



Unaudited Semi-Annual Financial Statements of  
**PENDER MUTUAL FUNDS**

Six months ended June 30, 2023



## **NOTICE OF NO AUDITOR REVIEW OF THE SEMI-ANNUAL FINANCIAL STATEMENTS**

PenderFund Capital Management Ltd., the Manager of the Pender Mutual Funds (the "Funds"), appoints an independent auditor to audit the Funds' Annual Financial Statements. In accordance with Canadian securities laws (National Instrument 81-106 "Investment Fund Continuous Disclosure"), the Manager must disclose if an auditor has not reviewed the Semi-Annual Financial Statements.

The Funds' independent auditor has not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

## Table of Contents

---

Pender Bond Universe Fund .....	<b>1</b>
Pender Corporate Bond Fund .....	<b>9</b>
Pender Small Cap Opportunities Fund .....	<b>23</b>
Pender Small/Mid Cap Dividend Fund .....	<b>32</b>
Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) .....	<b>40</b>
Pender Value Fund .....	<b>49</b>
Notes to Financial Statements .....	<b>57</b>

## Pender Bond Universe Fund

### Statements of Financial Position (Unaudited)

June 30, 2023 and December 31, 2022

	2023 (\$)	2022 (\$)
<b>Assets</b>		
Cash	3,856,937	15,756,144
Receivable for investments sold	-	50,088
Subscriptions receivable	21,562	312,163
Distributions receivable from underlying funds	78,663	-
Interest receivable	433,676	429,870
Other receivable	5,229	6,113
Derivative assets	56,894	30,113
Investments	69,936,072	86,276,200
	<b>74,389,033</b>	<b>102,860,691</b>
<b>Liabilities</b>		
Management and administration fees payable (note 4)	39,552	45,941
Payable for investments purchased	-	10,637,298
Redemptions payable to holders of redeemable units	278,712	26,104
Distributions payable to holders of redeemable units	119,789	-
Accrued expenses	82	131
	<b>438,135</b>	<b>10,709,474</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>73,950,898</b>	<b>92,151,217</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	3,264,067	3,398,434
Class A (USD)	-	6,726
Class E	361,459	334,259
Class F	67,940,358	86,293,682
Class F (USD)	101,762	184,669
Class O	2,283,252	1,933,447
	<b>73,950,898</b>	<b>92,151,217</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	9.16	9.18
Class A (USD)	-	13.27
Class E	9.16	9.18
Class F	9.16	9.17
Class F (USD)	13.00	13.28
Class O	9.16	9.18

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

*(signed) "David Barr"*

**David Barr**  
Director

*(signed) "Kelly Edmison"*

**Kelly Edmison**  
Director

## Pender Bond Universe Fund

### Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
<b>Revenue</b>		
Distributions from underlying funds	509,243	633,163
Interest for distribution purposes	1,039,928	119,669
Securities lending income (note 5)	660	486
Foreign exchange gain (loss)	(6,603)	-
<b>Changes in fair value of investments:</b>		
Net realized gain (loss)	(1,184,559)	(1,904,594)
Net change in unrealized appreciation (depreciation)	1,265,375	(4,554,543)
<b>Total revenue</b>	<b>1,624,044</b>	<b>(5,705,819)</b>
<b>Expenses</b>		
Administration fees (note 4)	202,769	224,056
Management fees (note 4)	45,054	48,227
Independent review committee fees	856	742
Transaction costs	397	4,600
<b>Total expenses</b>	<b>249,076</b>	<b>277,625</b>
Less: Expenses absorbed by the Manager (note 4)	(856)	(742)
<b>Net expenses</b>	<b>248,220</b>	<b>276,883</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>1,375,824</b>	<b>(5,982,702)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	45,965	(273,709)
Class A (USD)	111	-
Class D	-	(287)
Class E	5,559	(22,155)
Class F	1,283,147	(5,595,013)
Class F (USD)	1,237	-
Class N	-	(322)
Class O	39,805	(91,216)
	<b>1,375,824</b>	<b>(5,982,702)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.14	(0.75)
Class A (USD)	0.22	-
Class D	-	(0.54)
Class E	0.15	(0.71)
Class F	0.17	(0.71)
Class F (USD)	0.13	-
Class N	-	(0.59)
Class O	0.17	(0.62)

