



## Pender Corporate Bond Fund

For the year ended December 31, 2022

### Annual Management Report of Fund Performance

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

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

# Pender Corporate Bond Fund

For the year ended December 31, 2022

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## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The objective of the Pender Corporate Bond Fund (the "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.

PenderFund Capital Management Ltd. ("Pender") is the Manager and Portfolio Advisor of the Fund.

### Risks

The risks of investing in the Fund are outlined in the Simplified Prospectus dated June 28, 2022. Interest rate risk and credit risk remain the principal risks associated with the Fund. There were no significant changes to the Fund's objectives and strategies that affected its overall level of risk during the year.

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 Fund's results and financial condition and the full extent of that impact remains unknown.

As at December 31, 2022, the Fund had exposure to the banking sector. Subsequent to year-end, the Fund continues 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 Fund is uncertain and could be significant.

### Results of Operations

The net assets of the Fund were \$1,422,143,348 as at December 31, 2022 versus \$1,389,779,981 as at December 31, 2021. Of this \$32,363,367 increase, \$111,010,767 is attributable to net unitholder purchases of Fund units and \$78,647,400 is attributable to negative investment performance.

For the year ended December 31, 2022, Class A units of the Fund generated a total return of -6.6%. Returns for Class A (USD), Class F (USD), Class H (USD), Class I (USD) and Class N (USD) will differ primarily due to foreign currency as these classes are denominated in US dollars whereas all remaining classes of the Fund are denominated in Canadian dollars. Returns for Class U will differ primarily as a result of foreign currency as this class is the only class of the Fund that is not hedged against the US dollar. Returns for other classes of the Fund will be similar to Class A with any difference in performance being primarily due to the different management fees that are applicable to different classes. Please see the "Past Performance" section for the performance of the Fund's other classes.

The Fund's blended benchmark, 75% ICE BofA US High Yield Index in Canadian dollars ("ICE") and 25% FTSE Canada Universe Bond Index was down by 6.7% during the year. In accordance with National Instrument 81-106, we have included a comparison to this blended benchmark to help you understand the Fund's performance relative to the general performance of the market, but we caution that the Fund's mandate may be significantly different from the index. Further, the Fund's returns are reported net of all management fees and expenses for all classes, unlike the returns of the Fund's blended benchmark, which are based on the performance of an index that does not pay fees or incur expenses.

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

The Fund outperformed its benchmark in what was a challenging year in fixed income markets. Key contributors to the portfolio during the year were positions held in inflation-linked government bonds and corporate bonds of idiosyncratic companies. Inflation-linked bonds performed well as inflation expectations rose throughout the year. Specific corporate issues that contributed positively to performance included Scorpio Tankers Inc., Precigen, Inc., and Forum Energy Technologies, Inc. Weakness in the portfolio included government bonds which were adversely impacted by rising interest rates and certain corporate issues such as National CineMedia, LLC, Beyond Meat, Inc., and Rackspace Technology Global, Inc. Inflation-linked bonds performed well as inflation expectations rose throughout the year.

# Pender Corporate Bond Fund

For the year ended December 31, 2022

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## Recent Developments

In the year ended December 31, 2022, significant macro events unfolded that impacted fixed income markets: in particular, the conflict between Russia and Ukraine and moves by central bankers to raise interest rates and taper monetary stimulus to control inflation. These developments caused investors to reassess the economic growth outlook as fears grew of a recession on the horizon. With stubbornly high inflation and a slowing economy, the Federal Reserve and other central banks continue to raise interest rates. Policy makers' fears of an entrenched inflationary cycle taking hold seems to be taking priority over maintaining economic expansion or promoting full employment, for the moment at least.

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

In this environment of rising rates and widening spreads, we are continuing to allocate towards the investment grade end of the spectrum, as we anticipate this area will be first to benefit from a waning inflation picture and should also be most resilient to risks of a recession. Within the high yield part of the portfolio, we are looking to increase our weight into the most economically resilient issuers with strong coverage factors. We expect the impact of the Fed's hiking to have a broad effect, reduce consumer demand and create debt service pressure across the economy in 2023. We also expect risk-free yields to come down, at least temporarily, as a slowing economy quashes inflation and enhances demand for well-covered liquid debt securities.

At December 31, 2022, the Pender Corporate Bond Fund yield to maturity was 7.9% with a current yield of 5.6% and average duration of maturity-based instruments was 3.4 years. There is a 2.1% weight in distressed securities held for workout value whose notional yield is not included in the foregoing calculation. Cash represented 3.9% of the portfolio at December 31, 2022.

## Related Party Transactions

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

As at the end of the year, parties related to the Manager collectively held less than 1% of the Fund's units. In addition, the Pender Bond Universe Fund, Pender Enhanced Income Fund, Pender Partners Fund, and Pender Strategic Growth and Income Fund, funds also managed by the Manager, collectively held 3% of the Fund's outstanding units.

## Management Fees

The Fund pays management and administration fees calculated as a percentage of the net asset value of each respective class. The Management Expense Ratio ("MER") before applicable taxes such as GST or HST for each class does not exceed certain levels as set out in the Fund's offering documents. The fees are calculated at the close of business on each valuation day and are paid monthly. In exchange for the administration fee, the Manager pays the operating costs of the Fund.

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

Such expenses represented approximately 23% of the management fees paid by the Fund to the Manager for the year.

