



Pender Alternative Special Situations Fund (formerly Pender Special Situations 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 or the SEDAR website at www.sedar.com.

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

Pender Alternative Special Situations Fund (formerly Pender Special Situations Fund)

For the year ended December 31, 2022

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

Effective September 1, 2022, the objective of the Pender Alternative Special Situations Fund (the "Fund"), formerly Pender Special Situations Fund, is to achieve long-term capital appreciation by investing primarily in Canadian and US equities with the ability to also invest in debt and other securities. The Fund seeks to identify investment opportunities that are believed to represent special situations.

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 August 29, 2022. Effective September 1, 2022, Pender Special Situations Fund was converted from a conventional mutual fund to an alternative mutual fund and renamed Pender Alternative Special Situations Fund. The objectives of the Fund were changed in the year, with unitholder approval, however, the change did not affect the Fund's overall level of risk during the year. Further, there were no other significant changes in 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 Funds' 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 \$1,239,554 as at December 31, 2022 versus \$1,859,574 as at December 31, 2021. Of this \$620,020 decrease, \$149,873 is attributable to net unitholder redemptions of Fund units and \$470,147 is attributable to negative investment performance.

For the year ended December 31, 2022, Class A units of the Fund generated a total return of -16.5%. Returns for other classes of the Fund will be similar to Class A with any difference in performance being primarily due to the different management fees that are applicable to different classes. Please see the "Past Performance" section for the performance of the Fund's other classes.

The Fund's broad-based benchmark, the S&P/TSX Composite Index ("S&P/TSX"), returned -5.7% during the year. In accordance with National Instrument 81-106, we have included a comparison to this broad-based index to help you understand the Fund's performance relative to the general performance of the market, but we caution that the Fund's mandate may be significantly different from the index. Further, the Fund's returns are reported net of all management fees and expenses for all classes, unlike the returns of the Fund's benchmark, which are based on the performance of an index that does not pay fees or incur expenses.

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

The Fund transitioned to liquid alternative in 2022. This allows the Fund additional tools for portfolio management, such as shorting securities and adding leverage to positions where appropriate. Since the transition, key positive individual contributors to the Fund's performance for the year included Maxar Technologies Inc., Spartan Delta Corp., and Partners Value Investments LP. Conversely, Anterix Inc., Federal National Mortgage Association and Shockwave Medical, Inc. had the largest adverse impact.

Portfolio transactions during the year were made based on our stock selection process. In general, we increased weightings of individual stocks where we determined the price relative to our estimate of intrinsic value had increased and decreased the weightings of companies that offered a less attractive return profile. We may liquidate our positions for various reasons, such as when share prices have reached our assessment of fair value, when an acquisition has occurred, or where we have changed our investment thesis.

Pender Alternative Special Situations Fund (formerly Pender Special Situations Fund)

For the year ended December 31, 2022

As at the end of the year, the Fund was 91.0% invested in Canada, 56.5% in the United States, and 2.9% in international companies. The Fund's cash position may change over time as a result of portfolio transactions. The Fund's investment portfolio is concentrated and not diversified in the conventional sense. The Fund's top 10 holdings account for 105.6% of the Fund's net assets at the end of the year. This concentration may lead to varied results over any given year.

The overall sector exposure of the Fund is determined by stock selection decisions and may shift from time to time. As at December 31, 2022 we were weighted toward holdings in the Energy, Industrials, and Diversified Financials sectors, because, currently, those are the sectors where we believe we are finding the best investment opportunities and, equally important, because they contain businesses for which we are best equipped to assess value. These top three sectors accounted for 93.2% of the Fund at the end of the year.

Recent Developments

The year of 2022, significant global macro events materialized and led to increased volatility in financial markets as risk was repriced. In particular, moves by central banks to raise interest rates and taper monetary stimulus to control inflation has caused investors to reassess the growth outlook going forward. With these events as a backdrop, economic growth has slowed and fears of a recession on the horizon sapped investor sentiment in 2022. This has been a challenging year for stock markets, and small-cap companies in particular. In Canada, the Canadian stock market finished lower with the S&P/TSX Composite index recording a return of -5.7%.