## Pender Bond Universe Fund

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2023 and 2022

Class A	2023 (\$)	2022 (\$)
Balance, beginning of period	3,398,434	3,793,867
Increase (decrease) in net assets attributable to holders of redeemable units	45,965	(273,709)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	289,414	241,363
Issued on reinvestment of distributions	34,482	36,610
Amounts paid on redemption of redeemable units	(452,736)	(372,075)
	<b>(128,840)</b>	<b>(94,102)</b>
<b>Distributions paid from:</b>		
Net investment income	(51,492)	(54,671)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(51,492)</b>	<b>(54,671)</b>
<b>Balance, end of period</b>	<b>3,264,067</b>	<b>3,793,867</b>

Class A (USD)	2023 (\$)	2022 (\$)
Balance, beginning of period	6,726	-
Increase (decrease) in net assets attributable to holders of redeemable units	111	-
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	6,436
Issued on reinvestment of distributions	65	-
Amounts paid on redemption of redeemable units	(6,837)	-
	<b>(6,772)</b>	<b>6,436</b>
<b>Distributions paid from:</b>		
Net investment income	(65)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(65)</b>	<b>-</b>
<b>Balance, end of period</b>	<b>-</b>	<b>6,436</b>

Class D	2023 (\$)	2022 (\$)
Balance, beginning of period	-	5,424
Increase (decrease) in net assets attributable to holders of redeemable units	-	(287)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	43
Amounts paid on redemption of redeemable units	-	(5,137)
	-	<b>(5,094)</b>
<b>Distributions paid from:</b>		
Net investment income	-	(43)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	<b>(43)</b>
<b>Balance, end of period</b>	<b>-</b>	<b>-</b>

## Pender Bond Universe Fund

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

Six months ended June 30, 2023 and 2022

Class E	2023 (\$)	2022 (\$)
Balance, beginning of period	334,259	312,952
Increase (decrease) in net assets attributable to holders of redeemable units	5,559	(22,155)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	21,641	16,157
Issued on reinvestment of distributions	6,514	5,835
Amounts paid on redemption of redeemable units	-	-
	<b>28,155</b>	<b>21,992</b>
<b>Distributions paid from:</b>		
Net investment income	(6,514)	(5,835)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(6,514)</b>	<b>(5,835)</b>
<b>Balance, end of period</b>	<b>361,459</b>	<b>306,954</b>

Class F	2023 (\$)	2022 (\$)
Balance, beginning of period	86,293,682	79,955,190
Increase (decrease) in net assets attributable to holders of redeemable units	1,283,147	(5,595,013)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	17,881,739	41,750,223
Issued on reinvestment of distributions	758,207	546,844
Amounts paid on redemption of redeemable units	(37,023,883)	(59,853,363)
	<b>(18,383,937)</b>	<b>(17,556,296)</b>
<b>Distributions paid from:</b>		
Net investment income	(1,252,534)	(1,258,572)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(1,252,534)</b>	<b>(1,258,572)</b>
<b>Balance, end of period</b>	<b>67,940,358</b>	<b>55,545,309</b>

Class F (USD)	2023 (\$)	2022 (\$)
Balance, beginning of period	184,669	-
Increase (decrease) in net assets attributable to holders of redeemable units	1,237	-
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	6,436
Issued on reinvestment of distributions	123	-
Amounts paid on redemption of redeemable units	(81,870)	-
	<b>(81,747)</b>	<b>6,436</b>
<b>Distributions paid from:</b>		
Net investment income	(2,397)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(2,397)</b>	<b>-</b>
<b>Balance, end of period</b>	<b>101,762</b>	<b>6,436</b>

## Pender Bond Universe Fund

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

Six months ended June 30, 2023 and 2022

Class N	2023 (\$)	2022 (\$)
Balance, beginning of period	-	5,437
Increase (decrease) in net assets attributable to holders of redeemable units	-	(322)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	56
Amounts paid on redemption of redeemable units	-	(5,115)
	-	<b>(5,059)</b>
<b>Distributions paid from:</b>		
Net investment income	-	(56)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	<b>(56)</b>
<b>Balance, end of period</b>	-	-

Class O	2023 (\$)	2022 (\$)
Balance, beginning of period	1,933,447	1,071,423
Increase (decrease) in net assets attributable to holders of redeemable units	39,805	(91,216)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	385,000	1,246,999
Issued on reinvestment of distributions	47,902	33,649
Amounts paid on redemption of redeemable units	(75,000)	(70,155)
	<b>357,902</b>	<b>1,210,493</b>
<b>Distributions paid from:</b>		
Net investment income	(47,902)	(33,649)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(47,902)</b>	<b>(33,649)</b>
<b>Balance, end of period</b>	<b>2,283,252</b>	<b>2,157,051</b>