# Pender Corporate Bond Fund

For the year ended December 31, 2022

## Financial Highlights

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

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

	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)
<b>Class A</b>					
Net Assets, beginning of year	12.86	12.87	12.49	12.24	11.92
<b>Increase (decrease) from operations:</b>					
Total revenue	0.58	0.73	0.58	0.59	0.56
Total expenses	(0.25)	(0.28)	(0.24)	(0.25)	(0.25)
Realized gains (losses)	(0.41)	1.00	(0.13)	0.06	0.18
Unrealized gains (losses)	(0.77)	(0.30)	0.32	0.13	-
<b>Total increase (decrease) from operations (b)</b>	<b>(0.85)</b>	<b>1.15</b>	<b>0.53</b>	<b>0.53</b>	<b>0.49</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.43)	(0.37)	(0.33)	(0.30)	(0.32)
From dividends	(0.02)	(0.04)	(0.04)	(0.02)	(0.02)
From capital gains	-	(0.78)	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.45)</b>	<b>(1.19)</b>	<b>(0.37)</b>	<b>(0.32)</b>	<b>(0.34)</b>
<b>Net Assets, end of year</b>	<b>11.58</b>	<b>12.86</b>	<b>12.87</b>	<b>12.49</b>	<b>12.24</b>
<b>Class D</b>					
Net Assets, beginning of year	12.06	11.82	11.45	11.23	10.92
<b>Increase (decrease) from operations:</b>					
Total revenue	0.26	0.53	0.28	0.57	0.43
Total expenses	(0.04)	(0.15)	(0.14)	(0.16)	(0.17)
Realized gains (losses)	(0.08)	0.68	(0.02)	0.07	0.16
Unrealized gains (losses)	(0.49)	(0.11)	(0.14)	0.05	0.04
<b>Total increase (decrease) from operations (b)</b>	<b>(0.35)</b>	<b>0.95</b>	<b>(0.02)</b>	<b>0.53</b>	<b>0.46</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.11)	(0.44)	(0.37)	(0.33)	(0.36)
From dividends	(0.01)	(0.04)	(0.04)	(0.03)	(0.02)
From capital gains	-	(0.46)	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.12)</b>	<b>(0.94)</b>	<b>(0.41)</b>	<b>(0.36)</b>	<b>(0.38)</b>
<b>Net Assets, end of year</b>	<b>-</b>	<b>12.06</b>	<b>11.82</b>	<b>11.45</b>	<b>11.23</b>

# Pender Corporate Bond Fund

For the year ended December 31, 2022

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

	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)
<b>Class E</b>					
Net Assets, beginning of year	10.31	10.35	10.07	10.00	
<b>Increase (decrease) from operations:</b>					
Total revenue	0.71	0.61	0.51	0.16	
Total expenses	(0.05)	(0.06)	(0.05)	(0.01)	
Realized gains (losses)	(0.47)	0.81	(0.11)	(0.05)	
Unrealized gains (losses)	(0.68)	(0.29)	0.31	0.08	
<b>Total increase (decrease) from operations (b)</b>	<b>(0.49)</b>	<b>1.07</b>	<b>0.66</b>	<b>0.18</b>	
<b>Distributions:</b>					
From income (excluding dividends)	(0.49)	(0.44)	(0.39)	(0.11)	
From dividends	(0.02)	(0.05)	(0.05)	(0.01)	
From capital gains	-	(0.67)	-	-	
Return of capital	-	-	-	-	
<b>Total distributions (b), (c)</b>	<b>(0.51)</b>	<b>(1.16)</b>	<b>(0.44)</b>	<b>(0.12)</b>	
<b>Net Assets, end of year</b>	<b>9.30</b>	<b>10.31</b>	<b>10.35</b>	<b>10.07</b>	
<b>Class F</b>					
Net Assets, beginning of year	12.88	12.86	12.50	12.25	11.92
<b>Increase (decrease) from operations:</b>					
Total revenue	0.63	0.72	0.58	0.59	0.56
Total expenses	(0.15)	(0.16)	(0.14)	(0.15)	(0.15)
Realized gains (losses)	(0.44)	0.99	(0.12)	0.07	0.13
Unrealized gains (losses)	(0.75)	(0.29)	0.37	0.12	(0.07)
<b>Total increase (decrease) from operations (b)</b>	<b>(0.71)</b>	<b>1.26</b>	<b>0.69</b>	<b>0.63</b>	<b>0.47</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.52)	(0.47)	(0.42)	(0.11)	(0.42)
From dividends	(0.03)	(0.05)	(0.05)	(0.01)	(0.02)
From capital gains	-	(0.76)	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.55)</b>	<b>(1.28)</b>	<b>(0.47)</b>	<b>(0.12)</b>	<b>(0.44)</b>
<b>Net Assets, end of year</b>	<b>11.60</b>	<b>12.88</b>	<b>12.86</b>	<b>12.50</b>	<b>12.25</b>
<b>Class H</b>					
Net Assets, beginning of year	11.45	11.33	11.01	10.79	10.51
<b>Increase (decrease) from operations:</b>					
Total revenue	0.49	0.58	0.48	0.51	0.51
Total expenses	(0.19)	(0.21)	(0.18)	(0.19)	(0.19)
Realized gains (losses)	(0.34)	0.80	(0.10)	0.06	0.15
Unrealized gains (losses)	(0.69)	(0.19)	0.29	0.11	(0.03)
<b>Total increase (decrease) from operations (b)</b>	<b>(0.73)</b>	<b>0.98</b>	<b>0.49</b>	<b>0.49</b>	<b>0.44</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.41)	(0.36)	(0.32)	(0.30)	(0.31)
From dividends	(0.02)	(0.04)	(0.04)	(0.02)	(0.02)
From capital gains	-	(0.57)	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.43)</b>	<b>(0.97)</b>	<b>(0.36)</b>	<b>(0.32)</b>	<b>(0.33)</b>
<b>Net Assets, end of year</b>	<b>10.30</b>	<b>11.45</b>	<b>11.33</b>	<b>11.01</b>	<b>10.79</b>