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

We are positioning the Fund to be opportunistic and take advantage of a variety of new opportunities as they emerge. This includes a focus on finding growth companies with positive or secular tailwinds that we believe are mispriced; companies with dislocated valuations with identifiable catalysts to narrow the valuation gap; opportunities to invest in SPACs, which, in many cases are trading at a discount to trust value; M&A driven investment opportunities and other short-term mispricing and capital markets driven trading opportunities.

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.

Related Party Transactions

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

As at the end of the year, parties related to the Manager collectively held 18% of the Fund's 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. During the year the Manager waived management and administration fees and custody related transaction costs for the Fund.

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

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

Pender Alternative Special Situations Fund (formerly Pender Special Situations Fund)

For the year ended December 31, 2022

Performance Fees

The Manager is also entitled to a performance fee plus applicable taxes such as GST or HST on all classes of units of the Fund. For Class O units, this fee is or will be charged directly to Unitholders, as applicable. The performance fee is equal to 15% of the amount by which the total return of the class of units exceeds a 6% hurdle rate, for the period since the performance fee was last paid, provided that the total return of the relevant class of units for such period exceeds the previous 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 a performance fee was payable. Performance fees will be calculated and accrued daily, and such accrued fees will be payable 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, at its discretion, may reduce or waive performance fees.

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 (\$)
Class A			
Net Assets, beginning of year	18.75	14.80	10.00
Increase (decrease) from operations:			
Total revenue	0.18	0.21	0.08
Total expenses	(0.06)	(0.16)	(0.04)
Realized gains (losses)	(4.11)	4.26	2.67
Unrealized gains (losses)	(0.02)	(0.30)	4.80
Total increase (decrease) from operations (b)	(4.01)	4.01	7.51
Distributions:			
From income (excluding dividends)	(0.12)	(0.01)	-
From dividends	(0.07)	(0.08)	(0.06)
From capital gains	-	(1.46)	(2.64)
Return of capital	-	-	-
Total distributions (b), (c)	(0.19)	(1.55)	(2.70)
Net Assets, end of year	15.47	18.75	14.80
Class D			
Net Assets, beginning of year	10.00	10.00	
Increase (decrease) from operations:			
Total revenue	0.01	0.10	
Total expenses	-	(0.08)	
Realized gains (losses)	(0.02)	0.92	
Unrealized gains (losses)	0.49	(2.03)	
Total increase (decrease) from operations (b)	0.48	(1.09)	
Distributions:			
From income (excluding dividends)	-	(0.00)	
From dividends	-	(0.05)	
From capital gains	-	(0.78)	
Return of capital	-	-	
Total distributions (b), (c)	-	(0.83)	
Net Assets, end of year	-	10.00	

Pender Alternative Special Situations Fund (formerly Pender Special Situations Fund)

