Focused Fund	2.30	1.30	0.50	1.30
Small Cap Opportunities Fund	2.45	-	0.50	1.45
Small/Mid Cap Dividend Fund	2.45	1.45	0.50	1.45
Strategic Growth and Income Fund	2.20	1.20	0.50	1.20
Value Fund	2.35	1.35	0.50	1.35

	Class H/ H (USD) (%)	Class I/ I (USD) (%)	Class N/ N (USD)/ M (%)	Class U (%)
2021 (cont'd)				
Bond Universe Fund*	-	-	0.60	-
Corporate Bond Fund	1.60	0.95	0.70	1.10
Enhanced Income Fund	-	1.05	0.80	-
Global Focused Fund	2.00	1.15	0.80	-
Small Cap Opportunities Fund	-	1.30	0.95	-
Small/Mid Cap Dividend Fund	2.15	1.30	0.95	-
Strategic Growth and Income Fund	1.90	1.05	-	-
Value Fund	2.05	1.20	0.80	-

* The Manager may, at its discretion, reduce or waive management fees and reimburse the Funds for any expenses. During the period from January 1, 2021 through to June 30, 2021, the Manager partially waived management fees of \$25,683 for the Pender Bond Universe Fund.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

(c) Performance fees:

The Manager is also entitled to a performance fee plus applicable taxes such as GST or HST in respect of Class B, Class G and Class M units of the Pender Small Cap Opportunities Fund. The performance fee is equal to 20% of the amount by which the total return of the class of units exceeds the total percentage increase or decrease in the Fund's benchmark for the period since the performance fee was last paid, subject to a relative high-water mark. The high-water mark is the net asset value of the applicable class of units to which it applies as at the most recent determination date on which the performance fee was payable. Performance fees are subject to applicable taxes such as GST or HST. The performance fee is calculated and accrued weekly and the accrued fees are paid by the Fund at the end of each year. The Manager has reserved the right to change the period for which any performance fee may be paid by a Fund. The Manager may, at its discretion, reduce or waive performance fees.

As at December 31, 2022, no performance fee was accrued for Class B, Class G or Class M. During the year ended December 31, 2022, no performance fees were crystallized in Class B and Class G due to redemptions during the year. As at December 31, 2021, no performance fee was accrued for Class B, Class G or Class M. During the year ended December 31, 2021, \$133,044 of performance fees was crystallized in Class B and Class G due to redemptions during the year.

There was no change to the high-water marks for the Pender Small Cap Opportunities Fund which were reset on December 31, 2020, to be \$12.02 per unit for Class B, \$12.54 per unit for Class G and Class M remained at \$10.00 per unit since the class commenced operations on June 25, 2021. However, the high-water marks were adjusted to reflect the distributions that were paid out to investors, including that of December 2021, resulting in adjusted high-water marks of \$9.83 per unit for Class B, \$9.79 per unit for Class G and \$7.69 per unit for Class M. There was no change to the high-water marks as of December 31, 2022.

As at December 31, 2022 and 2021, the Pender Small Cap Opportunities Fund had the following performance fees payable to the Manager before any deduction for performance fees waived by the Manager:

	2022 (\$)	2021 (\$)
Small Cap Opportunities Fund Class B	-	43,394
Small Cap Opportunities Fund Class G	-	94,650
Total	-	138,044

(d) Amounts payable to the Manager:

As at December 31, 2022 and 2021, the Funds had the following amounts payable to the Manager relating to management fees, administration fees, performance fees (as applicable) and other expenses, and related taxes, incurred by the Manager on behalf of the Funds:

	2022 (\$)	2021 (\$)
Bond Universe Fund	45,941	49,482
Corporate Bond Fund	1,406,010	1,380,738
Enhanced Income Fund	41,994	52,954
Global Focused Fund	9,973	22,460
Small Cap Opportunities Fund	277,276	138,821
Small/Mid Cap Dividend Fund	34,025	27,078
Strategic Growth and Income Fund	19,882	28,895
Value Fund	168,492	344,439

From time to time the Manager may reduce the effective management fee payable by some unitholders by reducing the management fee it charges to the Funds, and directing the Funds to make distributions to these unitholders in amounts equal to the management fee reduction.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

(e) Related party holdings:

As at December 31, 2022 and 2021, parties related to the Manager directly or indirectly held the following percentages of each Fund's outstanding units. Subscriptions and redemptions of related parties are subject to the same terms and conditions as those of arm's length investors in the Funds.

	2022 (%)	2021 (%)
Bond Universe Fund	<1	<1
Corporate Bond Fund	<1	<1
Enhanced Income Fund	<1	<1
Global Focused Fund	18	9
Small Cap Opportunities Fund	2	2
Small/Mid Cap Dividend Fund	5	5
Strategic Growth and Income Fund	6	4
Value Fund	1	1

5. Securities lending transactions:

The following table shows the value of securities loaned and collateral received from securities lending as at December 31, 2022 and 2021 for certain Funds. The remaining Funds did not have any securities loaned or collateral received as at December 31, 2022 and 2021.

2022	Securities loaned (\$)	Collateral received (\$)
Enhanced Income Fund	938,740	985,685
Global Focused Fund	752,898	792,058
Strategic Growth and Income Fund	10,066	10,569

2021	Securities loaned (\$)	Collateral received (\$)
Enhanced Income Fund	1,988,964	2,089,027
Global Focused Fund	6,911,059	7,271,149
Small/Mid Cap Dividend Fund	1,495,454	1,570,563
Strategic Growth and Income Fund	1,031,247	1,083,285

Collateral received on securities lending may be comprised of debt obligations of the Government of Canada and other countries, Canadian provincial or territorial governments, governments of states of the United States of America, and evidence of indebtedness of financial institutions whose short-term debt is rated A-1 or R-1 or equivalent by a recognized, widely followed North American credit rating agency.