Total Fund	2023 (\$)	2022 (\$)
Balance, beginning of period	92,151,217	85,144,293
Increase (decrease) in net assets attributable to holders of redeemable units	1,375,824	(5,982,702)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	18,577,794	43,267,614
Issued on reinvestment of distributions	847,293	623,037
Amounts paid on redemption of redeemable units	(37,640,326)	(60,305,845)
	<b>(18,215,239)</b>	<b>(16,415,194)</b>
<b>Distributions paid from:</b>		
Net investment income	(1,360,904)	(1,352,826)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(1,360,904)</b>	<b>(1,352,826)</b>
<b>Balance, end of period</b>	<b>73,950,898</b>	<b>61,393,571</b>



## Pender Bond Universe Fund

### Statements of Cash Flows (Unaudited)

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	1,375,824	(5,982,702)
<b>Adjustments for:</b>		
Distributions from underlying funds	(509,243)	(633,163)
Interest for distribution purposes	(1,039,928)	(119,669)
Foreign exchange (gain) loss	6,603	-
Net realized (gain) loss on sale of investments	1,234,145	1,904,594
Net change in unrealized (appreciation) depreciation of investments	(1,238,594)	3,514,210
Other receivable	884	(642)
Derivative assets and liabilities	(26,781)	-
Management and administration fees payable	(6,389)	(15,432)
Accrued expenses	(49)	53
	<b>(203,528)</b>	<b>(1,332,751)</b>
Proceeds on disposal of investments	23,280,841	49,899,875
Amounts paid on purchase of investments	(17,523,474)	(31,574,160)
Dividends received	-	(99,389)
Distributions received from underlying funds	430,580	633,163
Interest received	1,036,122	239,127
	<b>7,020,541</b>	<b>17,765,865</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	18,762,105	43,342,422
Amounts paid on redemption of redeemable units	(37,281,428)	(60,257,923)
Distributions paid to unitholders	(393,822)	(634,980)
	<b>(18,913,145)</b>	<b>(17,550,481)</b>
Net increase (decrease) in cash	(11,892,604)	215,384
Cash, beginning of period	15,756,144	1,414,667
Effect of exchange rate fluctuations on cash	(6,603)	-
<b>Cash, end of period</b>	<b>3,856,937</b>	<b>1,630,051</b>