# Pender Corporate Bond Fund

For the year ended December 31, 2022

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

	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)
<b>Class I</b>					
Net Assets, beginning of year	11.14	11.05	10.74	10.53	10.24
<b>Increase (decrease) from operations:</b>					
Total revenue	0.54	0.60	0.51	0.51	0.51
Total expenses	(0.11)	(0.12)	(0.11)	(0.11)	(0.12)
Realized gains (losses)	(0.39)	0.81	(0.13)	0.05	0.10
Unrealized gains (losses)	(0.63)	(0.21)	0.37	0.08	(0.09)
<b>Total increase (decrease) from operations (b)</b>	<b>(0.59)</b>	<b>1.08</b>	<b>0.64</b>	<b>0.53</b>	<b>0.40</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.48)	(0.42)	(0.37)	(0.35)	(0.37)
From dividends	(0.02)	(0.05)	(0.05)	(0.03)	(0.02)
From capital gains	-	(0.58)	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.50)</b>	<b>(1.05)</b>	<b>(0.42)</b>	<b>(0.38)</b>	<b>(0.39)</b>
<b>Net Assets, end of year</b>	<b>10.03</b>	<b>11.14</b>	<b>11.05</b>	<b>10.74</b>	<b>10.53</b>
<b>Class N</b>					
Net Assets, beginning of year	9.95	10.33	10.01	10.00	
<b>Increase (decrease) from operations:</b>					
Total revenue	(0.50)	0.75	0.01	0.22	
Total expenses	(0.07)	(0.09)	(0.07)	(0.04)	
Realized gains (losses)	0.39	0.93	0.07	(0.03)	
Unrealized gains (losses)	(0.67)	(0.47)	(1.06)	0.04	
<b>Total increase (decrease) from operations (b)</b>	<b>(0.85)</b>	<b>1.12</b>	<b>(1.05)</b>	<b>0.19</b>	
<b>Distributions:</b>					
From income (excluding dividends)	(0.40)	(0.42)	(0.37)	(0.17)	
From dividends	(0.03)	(0.04)	(0.04)	(0.02)	
From capital gains	-	(1.02)	-	-	
Return of capital	-	-	-	-	
<b>Total distributions (b), (c)</b>	<b>(0.43)</b>	<b>(1.48)</b>	<b>(0.41)</b>	<b>(0.19)</b>	
<b>Net Assets, end of year</b>	<b>8.97</b>	<b>9.95</b>	<b>10.33</b>	<b>10.01</b>	
<b>Class O</b>					
Net Assets, beginning of year	11.34	11.18	10.87	10.64	10.37
<b>Increase (decrease) from operations:</b>					
Total revenue	0.34	0.55	0.51	0.48	0.51
Total expenses	-	(0.01)	-	-	(0.01)
Realized gains (losses)	(0.24)	0.72	(0.15)	0.06	0.23
Unrealized gains (losses)	(0.67)	(0.17)	0.48	0.21	0.11
<b>Total increase (decrease) from operations (b)</b>	<b>(0.57)</b>	<b>1.09</b>	<b>0.84</b>	<b>0.75</b>	<b>0.84</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.59)	(0.53)	(0.47)	(0.43)	(0.47)
From dividends	(0.03)	(0.06)	(0.06)	(0.05)	(0.03)
From capital gains	-	(0.50)	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.62)</b>	<b>(1.09)</b>	<b>(0.53)</b>	<b>(0.48)</b>	<b>(0.50)</b>
<b>Net Assets, end of year</b>	<b>10.20</b>	<b>11.34</b>	<b>11.18</b>	<b>10.87</b>	<b>10.64</b>

# Pender Corporate Bond Fund

For the year ended December 31, 2022

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

	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)
<b>Class U</b>					
Net Assets, beginning of year	10.52	10.21	9.95	10.00	
<b>Increase (decrease) from operations:</b>					
Total revenue	1.57	0.36	0.76	0.25	
Total expenses	(0.12)	(0.13)	(0.12)	(0.06)	
Realized gains (losses)	(1.00)	0.27	(0.25)	-	
Unrealized gains (losses)	(0.66)	0.31	0.52	(0.16)	
<b>Total increase (decrease) from operations (b)</b>	<b>(0.21)</b>	<b>0.81</b>	<b>0.91</b>	<b>0.03</b>	
<b>Distributions:</b>					
From income (excluding dividends)	(0.44)	(0.39)	(0.34)	(0.14)	
From dividends	(0.02)	(0.01)	(0.05)	(0.02)	
From capital gains	-	(0.27)	-	-	
Return of capital	-	-	-	-	
<b>Total distributions (b), (c)</b>	<b>(0.46)</b>	<b>(0.67)</b>	<b>(0.39)</b>	<b>(0.16)</b>	
<b>Net Assets, end of year</b>	<b>9.89</b>	<b>10.52</b>	<b>10.21</b>	<b>9.95</b>	
<b>Class A (USD)</b>					
Net Assets, beginning of year	14.71	14.10	13.66	13.89	12.48
<b>Increase (decrease) from operations:</b>					
Total revenue	2.81	0.32	1.25	0.78	1.07
Total expenses	(0.31)	(0.30)	(0.28)	(0.28)	(0.29)
Realized gains (losses)	(1.78)	0.86	(0.24)	0.08	0.01
Unrealized gains (losses)	(0.86)	0.30	0.31	(0.48)	0.73
<b>Total increase (decrease) from operations (b)</b>	<b>(0.14)</b>	<b>1.18</b>	<b>1.04</b>	<b>0.10</b>	<b>1.52</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.50)	(0.40)	(0.36)	(0.33)	(0.35)
From dividends	(0.02)	(0.05)	(0.05)	(0.03)	(0.02)
From capital gains	-	(0.17)	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.52)</b>	<b>(0.62)</b>	<b>(0.41)</b>	<b>(0.36)</b>	<b>(0.37)</b>
<b>Net Assets, end of year</b>	<b>14.04</b>	<b>14.71</b>	<b>14.10</b>	<b>13.66</b>	<b>13.89</b>
<b>Class F (USD)</b>					
Net Assets, beginning of year	14.52	13.96	13.52	13.75	12.35
<b>Increase (decrease) from operations:</b>					
Total revenue	2.79	0.33	1.30	0.75	1.05
Total expenses	(0.18)	(0.17)	(0.16)	(0.16)	(0.17)
Realized gains (losses)	(1.79)	0.82	(0.30)	0.11	0.08
Unrealized gains (losses)	(0.75)	0.30	0.08	(0.53)	0.75
<b>Total increase (decrease) from operations (b)</b>	<b>0.07</b>	<b>1.28</b>	<b>0.92</b>	<b>0.17</b>	<b>1.71</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.61)	(0.51)	(0.47)	(0.43)	(0.44)
From dividends	(0.03)	(0.05)	(0.05)	(0.03)	(0.02)
From capital gains	-	(0.21)	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.64)</b>	<b>(0.77)</b>	<b>(0.52)</b>	<b>(0.46)</b>	<b>(0.46)</b>
<b>Net Assets, end of year</b>	<b>13.85</b>	<b>14.52</b>	<b>13.96</b>	<b>13.52</b>	<b>13.75</b>