The following table presents a reconciliation of the gross amount generated from securities lending transactions to the securities lending income earned for the years ended December 31, 2022 and 2021 for certain Funds. The remaining Funds did not have any securities lending income earned for the years ended December 31, 2022 and 2021.

2022	Gross income (\$)	Withholding taxes (\$)	Agent fees (\$)	Net income (\$)
Bond Universe Fund	830	-	(305)	525
Corporate Bond Fund	6	-	(2)	4
Enhanced Income Fund	11,764	(1,198)	(3,730)	6,836
Global Focused Fund	41,773	(8,696)	(11,658)	21,419
Small/Mid Cap Dividend Fund	30,980	(774)	(10,740)	19,466
Strategic Growth and Income Fund	7,347	(1,520)	(2,052)	3,775

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

2021	Gross income (\$)	Withholding taxes (\$)	Agent fees (\$)	Net income (\$)
Bond Universe Fund	133	-	(53)	80
Enhanced Income Fund	7,218	(100)	(2,847)	4,271
Global Focused Fund	14,575	(731)	(5,537)	8,307
Small/Mid Cap Dividend Fund	5,000	(101)	(1,959)	2,940
Strategic Growth and Income Fund	2,391	(53)	(935)	1,403

Agent fees were paid to the Securities Lending Agent (see Note 3(d)) and represented 35% of the gross securities lending income net of withholding taxes.

6. Withholding tax expense

Certain dividend and interest income received by the Funds is subject to withholding tax imposed in the country of origin. During the year, withholding tax rates were between 0% and 35% (2021 - between 0% and 35%).

7. Redeemable units:

The Funds are authorized to issue an unlimited number of redeemable units in an unlimited number of classes. The redeemable unit transactions for the Funds during the years ended December 31, 2022 and 2021 were as follows:

2022	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
Bond Universe Fund:					
Class A	373,849	59,669	7,111	(70,298)	370,331
Class A (USD)	-	502	5	-	507
Class D	534	-	5	(539)	-
Class E	30,835	4,373	1,207	-	36,415
Class F	7,883,926	9,470,238	124,393	(8,071,527)	9,407,030
Class F (USD)	-	14,306	108	(507)	13,907
Class N	536	-	5	(541)	-
Class O	105,529	131,265	7,595	(33,836)	210,553
Corporate Bond Fund:					
Class A	8,607,770	1,550,643	244,044	(2,113,753)	8,288,704
Class A (USD)	202,496	125,852	6,259	(137,133)	197,474
Class D	740,251	90,334	6,995	(837,580)	-
Class E	400,826	7,184	20,086	(47,152)	380,944
Class F	32,781,853	18,889,679	954,408	(17,885,772)	34,740,168
Class F (USD)	1,091,009	887,097	40,583	(511,915)	1,506,774
Class H	9,004,515	1,171,894	302,116	(1,899,990)	8,578,535
Class H (USD)	589,688	81,505	21,587	(138,552)	554,228
Class I	54,127,966	31,782,749	1,929,218	(17,203,385)	70,636,548
Class I (USD)	2,522,383	1,004,857	71,878	(846,305)	2,752,813
Class N	270,776	514	3,660	(274,430)	520
Class N (USD)	190,261	514	7	(7,865)	182,917
Class O	5,161,977	2,055,601	253,129	(3,197,262)	4,273,445
Class U	1,085,631	241,234	919	(383,731)	944,053

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

2022	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
Enhanced Income Fund:					
Class A	1,243,193	51,749	46,626	(432,140)	909,428
Class A1	39,116	16	692	(39,824)	-
Class E	552	1,862	69	-	2,483
Class F	765,860	337,264	41,049	(205,533)	938,640
Class F1	116,408	212,986	3,325	(332,719)	-
Class I	2,232,299	199,820	110,103	(396,684)	2,145,538
Class N	552	-	28	-	580
Class O	552	-	28	-	580
Global Focused Fund:					
Class A	368,775	7,518	-	(127,498)	248,795
Class A (USD)	23,676	-	-	(13,225)	10,451
Class D	78,468	9,042	-	(87,510)	-
Class E	140,926	901	-	(53)	141,774
Class F	361,164	93,242	281	(99,563)	355,124
Class F (USD)	12,119	2,529	-	(647)	14,001
Class H	35,957	-	-	(14,180)	21,777
Class I	17,774	6,873	-	(8,676)	15,971
Class N	534	-	-	-	534
Class N (USD)	534	-	-	-	534
Class O	792,773	-	-	(594,734)	198,039
Small Cap Opportunities Fund:					
Class A	1,092,309	-	-	(235,609)	856,700
Class B	2,062,223	279,062	-	(719,769)	1,621,516
Class E	241,879	29,682	-	(18,160)	253,401
Class F	2,779,227	173,170	5,977	(161,195)	2,797,179
Class G	7,774,891	4,462,268	-	(1,987,812)	10,249,347
Class I	1,405,165	343,892	666	(319,013)	1,430,710
Class M	1,268,907	715,560	-	(121,148)	1,863,319
Class N	31,166	-	-	(24,407)	6,759
Class O	782,730	110,232	-	(510,210)	382,752
Small/Mid Cap Dividend Fund:					
Class A	59,880	190,867	3,723	(91,006)	163,464
Class D	79,168	41,237	839	(121,244)	-
Class E	53,409	8,403	1,717	(3,996)	59,533
Class F	317,745	255,528	10,067	(126,651)	456,689
Class H	177,938	82,891	6,615	(21,091)	246,353
Class I	722,150	586,331	23,595	(687,494)	644,582
Class N	590	-	18	-	608
Class O	129,717	82,931	4,999	-	217,647
Strategic Growth and Income Fund:					
Class A	517,175	23,430	22,157	(106,275)	456,487
Class D	12,704	226	51	(12,981)	-
Class E	15,333	853	1,195	-	17,381
Class F	339,050	82,475	14,722	(159,527)	276,720
Class H	136,308	11,126	6,393	(16,252)	137,575
Class I	524,418	41,213	11,033	(390,212)	186,452
Class O	714	1	57	-	772