For the year ended December 31, 2022

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

	2022 (\$)	2021 (\$)	2020 (\$)
Class E			
Net Assets, beginning of year	10.00	10.00	
Increase (decrease) from operations:			
Total revenue	0.12	0.09	
Total expenses	(0.04)	(0.07)	
Realized gains (losses)	(2.44)	1.11	
Unrealized gains (losses)	0.44	(0.04)	
Total increase (decrease) from operations (b)	(1.92)	1.09	
Distributions:			
From income (excluding dividends)	(0.06)	(0.00)	
From dividends	(0.04)	(0.05)	
From capital gains	-	(0.78)	
Return of capital	-	-	
Total distributions (b), (c)	(0.10)	(0.83)	
Net Assets, end of year	8.25	10.00	
Class F			
Net Assets, beginning of year	18.75	14.80	10.00
Increase (decrease) from operations:			
Total revenue	0.19	0.19	0.08
Total expenses	(0.07)	(0.15)	(0.04)
Realized gains (losses)	(3.64)	4.24	2.67
Unrealized gains (losses)	0.07	(0.56)	4.80
Total increase (decrease) from operations (b)	(3.45)	3.72	7.51
Distributions:			
From income (excluding dividends)	(0.12)	(0.01)	-
From dividends	(0.07)	(0.08)	(0.06)
From capital gains	-	(1.46)	(2.64)
Return of capital	-	-	-
Total distributions (b), (c)	(0.19)	(1.55)	(2.70)
Net Assets, end of year	15.47	18.75	14.80
Class H			
Net Assets, beginning of year	10.00	10.00	
Increase (decrease) from operations:			
Total revenue	0.10	0.09	
Total expenses	(0.03)	(0.07)	
Realized gains (losses)	(2.47)	1.30	
Unrealized gains (losses)	0.44	(0.62)	
Total increase (decrease) from operations (b)	(1.96)	0.70	
Distributions:			
From income (excluding dividends)	(0.06)	(0.00)	
From dividends	(0.04)	(0.05)	
From capital gains	-	(0.78)	
Return of capital	-	-	
Total distributions (b), (c)	(0.10)	(0.83)	
Net Assets, end of year	8.25	10.00	

Pender Alternative Special Situations Fund (formerly Pender Special Situations Fund)

For the year ended December 31, 2022

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

	2022 (\$)	2021 (\$)	2020 (\$)
Class I			
Net Assets, beginning of year	10.00	10.00	
Increase (decrease) from operations:			
Total revenue	0.09	0.14	
Total expenses	(0.03)	(0.11)	
Realized gains (losses)	(2.41)	0.68	
Unrealized gains (losses)	0.22	(2.97)	
Total increase (decrease) from operations (b)	(2.13)	(2.26)	
Distributions:			
From income (excluding dividends)	(0.06)	(0.00)	
From dividends	(0.04)	(0.05)	
From capital gains	-	(0.78)	
Return of capital	-	-	
Total distributions (b), (c)	(0.10)	(0.83)	
Net Assets, end of year	8.25	10.00	
Class N			
Net Assets, beginning of year	10.00	10.00	
Increase (decrease) from operations:			
Total revenue	0.11	0.06	
Total expenses	(0.04)	(0.05)	
Realized gains (losses)	(2.19)	0.78	
Unrealized gains (losses)	0.43	0.03	
Total increase (decrease) from operations (b)	(1.69)	0.82	
Distributions:			
From income (excluding dividends)	(0.06)	(0.00)	
From dividends	(0.04)	(0.05)	
From capital gains	-	(0.78)	
Return of capital	-	-	
Total distributions (b), (c)	(0.10)	(0.83)	
Net Assets, end of year	8.25	10.00	

Pender Alternative Special Situations Fund (formerly Pender Special Situations Fund)

For the year ended December 31, 2022

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

	2022 (\$)	2021 (\$)	2020 (\$)
Class O			
Net Assets, beginning of year	10.00	10.00	
Increase (decrease) from operations:			
Total revenue	0.11	0.06	
Total expenses	(0.04)	(0.05)	
Realized gains (losses)	(2.19)	0.78	
Unrealized gains (losses)	0.43	0.03	
Total increase (decrease) from operations (b)	(1.69)	0.82	
Distributions:			
From income (excluding dividends)	(0.06)	(0.00)	
From dividends	(0.04)	(0.05)	
From capital gains	-	(0.78)	
Return of capital	-	-	
Total distributions (b), (c)	(0.10)	(0.83)	
Net Assets, end of year	8.25	10.00	