## Pender Corporate Bond Fund

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

	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)
<b>Class H (USD)</b>					
Net Assets, beginning of year	13.95	13.42	13.02	13.10	
<b>Increase (decrease) from operations:</b>					
Total revenue	2.70	0.33	1.27	0.31	
Total expenses	(0.25)	(0.24)	(0.22)	(0.11)	
Realized gains (losses)	(1.70)	0.84	(0.36)	(0.01)	
Unrealized gains (losses)	(0.87)	0.29	0.01	(0.38)	
<b>Total increase (decrease) from operations (b)</b>	<b>(0.12)</b>	<b>1.22</b>	<b>0.70</b>	<b>(0.19)</b>	
<b>Distributions:</b>					
From income (excluding dividends)	(0.51)	(0.42)	(0.41)	(0.18)	
From dividends	(0.03)	(0.05)	(0.04)	(0.01)	
From capital gains	-	(0.20)	-	-	
Return of capital	-	-	-	-	
<b>Total distributions (b), (c)</b>	<b>(0.54)</b>	<b>(0.67)</b>	<b>(0.45)</b>	<b>(0.19)</b>	
<b>Net Assets, end of year</b>	<b>13.30</b>	<b>13.95</b>	<b>13.42</b>	<b>13.02</b>	
<b>Class I (USD)</b>					
Net Assets, beginning of year	13.99	13.45	13.04	13.10	
<b>Increase (decrease) from operations:</b>					
Total revenue	2.76	0.33	1.21	0.38	
Total expenses	(0.15)	(0.15)	(0.14)	(0.07)	
Realized gains (losses)	(1.77)	0.81	(0.33)	(0.03)	
Unrealized gains (losses)	(0.75)	0.27	0.22	(0.17)	
<b>Total increase (decrease) from operations (b)</b>	<b>0.09</b>	<b>1.26</b>	<b>0.96</b>	<b>0.11</b>	
<b>Distributions:</b>					
From income (excluding dividends)	(0.61)	(0.51)	(0.47)	(0.21)	
From dividends	(0.03)	(0.06)	(0.06)	(0.02)	
From capital gains	-	(0.20)	-	-	
Return of capital	-	-	-	-	
<b>Total distributions (b), (c)</b>	<b>(0.64)</b>	<b>(0.77)</b>	<b>(0.53)</b>	<b>(0.23)</b>	
<b>Net Assets, end of year</b>	<b>13.34</b>	<b>13.99</b>	<b>13.45</b>	<b>13.04</b>	



# Pender Corporate Bond Fund

For the year ended December 31, 2022

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

	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)
<b>Class N (USD)</b>					
Net Assets, beginning of year	14.00	13.41	13.00	13.10	
<b>Increase (decrease) from operations:</b>					
Total revenue	2.71	0.28	1.29	0.36	
Total expenses	(0.11)	(0.11)	(0.11)	(0.05)	
Realized gains (losses)	(1.71)	0.87	(0.33)	(0.02)	
Unrealized gains (losses)	(0.84)	0.31	(0.07)	(0.17)	
<b>Total increase (decrease) from operations (b)</b>	<b>0.05</b>	<b>1.35</b>	<b>0.78</b>	<b>0.12</b>	
<b>Distributions:</b>					
From income (excluding dividends)	(0.65)	(0.54)	(0.50)	(0.22)	
From dividends	(0.03)	(0.06)	(0.06)	(0.02)	
From capital gains	-	(0.14)	-	-	
Return of capital	-	-	-	-	
<b>Total distributions (b), (c)</b>	<b>(0.68)</b>	<b>(0.74)</b>	<b>(0.56)</b>	<b>(0.24)</b>	
<b>Net Assets, end of year</b>	<b>13.36</b>	<b>14.00</b>	<b>13.41</b>	<b>13.00</b>	

(a) This information is derived from the Fund's audited annual financial statements as at December 31 for the year stated, prepared under International Financial Reporting Standards. Class D was closed on April 22, 2022.