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

2022	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
Value Fund:					
Class A	2,058,688	126,356	-	(634,448)	1,550,596
Class D	167,309	2,009	-	(169,318)	-
Class E	71,935	9,219	-	(4,174)	76,980
Class F	4,351,254	691,501	226	(1,741,786)	3,301,195
Class H	884,038	70,863	-	(271,511)	683,390
Class I	5,754,368	769,223	-	(3,019,115)	3,504,476
Class N	137,768	83,546	-	(111,072)	110,242
Class O	922,403	24,923	-	(871,141)	76,185
Bond Universe Fund:					
Class A	123,165	303,336	6,592	(59,244)	373,849
Class D	513	-	21	-	534
Class E	26,956	4,140	1,253	(1,514)	30,835
Class F	343,036	8,843,382	41,282	(1,343,774)	7,883,926
Class H	362,168	-	3,555	(365,723)	-
Class I	123,253	1,510,742	14,672	(1,648,667)	-
Class N	513	1	22	-	536
Class O	83,800	102,102	3,230	(83,603)	105,529
Corporate Bond Fund:					
Class A	7,165,766	3,529,263	576,341	(2,663,600)	8,607,770
Class A (USD)	179,642	149,565	6,073	(132,784)	202,496
Class D	243,197	645,858	44,196	(193,000)	740,251
Class E	318,107	187,948	42,037	(147,266)	400,826
Class F	26,636,091	15,906,546	1,671,498	(11,432,282)	32,781,853
Class F (USD)	815,559	871,614	30,943	(627,107)	1,091,009
Class H	5,749,645	3,557,187	571,698	(874,015)	9,004,515
Class H (USD)	494,651	196,876	25,306	(127,145)	589,688
Class I	37,250,197	26,147,220	2,863,405	(12,132,856)	54,127,966
Class I (USD)	1,724,282	1,639,119	71,797	(912,815)	2,522,383
Class N	336,405	-	13,864	(79,493)	270,776
Class N (USD)	202,357	-	-	(12,096)	190,261
Class O	2,661,770	3,188,530	418,919	(1,107,242)	5,161,977
Class U	3,876	1,096,484	300	(15,029)	1,085,631
Enhanced Income Fund:					
Class A	1,557,614	5,157	63,279	(382,857)	1,243,193
Class A1	525	327,622	6,148	(295,179)	39,116
Class E	525	-	27	-	552
Class F	3,984,231	950	73,840	(3,293,161)	765,860
Class F1	11,801	146,189	2,115	(43,697)	116,408
Class I	525	2,318,117	81,871	(168,214)	2,232,299
Class N	525	-	27	-	552
Class O	525	-	27	-	552

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

2021	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
Global Focused Fund:					
Class A	412,533	25,524	12,041	(81,323)	368,775
Class A (USD)	18,839	7,934	738	(3,835)	23,676
Class D	11,945	114,951	1,766	(50,194)	78,468
Class E	130,483	5,587	9,297	(4,441)	140,926
Class F	315,253	85,900	21,756	(61,745)	361,164
Class F (USD)	11,162	277	680	-	12,119
Class H	8,648	31,893	1,427	(6,011)	35,957
Class I	500	16,732	1,042	(500)	17,774
Class N	500	-	34	-	534
Class N (USD)	501	(1)	34	-	534
Class O	393,383	344,400	59,290	(4,300)	792,773
Small Cap Opportunities Fund:					
Class A	939,040	964	221,892	(69,587)	1,092,309
Class B	1,425,182	719,385	298,745	(381,089)	2,062,223
Class E	168,853	24,746	55,415	(7,135)	241,879
Class F	2,442,676	31,475	532,378	(227,302)	2,779,227
Class G	3,550,898	4,109,607	1,192,163	(1,077,777)	7,774,891
Class I	1,157,501	9,258	304,846	(66,440)	1,405,165
Class M	-	975,462	293,445	-	1,268,907
Class N	360,632	51,503	-	(380,969)	31,166
Class O	388,863	236,692	182,572	(25,397)	782,730
Small/Mid Cap Dividend Fund:					
Class A	36,153	29,920	3,418	(9,611)	59,880
Class D	22,220	90,799	1,729	(35,580)	79,168
Class E	128,275	4,137	1,183	(80,186)	53,409
Class F	163,847	201,451	15,720	(63,273)	317,745
Class H	109,612	103,337	9,617	(44,628)	177,938
Class I	332,828	379,583	40,698	(30,959)	722,150
Class N	542	-	48	-	590
Class O	80,269	116,123	1,354	(68,029)	129,717
Strategic Growth and Income Fund:					
Class A	464,069	98,805	29,698	(75,397)	517,175
Class D	2,842	10,862	800	(1,800)	12,704
Class E	8,747	5,285	1,301	-	15,333
Class F	172,852	607,011	13,300	(454,113)	339,050
Class H	88,736	42,005	7,225	(1,658)	136,308
Class I	89,621	453,649	34,364	(53,216)	524,418
Class O	649	-	65	-	714
Value Fund:					
Class A	2,260,446	240,900	75,742	(518,400)	2,058,688
Class D	162,632	69,065	3,683	(68,071)	167,309
Class E	65,263	7,300	4,055	(4,683)	71,935
Class F	4,710,346	974,909	131,330	(1,465,331)	4,351,254
Class H	752,280	240,678	40,258	(149,178)	884,038
Class I	5,406,414	1,206,405	206,486	(1,064,937)	5,754,368
Class N	516	128,640	8,611	-	137,767
Class O	876,109	13,981	46,701	(14,388)	922,403

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

8. Capital management

The capital of each Fund is represented by its redeemable units issued. The Funds are not subject to any internally or externally imposed restrictions on their capital. Each Fund's objective in managing capital is to ensure a stable base to maximize returns to all unitholders and to manage liquidity risk arising from unitholder redemptions.