(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) 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
Class A			
Total net asset value (\$000s) (a)	310	420	131
Number of units outstanding (a)	20,022	22,408	8,870
Management expense ratio (b)	0.00%	0.00%	0.00%
Management expense ratio before absorptions (c)	2.67%	2.62%	2.50%
Trading expense ratio (d)	0.42%	1.17%	0.85%
Portfolio turnover rate (e)	85.07%	161.57%	77.56%
Net asset value per unit (\$) (a)	15.47	18.75	14.80
Class E			
Total net asset value (\$000s) (a)	185	120	
Number of units outstanding (a)	22,395	12,009	
Management expense ratio (b)	0.00%	0.00%	
Management expense ratio before absorptions (c)	0.61%	0.67%	
Trading expense ratio (d)	0.42%	1.17%	
Portfolio turnover rate (e)	85.07%	161.57%	
Net asset value per unit (\$) (a)	8.25	10.00	
Class F			
Total net asset value (\$000s) (a)	281	354	131
Number of units outstanding (a)	18,172	18,885	8,870
Management expense ratio (b)	0.00%	0.00%	0.00%
Management expense ratio before absorptions (c)	1.61%	1.59%	1.50%
Trading expense ratio (d)	0.42%	1.17%	0.85%
Portfolio turnover rate (e)	85.07%	161.57%	77.56%
Net asset value per unit (\$) (a)	15.47	18.75	14.80

Pender Alternative Special Situations Fund (formerly Pender Special Situations Fund)

For the year ended December 31, 2022

Ratios and Supplemental Data (cont'd)

	2022	2021	2020
Class H			
Total net asset value (\$000s) (a)	248	470	
Number of units outstanding (a)	30,046	46,998	
Management expense ratio (b)	0.00%	0.00%	
Management expense ratio before absorptions (c)	2.35%	2.40%	
Trading expense ratio (d)	0.42%	1.17%	
Portfolio turnover rate (e)	85.07%	161.57%	
Net asset value per unit (\$) (a)	8.25	10.00	
Class I			
Total net asset value (\$000s) (a)	207	384	
Number of units outstanding (a)	25,113	38,387	
Management expense ratio (b)	0.00%	0.00%	
Management expense ratio before absorptions (c)	1.45%	1.51%	
Trading expense ratio (d)	0.42%	1.17%	
Portfolio turnover rate (e)	85.07%	161.57%	
Net asset value per unit (\$) (a)	8.25	10.00	
Class N			
Total net asset value (\$000s) (a)	5	5	
Number of units outstanding (a)	548	541	
Management expense ratio (b)	0.00%	0.00%	
Management expense ratio before absorptions (c)	1.11%	1.16%	
Trading expense ratio (d)	0.42%	1.17%	
Portfolio turnover rate (e)	85.07%	161.57%	
Net asset value per unit (\$) (a)	8.25	10.00	
Class O			
Total net asset value (\$000s) (a)	5	5	
Number of units outstanding (a)	548	541	
Management expense ratio (b)	0.00%	0.00%	
Management expense ratio before absorptions (c)	0.00%	0.00%	
Trading expense ratio (d)	0.42%	1.17%	
Portfolio turnover rate (e)	85.07%	161.57%	
Net asset value per unit (\$) (a)	8.25	10.00	

(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 Alternative Special Situations Fund (formerly Pender Special Situations Fund)

For the year ended December 31, 2022

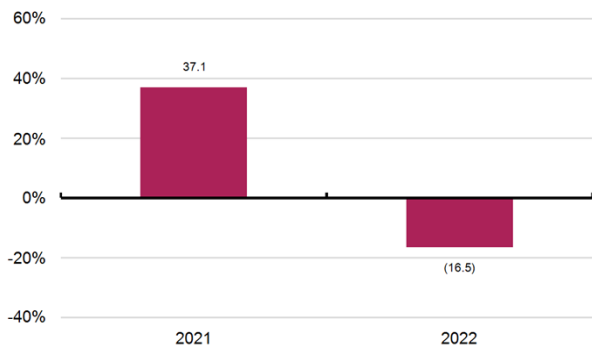
Past Performance

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.