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

## Pender Bond Universe Fund

### Schedule of Investment Portfolio (Unaudited)

June 30, 2023

	Issue currency	Number of units / Face value (\$)	Cost (\$)	Fair value (\$)
<b>Mutual funds:</b>				
Pender Corporate Bond Fund, Class 'O'	CAD	1,359,746	14,844,033	13,863,838
<b>Total mutual funds (18.8%)</b>			<b>14,844,033</b>	<b>13,863,838</b>
<b>Corporate bonds:</b>				
Canada (42.9%):				
Bell Canada, Inc., Callable, 3.55%, 2026/03/02	CAD	1,000,000	960,570	956,232
Bell Canada, Inc., Callable, 7.00%, 2027/09/24	CAD	400,000	540,048	423,864
Bell Canada, Inc., Callable, 3.00%, 2031/03/17	CAD	2,600,000	2,519,410	2,258,330
Brookfield Renewable Partners L.P., Callable, 3.63%, 2027/01/15	CAD	600,000	645,028	565,628
Brookfield Renewable Partners L.P., Callable, 4.25%, 2029/01/15	CAD	3,100,000	3,172,388	2,961,599
Cameco Corporation, Callable, 2.95%, 2027/10/21	CAD	2,900,000	2,781,683	2,627,773
Canadian National Railway Company, Callable, 3.20%, 2028/07/31	CAD	2,000,000	1,899,600	1,878,618
Canadian Pacific Railway Company, Callable, 3.15%, 2029/03/13	CAD	1,100,000	1,178,033	1,006,810
Choice Properties Real Estate Investment Trust, Callable, 2.85%, 2027/05/21	CAD	1,100,000	1,139,660	1,004,404
Choice Properties Real Estate Investment Trust, Callable, 2.98%, 2030/03/04	CAD	455,000	435,226	394,120
Fairfax Financial Holdings Limited, Callable, 4.70%, 2026/12/16	CAD	2,200,000	2,440,282	2,117,810
Fairfax Financial Holdings Limited, Callable, 4.23%, 2029/06/14	CAD	1,000,000	924,950	926,291
Fairfax Financial Holdings Limited, Callable, 3.95%, 2031/03/03	CAD	2,000,000	1,769,436	1,738,116
John Deere Financial Inc., 1.63%, 2026/04/09	CAD	1,000,000	951,980	912,382
Loblaw Companies Limited, Callable, 3.92%, 2024/06/10	CAD	2,500,000	2,536,550	2,464,866
Loblaw Companies Limited, Callable, 4.49%, 2028/12/11	CAD	2,000,000	1,982,987	1,962,570
Loblaw Companies Limited, Callable, 2.28%, 2030/05/07	CAD	1,000,000	837,700	850,686
Ontario Power Generation Inc., Callable, 2.89%, 2025/04/08	CAD	2,500,000	2,561,700	2,399,878
Royal Bank of Canada, 2.33%, 2027/01/28	CAD	1,200,000	1,231,708	1,088,676
Waste Management of Canada Corporation, Callable, 2.60%, 2026/09/23	CAD	2,500,000	2,278,375	2,303,772
WSP Global Inc., Callable, 2.41%, 2028/04/19	CAD	1,000,000	1,003,270	886,107
			<b>33,790,584</b>	<b>31,728,532</b>
United States (20.1%):				
Apple Inc., Callable, 2.51%, 2024/08/19	CAD	1,000,000	970,500	968,630
Bank of America Corporation, Callable, 2.93%, 2025/04/25	CAD	1,000,000	1,051,000	977,880
McDonald's Corporation, Callable, 3.13%, 2025/03/04	CAD	3,440,816	3,533,430	3,309,275
PepsiCo, Inc., Callable, 2.15%, 2024/05/06	CAD	2,453,316	2,445,568	2,389,591
The Goldman Sachs Group, Inc., Callable, 2.01%, 2029/02/28	CAD	1,500,000	1,475,300	1,284,533
United Parcel Service, Inc., Callable, 2.13%, 2024/05/21	CAD	2,363,816	2,408,499	2,295,395
Verisign, Inc., Callable, 4.75%, 2027/07/15	USD	2,000,000	2,551,428	2,610,266
Verizon Communications Inc., Callable, 2.50%, 2030/05/16	CAD	600,000	602,903	506,313
Wells Fargo & Company, 3.87%, 2025/05/21	CAD	533,000	559,947	511,107
			<b>15,598,575</b>	<b>14,852,990</b>
<b>Total corporate bonds (63.0%)</b>			<b>49,389,159</b>	<b>46,581,522</b>

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

## Pender Bond Universe Fund

### Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2023

	Issue currency	Number of units / Face value (\$)	Cost (\$)	Fair value (\$)
<b>Government bonds:</b>				
Government of Canada, 2.00%, 2023/09/01	CAD	1,000,000	983,450	995,572
Government of Canada, 2.25%, 2029/06/01	CAD	3,500,000	3,386,600	3,286,338
Government of Canada, Real Return, 4.25%, 2026/12/01	CAD	975,000	2,124,008	1,870,669
Government of Canada, Real Return, 4.00%, 2031/12/01	CAD	1,000,000	2,159,318	2,043,925
United States Treasury, 2.25%, 2024/03/31	USD	1,000,000	1,274,399	1,294,208
<b>Total government bonds (12.8%)</b>			<b>9,927,775</b>	<b>9,490,712</b>
Less: Transaction costs included in cost of investments			-	
<b>Total investments (94.6%)</b>			<b>74,160,967</b>	<b>69,936,072</b>
	Contract rate	Pay	Receive	Unrealized gain (loss)
<b>Derivative assets:</b>				
BNY Mellon, Foreign Currency Forward, settlement 2023/07/19	1.34	USD 3,017,643	CAD 4,053,600	56,894
<b>Total derivative assets (0.1%)</b>				<b>56,894</b>
Cash (5.2%)				3,856,937
Other assets less liabilities (0.1%)				100,995
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>73,950,898</b>