9. Financial risk management:

The Funds are exposed to various financial risks associated with their respective investment objectives and strategies, financial instruments and the markets in which they invest. These include credit risk, liquidity risk, and market risk, which consists of currency risk, interest rate risk and other price/market risk.

The Manager manages the potential impact of these financial risks on the Funds' performance by employing professional and experienced portfolio advisors who regularly monitor the Funds' positions and market events and diversify investment portfolios within the constraints of the investment guidelines. Each Fund maintains positions in a variety of financial instruments in accordance with its investment objectives and strategies.

Pender Bond Universe Fund:

The objective of the Pender Bond Universe Fund is to preserve capital and generate returns through current income and capital appreciation. The Fund invests primarily in investment grade fixed income securities. This, however, does not preclude the Fund from making equity investments when the portfolio advisor deems the risk/reward tradeoff to be in the investors' favour.

Pender Corporate Bond Fund:

The objective of the Pender Corporate Bond Fund is to preserve capital and generate returns through current income and capital appreciation. The Fund invests primarily in investment and non-investment grade fixed income securities issued by North American corporations. This, however, does not preclude the Fund from making equity investments when the portfolio advisor deems the risk/reward trade-off to be in the investors' favour.

Pender Enhanced Income Fund:

The objective of the Pender Enhanced Income Fund is to generate long-term growth in value and income by investing in a diversified portfolio of Canadian and foreign equities, corporate bonds, Canadian and foreign government bonds, and exchange traded funds which track sector or broad market indices. It is designed to provide both moderate income and portfolio growth over the long-term, while being sufficiently diversified to mitigate volatility.

Pender Global Focused Fund:

The primary objective of the Pender Global Focused Fund is to achieve capital growth over the long-term. The Fund will invest primarily in securities listed on North American stock exchanges but may also invest in foreign and other securities.

Pender Small Cap Opportunities Fund:

Pender Small Cap Opportunities Fund invests in a concentrated portfolio of well-managed businesses, with strong competitive positions, which are overlooked by the market and have the potential for significant capital appreciation. These businesses may be in Canada, the United States or in other foreign jurisdictions with a primary emphasis on companies with a small market capitalization. The Fund may also invest in any securities regardless of market capitalization, sector or region, including foreign equities where opportunities warrant. In some situations, the Fund may invest directly in companies, through private placements or public offerings, or may acquire previously issued shares, either through the facilities of a stock exchange, quotation system, or by private arrangement.

Pender Small/Mid Cap Dividend Fund:

The Pender Small/Mid Cap Dividend Fund is designed to provide investors with a combination of long-term capital appreciation and a stable quarterly stream of cash distributions. The Fund will invest primarily in Canadian securities, with a focus on, but not limited to, dividend paying small/mid cap companies. Assets in the Fund may also be held in cash or other securities to the extent that the economic, market, or other conditions make it appropriate.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

Pender Strategic Growth and Income Fund:

The objective of the Pender Strategic Growth and Income Fund is to generate long-term growth in value and income by investing in a diversified portfolio of Canadian and foreign equities, corporate bonds, Canadian and foreign government bonds, and exchange traded funds which track sector or broad market indices. It is designed to provide both moderate income and portfolio growth over the long-term, while being sufficiently diversified to mitigate volatility.

Pender Value Fund:

The primary objective of the Pender Value Fund is to achieve capital growth over the long-term, while being sufficiently diversified to mitigate volatility. The Fund will invest primarily in Canadian and US securities but may also invest in foreign securities. The Fund will focus on businesses that have the potential for growth over the long term and have securities that trade at favourable prices.

A Fund's exposure to financial risks is concentrated in its investment holdings. The Schedule of Investment Portfolio for each Fund groups securities by asset type, geographic region, and/or market segment. The Pender Bond Universe Fund carries out part of its investment strategy by investing in Class O units of the Pender Corporate Bond Fund. The Pender Enhanced Income Fund and Pender Strategic Growth and Income Fund each carry out part of their investment strategy by investing in Class O units of the Pender Alternative Absolute Return Fund, Pender Alternative Arbitrage Fund, Pender Corporate Bond Fund and Pender Small Cap Opportunities Fund. The Pender Value Fund carries out part of its investment strategy by investing in Class O units of the Pender Alternative Absolute Return Fund. The Pender Bond Universe Fund, Pender Enhanced Income Fund, Pender Strategic Growth and Income Fund and Pender Value Fund have indirect exposure to various financial risks through its holdings of underlying mutual funds. The financial risks associated with the Pender Bond Universe Fund's, Pender Enhanced Income Fund's, Pender Strategic Growth and Income Fund's and Pender Value Fund's investment strategy are disclosed based on their direct holdings. The Manager's risk management practices include the monitoring of compliance with investment objectives and strategies. The Manager manages the potential effects of these financial risks on each Fund's performance by regularly monitoring each Fund's positions and market events and by diversifying investment portfolios within the constraints of each Fund's investment objective.

The economic uncertainties around persistent inflation pressure, bank failures, geopolitical events and the lingering COVID-19 pandemic have the potential to slow growth in the global economy. Future developments in these challenging areas could impact the Funds' results and financial condition and the full extent of that impact remains unknown.

As at December 31, 2022, the Funds had exposure to the banking sector. Subsequent to year-end, the Funds continue to have exposure to this sector. In certain cases, government agencies have assumed control or otherwise intervened in the operations of certain banks due to liquidity and solvency concerns. The extent of the situation remains uncertain and as such the Manager continues to assess across the broader financial sector and will take potential actions, as deemed necessary. The ultimate resolution of these liquidity and solvency concerns and the extent of the related impact to the Funds is uncertain and could be significant.

(a) Credit risk:

Credit risk is the risk that a loss could arise due to a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The determination of fair value of debt securities includes a consideration of the creditworthiness of the debt issuer. The credit exposure of other assets is represented by their carrying amounts. Credit risk is managed by the portfolio advisor of each Fund through a careful selection of securities and diversification within each respective Fund. Each Fund's portfolio advisor monitors the overall portfolio holdings of the Fund, and positions are maintained within established ranges.