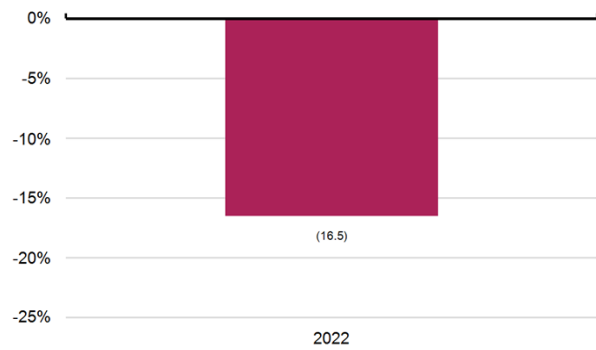
Year-by-Year Returns

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.

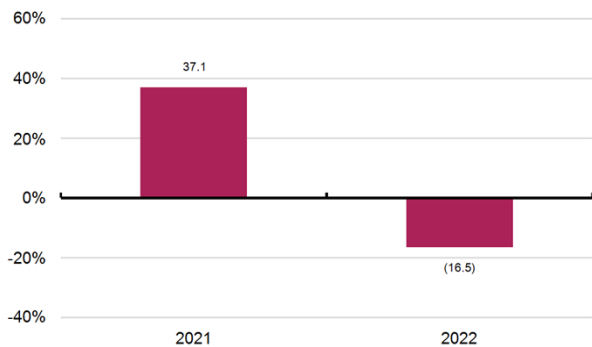
Class A



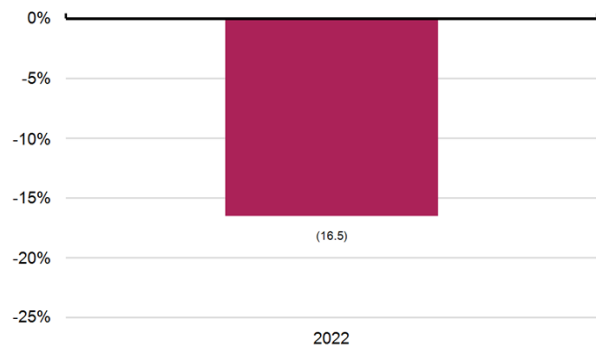
Class E



Class F



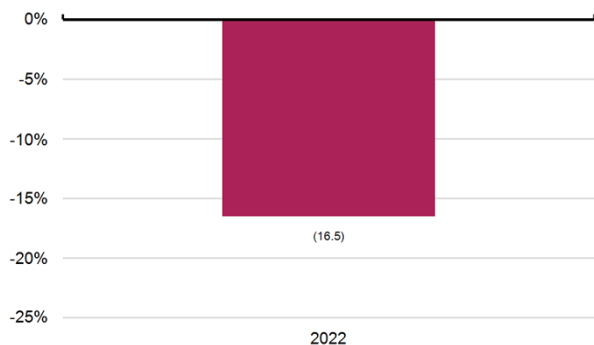
Class H



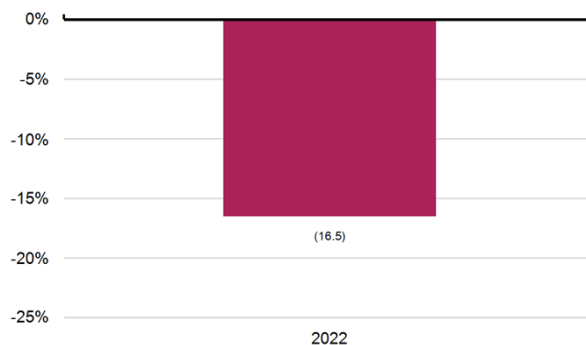
Pender Alternative Special Situations Fund (formerly Pender Special Situations Fund)