## Pender Corporate Bond Fund

### Statements of Financial Position (Unaudited)

June 30, 2023 and December 31, 2022

	2023 (\$)	2022 (\$)
<b>Assets</b>		
Cash	55,927,990	54,963,185
Receivable for investments sold	110	2,717,244
Subscriptions receivable	2,092,286	3,968,612
Dividends receivable	362,602	592,458
Interest receivable	17,005,252	17,746,072
Derivative assets	9,506,388	-
Investments	1,401,836,785	1,392,079,716
	<b>1,486,731,413</b>	<b>1,472,067,287</b>
<b>Liabilities</b>		
Management and administration fees payable (note 4)	1,427,163	1,406,010
Payable for investments purchased	11,656,811	36,416,684
Redemptions payable to holders of redeemable units	5,239,165	560,791
Distributions payable to holders of redeemable units	2,704,286	1,066
Accrued expenses	1,098	1,537
Derivative liabilities	-	11,537,851
	<b>21,028,523</b>	<b>49,923,939</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>1,465,702,890</b>	<b>1,422,143,348</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	95,309,290	95,980,339
Class A (USD)	2,385,958	2,773,052
Class E	3,678,118	3,542,731
Class F	416,271,719	402,879,884
Class F (USD)	19,744,787	20,874,417
Class H	92,100,853	88,359,819
Class H (USD)	7,740,942	7,373,484
Class I	763,558,451	708,267,345
Class I (USD)	27,621,396	36,726,047
Class N	-	4,660
Class N (USD)	2,374,228	2,443,641
Class O	32,787,049	43,579,903
Class U	2,130,099	9,338,026
	<b>1,465,702,890</b>	<b>1,422,143,348</b>

## Pender Corporate Bond Fund

### Statements of Financial Position (Unaudited)

June 30, 2023 and December 31, 2022

	2023 (\$)	2022 (\$)
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	11.60	11.58
Class A (USD)	13.84	14.04
Class E	9.31	9.30
Class F	11.62	11.60
Class F (USD)	13.65	13.85
Class H	10.32	10.30
Class H (USD)	13.11	13.30
Class I	10.04	10.03
Class I (USD)	13.14	13.34
Class N	-	8.97
Class N (USD)	13.16	13.36
Class O	10.20	10.20
Class U	9.81	9.89

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

*(signed) "David Barr"*

**David Barr**  
Director

*(signed) "Kelly Edmison"*

**Kelly Edmison**  
Director

## Pender Corporate Bond Fund

### Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
<b>Revenue</b>		
Interest for distribution purposes	40,846,686	35,059,261
Dividend income	3,416,224	2,872,230
Foreign exchange gain (loss)	(1,182,033)	(5,030,148)
<b>Changes in fair value of investments and derivatives:</b>		
Net realized gain (loss)	(6,808,207)	7,324,880
Net change in unrealized appreciation (depreciation)	9,556,606	(133,537,592)
<b>Total revenue</b>	<b>45,829,276</b>	<b>(93,311,369)</b>
<b>Expenses</b>		
Management fees (note 4)	4,358,798	4,179,937
Administration fees (note 4)	4,273,061	3,959,297
Transaction costs	239,948	158,436
Withholding taxes (recovery) (note 6)	123,668	(81,571)
Independent review committee fees	17,346	16,468
<b>Total expenses</b>	<b>9,012,821</b>	<b>8,232,567</b>
Less: Expenses absorbed by the Manager (note 4)	(17,346)	(16,468)
<b>Net expenses</b>	<b>8,995,475</b>	<b>8,216,099</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>36,833,801</b>	<b>(101,527,468)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	2,107,590	(7,874,363)
Class A (USD)	17,157	(211,022)
Class D	-	(276,324)
Class E	107,135	(258,679)
Class F	10,722,213	(30,447,804)
Class F (USD)	191,927	(941,159)
Class H	2,122,332	(7,505,542)
Class H (USD)	46,067	(476,343)
Class I	19,630,102	(47,457,842)
Class I (USD)	476,449	(1,909,660)
Class N	35	(142,636)
Class N (USD)	30,044	(86,709)
Class O	1,212,789	(3,363,700)
Class U	169,961	(575,685)
	<b>36,833,801</b>	<b>(101,527,468)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.26	(0.95)
Class A (USD)	0.09	(0.90)
Class D	-	(0.35)
Class E	0.28	(0.69)
Class F	0.30	(0.90)
Class F (USD)	0.12	(0.81)
Class H	0.24	(0.83)
Class H (USD)	0.08	(0.83)
Class I	0.26	(0.80)
Class I (USD)	0.19	(0.80)
Class N	0.06	(0.63)
Class N (USD)	0.17	(0.75)
Class O	0.35	(0.72)
Class U	0.40	(0.65)