The following table summarizes the maximum exposure to credit risk for the Pender Bond Universe Fund, Pender Corporate Bond Fund and Pender Enhanced Income Fund as at December 31, 2022 and 2021, categorized by credit ratings. The remaining Funds did not have exposure to any significant credit risk.

	2022 (\$)	2021 (\$)
Bond Universe Fund:		
AAA	9,059,819	4,133,868
AA	963,825	2,492,733
A	12,686,650	12,411,114
BBB	41,100,485	38,439,530
	63,810,779	57,477,245

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

	2022 (\$)	2021 (\$)
Corporate Bond Fund:		
AAA	100,021,840	43,075,677
AA	4,293,536	5,015,470
A	50,183,754	19,460,373
BBB	195,239,512	158,149,059
Below BBB	690,769,358	499,102,863
Unrated	242,020,377	512,236,558
	1,282,528,377	1,237,040,000
Enhanced Income Fund:		
Unrated	5,416	5,060
	5,416	5,060

(b) Liquidity risk

Liquidity risk is the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price.

Each Fund is exposed to liquidity risk through unitholder redemptions of its units. The redeemable units of each Fund are issued and redeemed on demand at the option of the unitholder based on the then current NAV per class of unit.

Each Fund is also exposed to liquidity risk through its investments. This risk is managed by investing the majority of each Fund's assets in investments that are traded in an active market and that can be disposed of readily. In accordance with securities regulations, each Fund must maintain at least 85% of its assets in liquid investments (i.e., investments that are traded in an active market). In the case where the Funds hold thinly traded investments, timely disposition of such investments and the realized price may be significantly different from their carrying values.

The Manager's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity at all times to meet its liabilities, including estimated redemptions of units, when due, without incurring unacceptable losses or risking damage to the Funds' reputation. Each Fund has the ability to borrow up to 5% of the value of its net assets on a temporary basis for the purpose of settling investment portfolio transactions or unitholder redemptions.

The Funds' remaining non-derivative liabilities other than redeemable units are due within one month of the reporting date of the respective Fund. The following table presents the contractual maturities of derivative assets (liabilities) of the Pender Bond Universe and Pender Corporate Bond Funds as at December 31, 2022 and 2021 that were due within four months of the financial reporting date. The amounts are gross and undiscounted. The remaining Funds did not hold any derivatives as at December 31, 2022 and 2021.

	2022 (\$)		2021 (\$)	
	Nominal value (\$)	Unrealized gain (loss) (\$)	Nominal value (\$)	Unrealized gain (loss) (\$)
Derivative instruments inflows (outflows)				
Pender Bond Universe Fund	3,811,800	30,113	-	-
Pender Corporate Bond Fund	803,735,800	(11,537,851)	709,833,500	(7,598,371)

(c) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Funds' income or the fair value of their holdings of financial instruments. These changes present the risk that markets as a whole may go down in value, including the possibility that markets may go down sharply and unpredictably at times. The value of most investments, and in particular equity securities, is affected by changes in general market conditions. These changes may be caused by corporate developments, general market sentiment, changes in interest rates, changes in the level of inflation, political and economic changes both domestic and foreign, catastrophic events, such as pandemics and outbreaks of disease, natural disasters including those exacerbated by climate change, war, acts of aggression or terrorist events, and other unforeseen events that may cause changes to markets.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

(i) Interest rate risk:

Interest rate risk is the risk that the market value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. A Fund's exposure to interest rate risk is concentrated in its investment in debt securities. Other assets and liabilities are short-term in nature and/or non-interest bearing, which reduce interest rate risk.

Interest rate risk is managed by the portfolio advisor of each Fund through a careful selection of securities and diversification within each respective Fund. Where applicable, the Fund's portfolio advisor monitors the Fund's overall duration and positions are maintained within established ranges.

The following table summarizes the exposure to interest rate risk for the Pender Bond Universe Fund, Pender Corporate Bond Fund and Pender Enhanced Income Fund as at December 31, 2022 and 2021, categorized by the earlier of contractual re-pricing or maturity dates. The remaining Funds did not have exposure to any material interest rate risk.

	2022 (\$)	2021 (\$)
Bond Universe Fund:		
Less than 1 year	983,629	-
1 to 3 years	20,222,346	11,580,094
3 to 5 years	22,920,733	22,803,785
More than 5 years	19,684,071	23,093,366
	63,810,779	57,477,245
Corporate Bond Fund:		
Less than 1 year	63,095,268	68,957,715
1 to 3 years	338,521,683	263,051,931
3 to 5 years	425,388,375	405,045,065
More than 5 years	455,523,051	499,985,289
	1,282,528,377	1,237,040,000
Enhanced Income Fund:		
More than 5 years	5,416	5,060
	5,416	5,060

As at December 31, 2022 and 2021, if the prevailing interest rates had been increased or decreased by 1%, assuming a parallel shift in the yield curve and all other factors remaining constant, the net assets of the Funds with exposure to interest rate risk would have decreased or increased by the following amounts:

	2022 (\$)	2021 (\$)
Bond Universe Fund	2,346,468	2,493,463
Corporate Bond Fund	52,687,721	54,759,989

Interest rate sensitivity was determined based on portfolio-weighted, modified duration. Actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Currency risk:

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies other than the Canadian dollar will fluctuate due to changes in foreign exchange rates. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted to Canadian dollars at the valuation date.

Currency risk is managed by the portfolio advisor of each Fund in accordance with the policies and procedures in place, through a careful selection of securities and diversification within each respective Fund. Each Fund's portfolio advisor monitors the overall market positions of the Fund on a daily basis and positions are maintained within established ranges.