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

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

## Ratios and Supplemental Data

	2022	2021	2020	2019	2018
<b>Class A</b>					
Total net asset value (\$000s) (a)	95,980	110,720	92,199	115,962	76,888
Number of units outstanding (a)	8,288,704	8,607,770	7,165,766	9,281,603	6,280,891
Management expense ratio (b)	2.06%	2.01%	1.95%	1.95%	1.95%
Management expense ratio before absorptions (c)	2.06%	2.01%	1.95%	1.95%	1.95%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.02%	0.05%
Portfolio turnover rate (e)	62.92%	63.24%	103.95%	61.95%	69.13%
Net asset value per unit (\$) (a)	11.58	12.86	12.87	12.49	12.24
<b>Class E</b>					
Total net asset value (\$000s) (a)	3,543	4,132	3,292	3,912	
Number of units outstanding (a)	380,944	400,826	318,107	388,330	
Management expense ratio (b)	0.53%	0.52%	0.50%	0.50%	
Management expense ratio before absorptions (c)	0.53%	0.52%	0.50%	0.50%	
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.02%	
Portfolio turnover rate (e)	62.92%	63.24%	103.95%	61.95%	
Net asset value per unit (\$) (a)	9.30	10.31	10.35	10.07	
<b>Class F</b>					
Total net asset value (\$000s) (a)	402,880	422,355	342,633	406,674	246,709
Number of units outstanding (a)	34,740,168	32,781,853	26,636,091	32,530,750	20,139,093
Management expense ratio (b)	1.19%	1.17%	1.15%	1.15%	1.15%
Management expense ratio before absorptions (c)	1.19%	1.17%	1.15%	1.15%	1.15%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.02%	0.05%
Portfolio turnover rate (e)	62.92%	63.24%	103.95%	61.95%	69.13%
Net asset value per unit (\$) (a)	11.60	12.88	12.86	12.50	12.25

# Pender Corporate Bond Fund

For the year ended December 31, 2022

## Ratios and Supplemental Data (cont'd)

	2022	2021	2020	2019	2018
<b>Class H</b>					
Total net asset value (\$000s) (a)	88,360	103,092	65,161	62,459	38,560
Number of units outstanding (a)	8,578,535	9,004,515	5,749,645	5,671,949	3,573,651
Management expense ratio (b)	1.73%	1.69%	1.65%	1.65%	1.65%
Management expense ratio before absorptions (c)	1.73%	1.69%	1.65%	1.65%	1.65%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.02%	0.05%
Portfolio turnover rate (e)	62.92%	63.24%	103.95%	61.95%	69.13%
Net asset value per unit (\$) (a)	10.30	11.45	11.33	11.01	10.79
<b>Class I</b>					
Total net asset value (\$000s) (a)	708,267	602,871	411,640	381,228	140,680
Number of units outstanding (a)	70,636,548	54,127,966	37,250,197	35,491,065	13,366,024
Management expense ratio (b)	1.03%	1.02%	1.00%	1.00%	1.00%
Management expense ratio before absorptions (c)	1.03%	1.02%	1.00%	1.00%	1.00%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.02%	0.05%
Portfolio turnover rate (e)	62.92%	63.24%	103.95%	61.95%	69.13%
Net asset value per unit (\$) (a)	10.03	11.14	11.05	10.74	10.53
<b>Class N</b>					
Total net asset value (\$000s) (a)	5	2,695	3,475	17,211	
Number of units outstanding (a)	520	270,776	336,405	1,719,279	
Management expense ratio (b)	0.74%	0.76%	0.75%	0.75%	
Management expense ratio before absorptions (c)	0.74%	0.76%	0.75%	0.75%	
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.02%	
Portfolio turnover rate (e)	62.92%	63.24%	103.95%	61.95%	
Net asset value per unit (\$) (a)	8.97	9.95	10.33	10.01	
<b>Class O</b>					
Total net asset value (\$000s) (a)	43,580	58,562	29,746	27,198	8,387
Number of units outstanding (a)	4,273,445	5,161,977	2,661,770	2,501,605	787,928
Management expense ratio (b)	0.00%	0.00%	0.00%	0.00%	0.00%
Management expense ratio before absorptions (c)	0.00%	0.00%	0.00%	0.00%	0.00%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.02%	0.05%
Portfolio turnover rate (e)	62.92%	63.24%	103.95%	61.95%	69.13%
Net asset value per unit (\$) (a)	10.20	11.34	11.18	10.87	10.64
<b>Class U</b>					
Total net asset value (\$000s) (a)	9,338	11,425	40	6	
Number of units outstanding (a)	944,053	1,085,631	3,876	588	
Management expense ratio (b)	1.16%	1.14%	1.15%	1.15%	
Management expense ratio before absorptions (c)	1.16%	1.14%	1.15%	1.15%	
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.02%	
Portfolio turnover rate (e)	62.92%	63.24%	103.95%	61.95%	
Net asset value per unit (\$) (a)	9.89	10.52	10.21	9.95	
<b>Class A (USD)</b>					
Total net asset value (\$000s) (a)	2,773	2,979	2,533	6,018	6,177
Number of units outstanding (a)	197,474	202,496	179,642	440,638	444,755
Management expense ratio (b)	2.08%	1.98%	1.95%	1.95%	1.95%
Management expense ratio before absorptions (c)	2.08%	1.98%	1.95%	1.95%	1.95%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.02%	0.05%
Portfolio turnover rate (e)	62.92%	63.24%	103.95%	61.95%	69.13%
Net asset value per unit (\$) (a)	14.04	14.71	14.10	13.66	13.89