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 (Unaudited)

Six months ended June 30, 2023 and 2022

Class A	2023 (\$)	2022 (\$)
Balance, beginning of period	95,980,339	110,719,585
Increase (decrease) in net assets attributable to holders of redeemable units	2,107,590	(7,874,363)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	10,283,833	10,016,512
Issued on reinvestment of distributions	1,540,591	1,443,728
Amounts paid on redemption of redeemable units	(12,668,024)	(16,903,307)
	<b>(843,600)</b>	<b>(5,443,067)</b>
<b>Distributions paid from:</b>		
Net investment income	(1,935,039)	(1,809,005)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(1,935,039)</b>	<b>(1,809,005)</b>
<b>Balance, end of period</b>	<b>95,309,290</b>	<b>95,593,150</b>

Class A (USD)	2023 (\$)	2022 (\$)
Balance, beginning of period	2,773,052	2,979,068
Increase (decrease) in net assets attributable to holders of redeemable units	17,157	(211,022)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	195,786	1,600,533
Issued on reinvestment of distributions	37,802	43,935
Amounts paid on redemption of redeemable units	(583,856)	(991,682)
	<b>(350,268)</b>	<b>652,786</b>
<b>Distributions paid from:</b>		
Net investment income	(53,983)	(59,091)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(53,983)</b>	<b>(59,091)</b>
<b>Balance, end of period</b>	<b>2,385,958</b>	<b>3,361,741</b>

Class D	2023 (\$)	2022 (\$)
Balance, beginning of period	-	8,929,820
Increase (decrease) in net assets attributable to holders of redeemable units	-	(276,324)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	1,079,966
Issued on reinvestment of distributions	-	82,749
Amounts paid on redemption of redeemable units	-	(9,726,762)
	-	<b>(8,564,047)</b>
<b>Distributions paid from:</b>		
Net investment income	-	(89,449)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	<b>(89,449)</b>
<b>Balance, end of period</b>	<b>-</b>	<b>-</b>

## Pender Corporate Bond Fund

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

Six months ended June 30, 2023 and 2022

Class E	2023 (\$)	2022 (\$)
Balance, beginning of period	3,542,731	4,131,543
Increase (decrease) in net assets attributable to holders of redeemable units	107,135	(258,679)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	36,828	54,801
Issued on reinvestment of distributions	102,990	98,517
Amounts paid on redemption of redeemable units	(8,576)	(394,792)
	<b>131,242</b>	<b>(241,474)</b>
<b>Distributions paid from:</b>		
Net investment income	(102,990)	(98,517)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(102,990)</b>	<b>(98,517)</b>
<b>Balance, end of period</b>	<b>3,678,118</b>	<b>3,532,873</b>

Class F	2023 (\$)	2022 (\$)
Balance, beginning of period	402,879,884	422,354,678
Increase (decrease) in net assets attributable to holders of redeemable units	10,722,213	(30,447,804)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	106,176,614	134,562,844
Issued on reinvestment of distributions	6,326,111	5,592,783
Amounts paid on redemption of redeemable units	(99,311,620)	(126,114,386)
	<b>13,191,105</b>	<b>14,041,241</b>
<b>Distributions paid from:</b>		
Net investment income	(10,521,483)	(9,400,239)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(10,521,483)</b>	<b>(9,400,239)</b>
<b>Balance, end of period</b>	<b>416,271,719</b>	<b>396,547,876</b>

Class F (USD)	2023 (\$)	2022 (\$)
Balance, beginning of period	20,874,417	15,841,960
Increase (decrease) in net assets attributable to holders of redeemable units	191,927	(941,159)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	3,740,395	4,372,106
Issued on reinvestment of distributions	407,868	218,516
Amounts paid on redemption of redeemable units	(4,940,987)	(3,678,843)
	<b>(792,724)</b>	<b>911,779</b>
<b>Distributions paid from:</b>		
Net investment income	(528,833)	(365,777)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(528,833)</b>	<b>(365,777)</b>
<b>Balance, end of period</b>	<b>19,744,787</b>	<b>15,446,803</b>