The Pender Corporate Bond Fund enters into certain forward foreign currency contracts to mitigate its foreign currency exposure for all classes except Class U, the unhedged class. The Pender Small/Mid Cap Dividend Fund is not exposed to any material currency risk.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

The net currency exposure for each of the remaining Funds as at December 31, 2022 and 2021 was as follows:

	Canadian dollar (\$)	US dollar (\$)	Australian dollar (\$)	Euro (\$)	British pound (\$)	Total (\$)
2022						
Bond Universe Fund	91,847,449	303,768	-	-	-	92,151,217
Corporate Bond Fund	1,132,208,405	289,931,424	-	3,519	-	1,422,143,348
Enhanced Income Fund	25,986,727	8,135,496	-	1,108,725	-	35,230,948
Global Focused Fund	(14,040)	9,239,262	-	-	-	9,225,222
Small Cap Opportunities Fund	204,392,529	34,414,827	-	-	-	238,807,356
Strategic Growth and Income Fund	9,511,272	2,985,353	-	401,913	-	12,898,538
Value Fund	60,941,900	56,137,907	-	4,049,815	-	121,129,622

	Canadian dollar (\$)	US dollar (\$)	Australian dollar (\$)	Euro (\$)	British pound (\$)	Total (\$)
2021						
Corporate Bond Fund	1,107,706,204	282,073,777	-	-	-	1,389,779,981
Enhanced Income Fund	32,705,731	10,306,272	-	852,854	-	43,864,857
Global Focused Fund	(21,390)	25,500,142	-	-	761,448	26,240,200
Small Cap Opportunities Fund	285,059,517	38,365,945	1,531,228	-	-	324,956,690
Small/Mid Cap Dividend Fund	23,862,022	612,372	-	-	-	24,474,394
Strategic Growth and Income Fund	15,416,232	4,864,450	-	409,370	-	20,690,052
Value Fund	104,663,430	145,605,647	-	10,175,441	4,863,441	265,307,959

As at December 31, 2022 and 2021, if the Canadian dollar had strengthened or weakened by 10% in relation to all foreign currencies, with all other factors remaining constant, the net assets of the remaining Funds would have decreased or increased respectively by the following amounts:

	2022 (\$)	2021 (\$)
Bond Universe Fund	30,377	-
Corporate Bond Fund	28,993,494	28,207,378
Enhanced Income Fund	924,422	1,115,913
Global Focused Fund	923,926	2,626,159
Small Cap Opportunities Fund	3,441,483	3,989,717
Small/Mid Cap Dividend Fund	-	61,237
Strategic Growth and Income Fund	338,727	527,382
Value Fund	6,018,772	16,064,453

(iii) Other price risk:

Other price risk is the risk that the fair value of a security will fluctuate as a result of changes in market prices (other than those changes arising from interest rate risk or currency risk), whether caused by factors specific to the security or its issuer, or by factors affecting all similar securities traded in a market. All investments are exposed to other price risk.

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

Other price risk is managed by the portfolio advisor of each Fund through a careful selection of securities within specified limits and the Funds' price risk is managed through diversification within each respective Fund. Each Fund's portfolio advisor monitors the overall market positions of the Fund and maintains positions within established ranges. The Schedule of Investment Portfolio summarizes each Fund's exposure to other price risk as at December 31, 2022, by providing the market and geography sector breakdown of investments, as applicable.

The Pender Bond Universe Fund is not exposed to any material other price risk. The following table summarizes the exposure to other price risk for each of the remaining Funds as at December 31, 2022 and 2021:

	2022 (\$)	2021 (\$)
Corporate Bond Fund	109,551,339	119,050,706
Enhanced Income Fund	35,143,092	43,368,601
Global Focused Fund	9,123,370	26,214,518
Small Cap Opportunities Fund	231,247,249	308,125,394
Small/Mid Cap Dividend Fund	24,517,969	21,616,595
Strategic Growth and Income Fund	12,644,551	20,461,734
Value Fund	120,670,864	265,093,693

As at December 31, 2022 and 2021, if equity prices had increased or decreased by 10% with all other factors remaining constant, the net assets of the Funds would have increased or decreased, by the following amounts:

	2022 (\$)	2021 (\$)
Corporate Bond Fund	4,592,082	9,943,441
Enhanced Income Fund	2,623,146	3,364,992
Global Focused Fund	937,173	3,020,182
Small Cap Opportunities Fund	26,620,916	39,301,776
Small/Mid Cap Dividend Fund	3,571,735	3,004,713
Strategic Growth and Income Fund	941,660	1,575,261
Value Fund	12,380,523	30,131,768

Price sensitivity was determined based on portfolio-weighted beta. Actual results may differ from this sensitivity analysis and the difference could be material.

10. Fair value of financial instruments:

(a) Valuation models:

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Funds determine fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the funds can access at the measurement date.
- Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., as derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

The Funds use widely recognized valuation models for determining the fair value of common and relatively simple financial instruments, such as debt securities, mutual fund units and warrants that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as forward foreign currency contracts. The availability of observable market prices and model inputs reduces the need for management judgment and estimation, and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets. Valuation techniques may include discounted cash flow calculations for debt securities and for forward foreign currency contracts, option pricing matrices for warrants and net asset value as published by underlying fund managers for mutual fund units.

For more complex instruments, the Funds use recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, may be derived from market prices or rates or may be estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value.

In determining fair value for these types of instruments, the Manager considers the history and nature of the business; operating results and financial conditions; general economic, industry and market conditions; capital market and transaction market conditions; independent valuations of the business; contractual rights relating to the investment; comparable company trading and transaction multiples, where applicable, and other relevant considerations. Adjustments to the carrying value of the investments may also be determined to be appropriate by the Manager when there is pervasive and objective evidence of a decline in the value of the investment, as indicated by an assessment of the financial condition of the investment based on operational results, forecasts, or other developments since acquisition.

The table below presents the fair value of financial instruments as at December 31, 2022 and 2021 by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statements of Financial Position. All fair value measurements below are recurring.