## Pender Corporate Bond Fund

For the year ended December 31, 2022

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

	2022	2021	2020	2019	2018
<b>Class F (USD)</b>					
Total net asset value (\$000s) (a)	20,874	15,842	11,382	20,175	24,368
Number of units outstanding (a)	1,506,774	1,091,009	815,559	1,492,314	1,772,010
Management expense ratio (b)	1.19%	1.14%	1.15%	1.15%	1.15%
Management expense ratio before absorptions (c)	1.19%	1.14%	1.15%	1.15%	1.15%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.02%	0.05%
Portfolio turnover rate (e)	62.92%	63.24%	103.95%	61.95%	69.13%
Net asset value per unit (\$) (a)	13.85	14.52	13.96	13.52	13.75
<b>Class H (USD)</b>					
Total net asset value (\$000s) (a)	7,373	8,224	6,636	2,680	
Number of units outstanding (a)	554,228	589,688	494,651	205,849	
Management expense ratio (b)	1.75%	1.68%	1.65%	1.65%	
Management expense ratio before absorptions (c)	1.75%	1.68%	1.65%	1.65%	
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.02%	
Portfolio turnover rate (e)	62.92%	63.24%	103.95%	61.95%	
Net asset value per unit (\$) (a)	13.30	13.95	13.42	13.02	
<b>Class I (USD)</b>					
Total net asset value (\$000s) (a)	36,726	35,290	23,199	15,621	
Number of units outstanding (a)	2,752,813	2,522,383	1,724,282	1,197,716	
Management expense ratio (b)	1.04%	1.00%	1.00%	1.00%	
Management expense ratio before absorptions (c)	1.04%	1.00%	1.00%	1.00%	
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.02%	
Portfolio turnover rate (e)	62.92%	63.24%	103.95%	61.95%	
Net asset value per unit (\$) (a)	13.34	13.99	13.45	13.04	
<b>Class N (USD)</b>					
Total net asset value (\$000s) (a)	2,444	2,664	2,713	3,648	
Number of units outstanding (a)	182,917	190,261	202,357	280,525	
Management expense ratio (b)	0.74%	0.72%	0.75%	0.75%	
Management expense ratio before absorptions (c)	0.74%	0.72%	0.75%	0.75%	
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.02%	
Portfolio turnover rate (e)	62.92%	63.24%	103.95%	61.95%	
Net asset value per unit (\$) (a)	13.36	14.00	13.41	13.00	

(a) This information is derived from the Fund's audited annual financial statements as at December 31 for the year stated, prepared under International Financial Reporting Standards. Class D was closed on April 22, 2022.

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

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

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

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

# Pender Corporate Bond Fund

For the year ended December 31, 2022

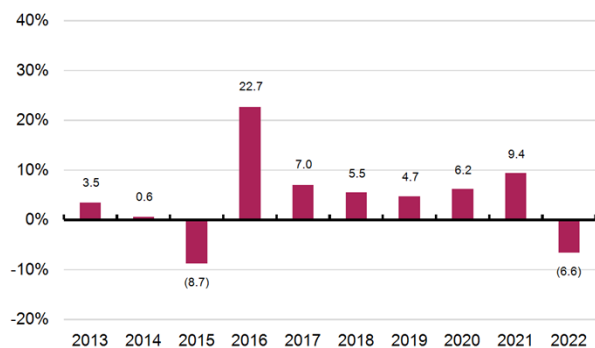
## Past Performance

The following charts show the past performance for the units of each class of the Fund and do not necessarily indicate how the Fund will perform in the future. The information shown assumes that any distributions made by the Fund were reinvested in additional units of the Fund. Returns would be different if an investor did not reinvest distributions. In addition, the information does not take into account sales, redemptions, income taxes payable or other charges that would have reduced returns or performance. Past performance for Class D units of the Fund is not available for disclosure because it was closed during the year.

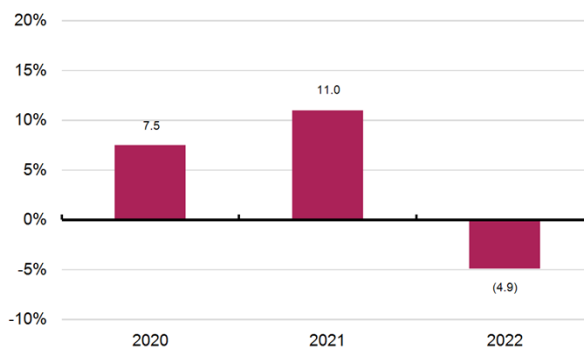
## Year-by-Year Returns

To illustrate how the Fund's performance has varied over time, the following bar charts show the annual returns for the calendar years indicated. The information is presented starting from the first full financial year of the respective Fund class. In percentage terms, the bar charts show how much an investment held on the first day of the year would have increased or decreased by the last day of the year.