For the year ended December 31, 2022

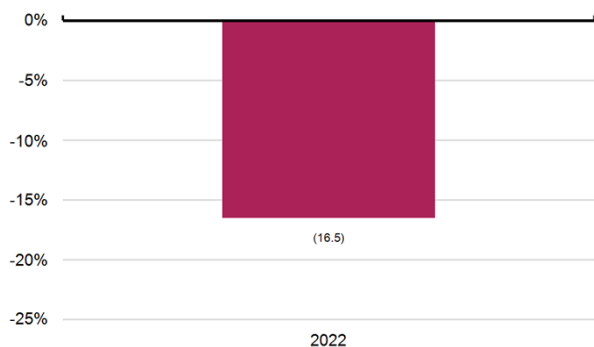
Class I



Class N



Class O



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 broad-based benchmark is S&P/TSX Composite Index. The S&P/TSX is the headline index for the Canadian equity market. With approximately 95% coverage of the Canadian equities market, it is the primary gauge for Canadian-based, Toronto Stock Exchange listed companies.

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 (%)	Since Inception (%)
Class A	10-Jul-20	(16.5)	32.4
S&P/TSX		(5.7)	12.8
Class E	25-Jun-21	(16.5)	(6.4)
S&P/TSX		(5.7)	0.4
Class F	10-Jul-20	(16.5)	32.4
S&P/TSX		(5.7)	12.8

Pender Alternative Special Situations Fund (formerly Pender Special Situations Fund)

For the year ended December 31, 2022

	Inception Date	1 Year (%)	Since Inception (%)
Class H	25-Jun-21	(16.5)	(6.4)
S&P/TSX		(5.7)	0.4
Class I	25-Jun-21	(16.5)	(6.4)
S&P/TSX		(5.7)	0.4
Class N	25-Jun-21	(16.5)	(6.4)
S&P/TSX		(5.7)	0.4
Class O	25-Jun-21	(16.5)	(6.4)
S&P/TSX		(5.7)	0.4

Pender Alternative Special Situations Fund (formerly Pender Special Situations 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
Spartan Delta Corp.	15.3
Burford Capital Limited	14.6
GH Group, Inc., Preferred, Series 'C', 20.00%	13.1
Saturn Oil & Gas Inc.	12.6
Altius Renewable Royalties Corp.	11.7
Anterix Inc.	11.2
Thinkific Labs Inc.	7.9
MEG Energy Corp.	6.7
Partners Value Investments LP	6.3
Athabasca Oil Corporation	6.2
ARC Resources Ltd.	5.5
NexGen Energy Ltd.	5.5
Shaw Communications Inc., Class 'B'	5.3
Harbor Diversified, Inc.	5.2
Gulfport Energy Corporation	4.0
Shockwave Medical, Inc.	3.6
Federal National Mortgage Association, Preferred, Series 'S', 8.25%	3.3
Maxar Technologies Inc.	3.3
Magnachip Semiconductor Corporation	2.9
Glass House Brands Inc.	2.7
ATD New Holdings Inc.	1.5
Saturn Oil & Gas Inc., strike price \$4.00, expiry 2025/03/10	1.5
Saturn Oil & Gas Inc., strike price \$3.20, expiry 2023/07/07	0.5

Composition of the Portfolio

	% of Net Assets
Equities	
Energy	55.8
Diversified financials	20.9
Communication services	16.5
Consumer staples	15.8
Utilities	11.7
Information technology	10.7
Industrials	8.5
Health care	3.6
Banks	3.3
Consumer discretionary	1.5
Total equities	148.3
Warrants	2.0
Total investments	150.3
Bank overdraft	(50.9)

Pender Alternative Special Situations Fund (formerly Pender Special Situations Fund)

For the year ended December 31, 2022

Composition of the Portfolio (cont'd)

	% of Net Assets
Other assets less liabilities	0.6
Total net assets	100.0

Pender Alternative Special Situations Fund (formerly Pender Special Situations Fund)

For the year ended December 31, 2022

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 Alternative Special Situations Fund (formerly Pender Special Situations Fund)

MANAGED BY:
PENDERFUND CAPITAL MANAGEMENT LTD.
1830 – 1066 West Hastings St. Vancouver, BC V6E 3X2
TELEPHONE 604 688-1511 FACSIMILE 604 563-3199 TOLL FREE 1 866 377-4743
www.penderfund.com