2022	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bond Universe Fund:				
Mutual funds	22,465,421	-	-	22,465,421
Bonds	63,810,779	-	-	63,810,779
Forward Currency Contract	-	30,113	-	30,113
	86,276,200	30,113	-	86,306,313
Corporate Bond Fund:				
Bonds and loans	1,282,528,377	-	-	1,282,528,377
Closed end funds	28,051,496	-	-	28,051,496
Common shares	15,878,597	-	-	15,878,597
Forward foreign currency contracts	-	(11,537,851)	-	(11,537,851)
Preferred shares	64,781,766	-	-	64,781,766
Warrants	-	839,480	-	839,480
	1,391,240,236	(10,698,371)	-	1,380,541,865
Enhanced Income Fund:				
Equities	17,349,263	-	674,878	18,024,141
Bonds	-	-	5,416	5,416
Mutual funds	14,833,935	2,276,672	-	17,110,607
Warrants	-	-	8,344	8,344
	32,183,198	2,276,672	688,638	35,148,508
Global Focused Fund:				
Equities	9,123,370	-	-	9,123,370
	9,123,370	-	-	9,123,370
Small Cap Opportunities Fund:				
Equities	225,480,173	-	5,437,238	230,917,411
Warrants	-	329,838	-	329,838
	225,480,173	329,838	5,437,238	231,247,249

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

2022	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Small/Mid Cap Dividend Fund:				
Equities	24,410,786	-	-	24,410,786
Warrants	107,183	-	-	107,183
	24,517,969	-	-	24,517,969
Strategic Growth and Income Fund:				
Equities	6,200,797	-	-	6,200,797
Mutual funds	5,610,920	832,834	-	6,443,754
	11,811,717	832,834	-	12,644,551
Value Fund:				
Equities	120,632,330	-	-	120,632,330
Warrants	38,534	-	-	38,534
	120,670,864	-	-	120,670,864
<hr/>				
2021	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bond Universe Fund:				
Mutual funds	25,965,730	-	-	25,965,730
Bonds	57,477,245	-	-	57,477,245
	83,442,975	-	-	83,442,975
Corporate Bond Fund:				
Bonds and loans	1,225,622,245	-	11,417,755	1,237,040,000
Closed end funds	4,608,300	-	-	4,608,300
Common shares	21,997,160	-	-	21,997,160
Forward foreign currency contracts	-	(7,598,371)	-	(7,598,371)
Preferred shares	91,623,028	-	-	91,623,028
Warrants	-	822,218	-	822,218
	1,343,850,733	(6,776,153)	11,417,755	1,348,492,335
Enhanced Income Fund:				
Equities	22,983,375	-	278,888	23,262,263
Bonds	-	-	5,060	5,060
Mutual funds	16,976,088	3,128,153	-	20,104,241
Warrants	2,097	-	-	2,097
	39,961,560	3,128,153	283,948	43,373,661
Global Focused Fund:				
Equities	26,214,518	-	-	26,214,518
	26,214,518	-	-	26,214,518
Small Cap Opportunities Fund:				
Equities	303,060,676	-	4,537,718	307,598,394
Warrants	-	527,000	-	527,000
	303,060,676	527,000	4,537,718	308,125,394
Small/Mid Cap Dividend Fund:				
Equities	21,615,683	-	-	21,615,683
Warrants	912	-	-	912
	21,616,595	-	-	21,616,595
Strategic Growth and Income Fund:				
Equities	10,800,842	-	-	10,800,842
Mutual funds	8,166,322	1,493,578	-	9,659,900
Warrants	992	-	-	992
	18,968,156	1,493,578	-	20,461,734

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

2021	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Value Fund:				
Equities	259,907,955	-	-	259,907,955
Mutual funds	4,777,952	-	-	4,777,952
Warrants	407,786	-	-	407,786
	265,093,693	-	-	265,093,693

The carrying amount of the Funds' net assets attributable to holders of redeemable units also approximates fair value as it is measured at the redemption amount and classified as Level 2 in the fair value hierarchy.

There were no transfers between the Level 1 and Level 2 during the years ended December 31, 2022 and 2021. Transfers in and out of level 3 were due to changes in the availability of observable market data.

The following table shows a reconciliation of the movement in fair value of all financial instruments categorized within Level 3 for the years ended December 31, 2022 and 2021, for those Funds holding such financial instruments: Pender Corporate Bond Fund, Pender Enhanced Income Fund, Pender Small Cap Opportunities Fund and Pender Value Fund. The remaining Funds did not hold any financial instruments categorized with Level 3.

	2022 (\$)	2021 (\$)
Corporate Bond Fund:		
Opening balance	11,417,755	3,310,434
Purchase of investments	-	11,289,681
Sales of investments	(466,670)	(1,350,772)
Net transfers in (out)	(9,957,637)	(2,400,159)
Total gain (loss) recognized in comprehensive income	(8,685)	536,033
Change in unrealized appreciation (depreciation)	(984,763)	32,538
Ending Balance	-	11,417,755
Enhanced Income Fund:		
Opening balance	283,948	1,154,615
Sales of investments	-	(1,820,647)
Total gain (loss) recognized in comprehensive income	-	(746,339)
Change in unrealized appreciation (depreciation)	404,690	1,696,319
Ending Balance	688,638	283,948
Small Cap Opportunities Fund:		
Opening balance	4,537,718	13,227,761
Purchase of investments	3,932,208	3,000,000
Sales of investments	-	(8,367,760)
Net transfers in (out)	(3,000,000)	(605,250)
Total gain (loss) recognized in comprehensive income	-	3,134,492
Change in unrealized appreciation (depreciation)	(32,688)	(5,851,525)
Ending Balance	5,437,238	4,537,718
Value Fund:		
Opening balance	-	3,815,352
Sales of investments	-	(986,000)
Net transfers in (out)	-	(2,191,352)
Change in unrealized appreciation (depreciation)	-	(638,000)
Ending Balance	-	-

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

(b) Significant unobservable inputs used in measuring fair value:

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy, as at December 31, 2022 and 2021, for those funds holding such financial instruments: Pender Enhanced Income Fund, Pender Small Cap Opportunities Fund and Pender Corporate Bond Fund. The remaining Funds did not hold financial instruments categorized as Level 3 in the fair value hierarchy exposure.