## Pender Corporate Bond Fund

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

Six months ended June 30, 2023 and 2022

Class H	2023 (\$)	2022 (\$)
Balance, beginning of period	88,359,819	103,092,302
Increase (decrease) in net assets attributable to holders of redeemable units	2,122,332	(7,505,542)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	7,378,931	9,143,119
Issued on reinvestment of distributions	1,686,219	1,639,037
Amounts paid on redemption of redeemable units	(5,436,406)	(12,321,355)
	<b>3,628,744</b>	<b>(1,539,199)</b>
<b>Distributions paid from:</b>		
Net investment income	(2,010,042)	(1,927,207)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(2,010,042)</b>	<b>(1,927,207)</b>
<b>Balance, end of period</b>	<b>92,100,853</b>	<b>92,120,354</b>

Class H (USD)	2023 (\$)	2022 (\$)
Balance, beginning of period	7,373,484	8,224,340
Increase (decrease) in net assets attributable to holders of redeemable units	46,067	(476,343)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	1,032,061	664,941
Issued on reinvestment of distributions	160,963	141,170
Amounts paid on redemption of redeemable units	(701,385)	(1,118,570)
	<b>491,639</b>	<b>(312,459)</b>
<b>Distributions paid from:</b>		
Net investment income	(170,248)	(148,289)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(170,248)</b>	<b>(148,289)</b>
<b>Balance, end of period</b>	<b>7,740,942</b>	<b>7,287,249</b>

Class I	2023 (\$)	2022 (\$)
Balance, beginning of period	708,267,345	602,870,521
Increase (decrease) in net assets attributable to holders of redeemable units	19,630,102	(47,457,842)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	147,415,417	181,464,645
Issued on reinvestment of distributions	10,900,909	9,691,242
Amounts paid on redemption of redeemable units	(102,985,329)	(72,838,135)
	<b>55,330,997</b>	<b>118,317,752</b>
<b>Distributions paid from:</b>		
Net investment income	(19,669,993)	(15,272,416)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(19,669,993)</b>	<b>(15,272,416)</b>
<b>Balance, end of period</b>	<b>763,558,451</b>	<b>658,458,015</b>

## Pender Corporate Bond Fund

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

Six months ended June 30, 2023 and 2022

Class I (USD)	2023 (\$)	2022 (\$)
Balance, beginning of period	36,726,047	35,289,952
Increase (decrease) in net assets attributable to holders of redeemable units	476,449	(1,909,660)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	3,896,465	8,871,255
Issued on reinvestment of distributions	497,515	459,532
Amounts paid on redemption of redeemable units	(13,113,862)	(7,069,895)
	<b>(8,719,882)</b>	<b>2,260,892</b>
<b>Distributions paid from:</b>		
Net investment income	(861,218)	(753,068)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(861,218)</b>	<b>(753,068)</b>
<b>Balance, end of period</b>	<b>27,621,396</b>	<b>34,888,116</b>

Class N	2023 (\$)	2022 (\$)
Balance, beginning of period	4,660	2,694,955
Increase (decrease) in net assets attributable to holders of redeemable units	35	(86,709)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	(1)
Issued on reinvestment of distributions	84	25,181
Amounts paid on redemption of redeemable units	(4,695)	(1,620,972)
	<b>(4,611)</b>	<b>(1,595,792)</b>
<b>Distributions paid from:</b>		
Net investment income	(84)	(33,140)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(84)</b>	<b>(33,140)</b>
<b>Balance, end of period</b>	<b>-</b>	<b>979,314</b>

Class N (USD)	2023 (\$)	2022 (\$)
Balance, beginning of period	2,443,641	2,663,887
Increase (decrease) in net assets attributable to holders of redeemable units	30,044	(142,636)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	6,673	-
Issued on reinvestment of distributions	144	-
Amounts paid on redemption of redeemable units	(40,164)	(38,320)
	<b>(33,347)</b>	<b>(38,320)</b>
<b>Distributions paid from:</b>		
Net investment income	(66,110)	(63,527)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(66,110)</b>	<b>(63,527)</b>
<b>Balance, end of period</b>	<b>2,374,228</b>	<b>2,419,404</b>