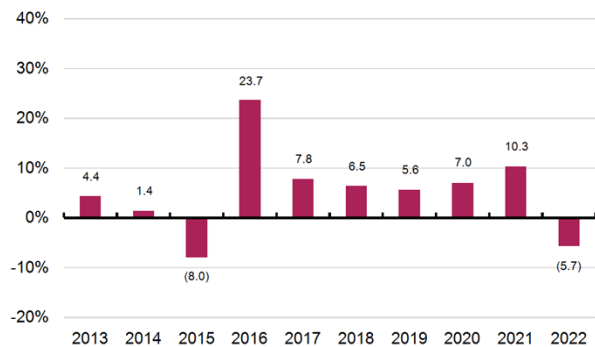
### Class A



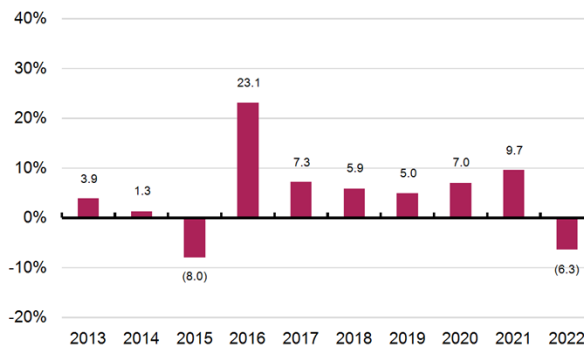
### Class E



### Class F



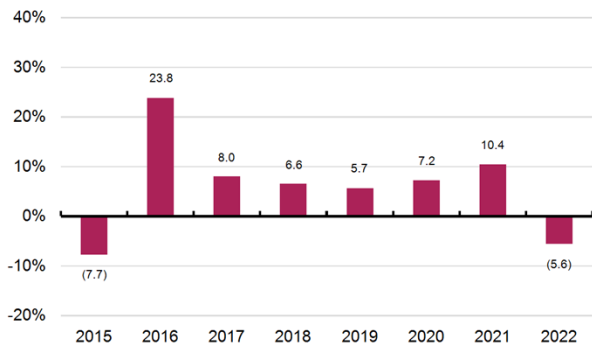
### Class H



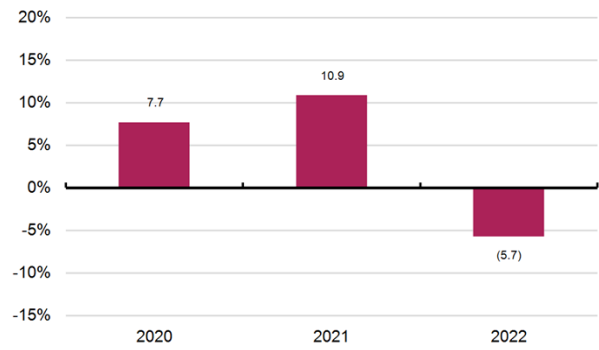
# Pender Corporate Bond Fund

For the year ended December 31, 2022

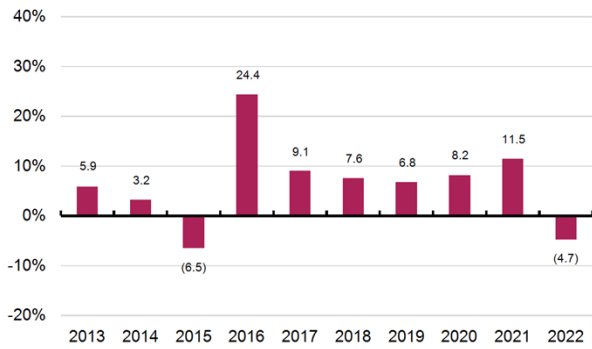
## Class I



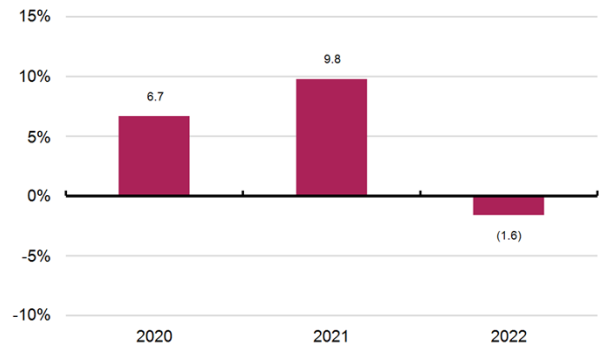
## Class N



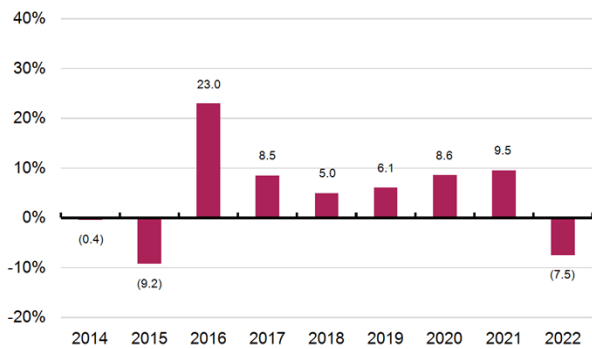
## Class O



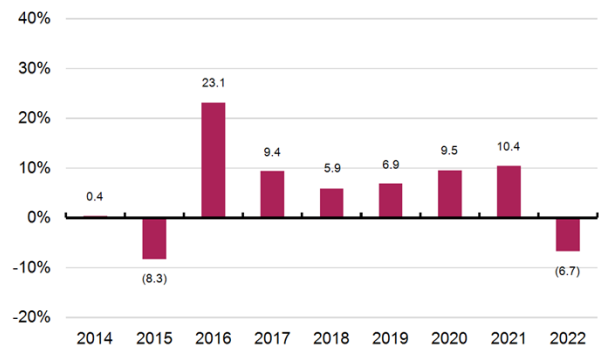
## Class U



## Class A (USD)



## Class F (USD)



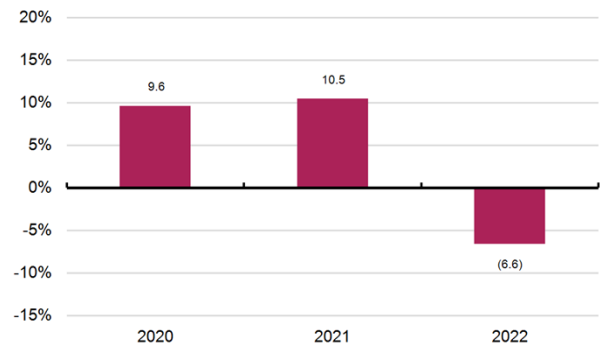
# Pender Corporate Bond Fund

For the year ended December 31, 2022

## Class H (USD)



## Class I (USD)



## Class N (USD)



## Pender Corporate Bond Fund

For the year ended December 31, 2022

### Annual Compound Returns

The annual compound returns table compares the Fund's performance to one or more benchmarks. Benchmarks are usually an index or a composite of more than one index. An index is generally made up of a group of securities. Since the Fund does not necessarily invest in the same securities as an index or in the same proportion, the Fund's performance is not expected to equal the performance of the index. Fund returns are reported net of all management fees and expenses for all classes (prior to June 30, 2021, the Fund's MER was inclusive of applicable taxes such as GST or HST), unlike the returns of the Fund's benchmark, which are based on the performance of an index that does not pay fees or incur expenses. It may be more helpful to compare the Fund's performance to that of other mutual funds with similar objectives and investment strategies.