2022	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
Enhanced Income Fund:				
Unlisted private investments	530,888	Comparable trading multiples	Market capitalization/ tangible book value/ enterprise value	The estimated fair value would increase if the unobservable input increased
	157,750	Investment cost/ enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Small Cap Opportunities Fund:				
Unlisted private investments	5,437,238	Investment cost/ enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<hr/>				
2021	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
Corporate Bond Fund:				
Unlisted private investments	11,417,755	Investment cost/ enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Enhanced Income Fund:				
Unlisted private investments	278,888	Comparable trading multiples	Market capitalization/ tangible book value/ enterprise value	The estimated fair value would increase if the unobservable input increased
	5,060	Investment cost/ enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Small Cap Opportunities Fund:				
Unlisted private investments	4,537,718	Investment cost/ enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

Enterprise value represents the estimate of the amount that market participants would pay when purchasing the investee company. The Manager determines this value using valuation techniques such as the use of comparable recent arm's length transactions in shares of the respective company and net present value calculated using discount rates derived from comparable market yields, for example.

(c) Effects of unobservable input on fair value measurement:

The Pender Corporate Bond Fund, Pender Enhanced Income Fund and Pender Small Cap Opportunities Fund believe that their estimates of fair value are appropriate, however the use of different methodologies or assumptions could lead to different measurements of fair value. Changing one or more of the assumptions used for fair value measurements in Level 3 to alternative reasonably possible assumptions would have the following effects on the net assets attributable to holders of redeemable units as at December 31, 2022 and 2021. The remaining Funds did not have any financial instruments categorized with Level 3.

Entity	2022	2021
Corporate Bond Fund:		
Favourable	-	1,141,775
Unfavourable	-	(1,141,775)
Enhanced Income Fund:		
Favourable	68,884	55,755
Unfavourable	(68,884)	(55,755)
Small Cap Opportunities Fund:		
Favourable	543,724	453,772
Unfavourable	(543,724)	(453,772)

The favourable and unfavourable effects of using alternative reasonably possible assumptions for the valuation of unlisted private equity investments have been calculated by recalibrating the model values using unobservable inputs based on averages of the upper and lower quartiles, respectively of the above noted Funds' ranges of possible estimates. The recalibrated model considers the impact of a 10% increase or decrease in enterprise value, a 1% increase or decrease in the discount rate, a 0.25x increase or decrease in market capitalization and a 10% increase or decrease on loan recoverability. Actual results may differ from this sensitivity analysis and the difference could be material.

(d) Financial instruments not measured at fair value:

Given their short-term nature, the carrying value of assets and liabilities, other than investments, investments sold short and derivatives, approximates their fair value. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

11. Involvement with structured entities:

The table below describes the type of structured entities in which the Pender Bond Universe Fund, Pender Corporate Bond Fund, Pender Enhanced Income Fund, Pender Strategic Growth and Income Fund and Pender Value Fund hold an interest but which they do not consolidate. The remaining Funds did not hold an interest in structured entities as at December 31, 2022 and 2021.

Entity	Nature and purpose	Interest held by the respective fund
Investment funds	To manage assets on behalf of third-party investors and generate fees for the investment manager. These vehicles are financed through the issue of units to investors	Investment in units issued by the underlying funds

PENDER MUTUAL FUNDS: Notes to Financial Statements (cont'd)

Year/period ended December 31, 2022

The table below sets out interests held by the Pender Bond Universe Fund, Pender Corporate Bond Fund, Pender Enhanced Income Fund, Pender Strategic Growth and Income Fund and Pender Value Fund in unconsolidated structured entities as at December 31, 2022 and 2021. The maximum exposure to loss is the carrying amount of the investment in the underlying funds held.

	Number of investee funds held	Total net assets of investee funds (\$)	Carrying amount included in investments (\$)
Bond Universe Fund:			
2022	1	1,422,143,348	22,465,421
2021	1	1,389,779,981	25,965,730
Corporate Bond Fund:			
2022	9	14,799,000,000	28,051,496
2021	2	2,392,000,000	4,608,300
Enhanced Income Fund:			
2022	4	1,855,554,368	17,110,607
2021	2	1,714,736,671	20,104,241
Strategic Growth and Income Fund:			
2022	4	1,855,622,816	6,443,754
2021	2	1,714,736,671	9,659,900
Value Fund:			
2021	1	40,746,406	4,777,952

During the years ended December 31, 2022 and 2021, the Pender Bond Universe Fund, Pender Corporate Bond Fund, Pender Enhanced Income Fund, Pender Strategic Growth and Income Fund and Pender Value Fund did not provide financial support to unconsolidated structured entities and have no intention of providing financial or other support. The Pender Bond Universe Fund, Pender Corporate Bond Fund, Pender Enhanced Income Fund, Pender Strategic Growth and Income Fund and Pender Value Fund can sell or redeem their units in the above investment funds at any time.

12. Income taxes

The taxation year-end of the Funds is December 15. As at the end of their 2022 and/or 2021 tax year-ends, the following Funds had accumulated capital losses available for utilization against realized capital gains in future years. Capital losses have no expiry date.

	2022 (\$)	2021 (\$)
Bond Universe Fund	3,197,248	-
Corporate Bond Fund	56,786,753	-
Enhanced Income Fund	47,922,092	48,634,740
Global Focused Fund	4,178,627	-
Value Fund	11,536,201	-

As at the end of the tax year-end, the following Funds had accumulated non-capital losses available for carry forward.

	2022 (\$)	2021 (\$)	Expiration Year
Global Focused Fund	25,821	-	2042
Value Fund	1,005,204	-	2042

The remaining Funds had no accumulated capital losses or non-capital losses as at the end of the 2022 and 2021 tax year-end.



**Annual Financial Statements of
PENDER MUTUAL FUNDS**

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