The Fund's blended benchmark is 75% ICE and 25% FTSE/TMX Canada Universe Bond Index. The FTSE/TMX Canada Bond Universe Index is the broadest and most widely used measure of performance of marketable government and corporate bonds outstanding in the Canadian market.

The ICE measures the performance of U.S. dollar denominated below investment grade (commonly referred to as "junk") corporate debt publicly issued in the U.S. domestic market. With the exception of Class A (USD), Class F (USD), Class H (USD), Class I (USD) and Class N (USD), the performance of the Fund is compared to the benchmark's performance in Canadian dollars. Performance for Class A (USD), Class F (USD), Class H (USD), Class I (USD) and Class N (USD) are compared to the benchmark's performance in U.S. dollars.

A discussion of the performance of the Fund as compared to its benchmarks is found in the "Results of Operations" section of this report.

	Inception Date	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Class A	1-Jun-09	(6.6)	2.8	3.7	4.1	5.3
Blended benchmark		(6.7)	0.4	2.9	5.8	7.8
Class E	30-Aug-19	(4.9)	4.3	-	-	4.5
Blended benchmark		(6.7)	0.4	-	-	0.3
Class F	1-Jun-09	(5.7)	3.6	4.6	5.0	6.2
Blended benchmark		(6.7)	0.4	2.9	5.8	7.8
Class H	19-Jun-12	(6.3)	3.1	4.0	4.5	4.8
Blended benchmark		(6.7)	0.4	2.9	5.8	6.1
Class I	30-Jun-14	(5.6)	3.8	4.7	-	5.2
Blended benchmark		(6.7)	0.4	2.9	-	4.9
Class N	28-Jun-19	(5.7)	4.0	-	-	4.0
Blended benchmark		(6.7)	0.4	-	-	1.0
Class O	24-Nov-10	(4.7)	4.7	5.7	6.2	6.5
Blended benchmark		(6.7)	0.4	2.9	5.8	6.2
Class U	28-Jun-19	(1.6)	4.9	-	-	4.5
Blended benchmark		(6.7)	0.4	-	-	1.0
Class A (USD)	30-Aug-13	(7.5)	3.2	4.1	-	4.3
Blended benchmark		(12.8)	(1.0)	1.3	-	2.8
Class F (USD)	30-Aug-13	(6.7)	4.1	5.0	-	5.1
Blended benchmark		(12.8)	(1.0)	1.3	-	2.8
Class H (USD)	28-Jun-19	(7.2)	3.5	-	-	3.5
Blended benchmark		(12.8)	(1.0)	-	-	-
Class I (USD)	28-Jun-19	(6.6)	4.2	-	-	4.2
Blended benchmark		(12.8)	(1.0)	-	-	-
Class N (USD)	28-Jun-19	(6.2)	4.5	-	-	4.4
Blended benchmark		(12.8)	(1.0)	-	-	-

## Pender Corporate Bond Fund

For the year ended December 31, 2022

### Summary of Investment Portfolio

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

#### Top 25 Holdings

	% of Net Assets
Verisign, Inc., Callable, 4.75%, 2027/07/15	2.5
W&T Offshore, Inc., Callable, 9.75%, 2023/11/01	2.4
Government of Canada, Real Return, 4.25%, 2026/12/01	2.2
Forum Energy Technologies, Inc., Convertible, Callable, 9.00%, 2025/08/04	1.7
McDonald's Corporation, Callable, 3.13%, 2025/03/05	1.7
PepsiCo, Inc., Callable, 2.15%, 2024/05/06	1.7
United States Treasury Bond, Inflation Indexed, 1.75%, 2028/01/15	1.6
Varex Imaging Corporation, Callable, 7.88%, 2027/10/15	1.6
Beacon Roofing Supply Inc., Callable, 4.50%, 2026/11/15	1.5
Science Applications International Corp., Callable, 4.88%, 2028/04/01	1.5
Seaspan Corp., Callable, 6.50%, 2026/04/29	1.5
Tronox Inc., Callable, 4.63%, 2029/03/15	1.5
American Tire Distributors Inc., 10.61%, 2028/10/20	1.4
Liberty TripAdvisor Holdings Inc., Convertible, Puttable, 0.50%, 2051/06/30	1.4
SS&C Technologies, Inc., Callable, 5.50%, 2027/09/30	1.4
TreeHouse Foods Inc., Callable, 4.00%, 2028/09/01	1.4
Coeur Mining Inc., Callable, 5.13%, 2029/02/15	1.3
Fairfax Financial Holdings Limited, Callable, 3.95%, 2031/03/03	1.3
Paratek Pharmaceuticals, Inc., Callable, 4.75%, 2024/05/01	1.3
OPKO Health, Inc., Callable, 4.50%, 2025/02/15	1.2
SFL Corp. Ltd., Callable, 7.25%, 2026/05/12	1.2
Shelf Drilling Holdings, Ltd., Callable, 8.88%, 2024/11/15	1.2
Waste Management of Canada Corporation, Callable, 2.60%, 2026/09/23	1.2
Hecla Mining Co., Callable, 7.25%, 2028/02/15	1.1
PetSmart, Inc., Callable, 4.75%, 2028/02/15	1.1

#### Composition of the Portfolio

	% of Net Assets
US corporate bonds and loans	58.4
Canadian corporate bonds and loans	24.9
Foreign corporate bonds and loans	6.7
Preferred shares	4.6
Closed end funds	2.0
Common shares	1.1
Warrants	0.1
<b>Total investments</b>	<b>97.8</b>
Derivative liabilities	(0.8)
<b>Total investment portfolio</b>	<b>97.0</b>
Cash	3.9
Other assets less liabilities	(0.9)
<b>Total net assets</b>	<b>100.0</b>



## Pender Corporate Bond Fund

For the year ended December 31, 2022

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### **Caution Regarding Forward-Looking Statements**

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

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

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

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



**Pender Corporate Bond Fund**

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