## Pender Corporate Bond Fund

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

Six months ended June 30, 2023 and 2022

Class O	2023 (\$)	2022 (\$)
Balance, beginning of period	43,579,903	58,561,873
Increase (decrease) in net assets attributable to holders of redeemable units	1,212,789	(3,363,700)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	1,274,952	8,145,297
Issued on reinvestment of distributions	1,119,212	1,425,700
Amounts paid on redemption of redeemable units	(13,280,577)	(21,843,744)
	<b>(10,886,413)</b>	<b>(12,272,747)</b>
<b>Distributions paid from:</b>		
Net investment income	(1,119,230)	(1,425,695)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(1,119,230)</b>	<b>(1,425,695)</b>
<b>Balance, end of period</b>	<b>32,787,049</b>	<b>41,499,731</b>

Class U	2023 (\$)	2022 (\$)
Balance, beginning of period	9,338,026	11,425,497
Increase (decrease) in net assets attributable to holders of redeemable units	169,961	(575,685)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	1,077,230	681,325
Issued on reinvestment of distributions	42,332	1,418
Amounts paid on redemption of redeemable units	(8,412,903)	(3,107,869)
	<b>(7,293,341)</b>	<b>(2,425,126)</b>
<b>Distributions paid from:</b>		
Net investment income	(84,547)	(193,479)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(84,547)</b>	<b>(193,479)</b>
<b>Balance, end of period</b>	<b>2,130,099</b>	<b>8,231,207</b>

Total Fund	2023 (\$)	2022 (\$)
Balance, beginning of period	1,422,143,348	1,389,779,981
Increase (decrease) in net assets attributable to holders of redeemable units	36,833,801	(101,527,468)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	282,515,185	360,657,343
Issued on reinvestment of distributions	22,822,740	20,863,508
Amounts paid on redemption of redeemable units	(261,488,384)	(277,768,632)
	<b>43,849,541</b>	<b>103,752,219</b>
<b>Distributions paid from:</b>		
Net investment income	(37,123,800)	(31,638,899)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(37,123,800)</b>	<b>(31,638,899)</b>
<b>Balance, end of period</b>	<b>1,465,702,890</b>	<b>1,360,365,833</b>

## Pender Corporate Bond Fund

### Statements of Cash Flows (Unaudited)

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	36,833,801	(101,527,468)
<b>Adjustments for:</b>		
Interest for distribution purposes	(40,846,686)	(35,059,261)
Dividend income	(3,416,224)	(2,872,230)
Foreign exchange (gain) loss	1,182,033	5,030,148
Net realized (gain) loss on sale of investments	2,430,236	(7,324,880)
Net change in unrealized (appreciation) depreciation of investments	11,487,633	122,994,088
Other receivable	-	(41,606)
Derivative assets and liabilities	(21,044,239)	10,543,504
Management and administration fees payable	21,153	(53,035)
Accrued expenses	(439)	117
	<b>(13,352,732)</b>	<b>(8,310,623)</b>
Proceeds on disposal of investments	396,534,770	424,835,929
Amounts paid on purchase of investments	(442,252,447)	(574,245,593)
Dividends received	3,646,080	2,868,373
Interest received	41,587,506	31,669,150
	<b>(13,836,823)</b>	<b>(123,182,764)</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	276,136,061	325,960,493
Amounts paid on redemption of redeemable units	(248,554,560)	(235,969,587)
Distributions paid to unitholders	(11,597,840)	(8,459,023)
	<b>15,983,661</b>	<b>81,531,883</b>
Net increase (decrease) in cash	2,146,838	(41,650,881)
Cash, beginning of period	54,963,185	72,140,929
Effect of exchange rate fluctuations on cash	(1,182,033)	(5,030,148)
<b>Cash, end of period</b>	<b>55,927,990</b>	<b>25,459,900</b>

## Pender Corporate Bond Fund

### Schedule of Investment Portfolio (Unaudited)

June 30, 2023

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
<b>Corporate bonds and loans:</b>				
Canada (17.4%):				
Air Canada 2013-1 Pass Through Trusts A, 4.13%, 2026/11/15	USD	1,640,711	1,979,400	1,989,739
Air Canada 2015-1 Pass Through Trusts A, Sinkable, 3.60%, 2028/09/15	USD	598,775	722,726	737,145
Air Canada 2015-2 Pass Through Trusts A, Sinkable, 4.13%, 2029/06/15	USD	3,179,754	3,702,496	3,696,050
Bausch Health Companies Inc., Term Loan, 10.43%, 2027/02/01	USD	6,650,000	7,328,647	6,680,310
Baytex Energy Corporation, Callable, 8.75%, 2027/04/01	USD	8,291,000	11,562,302	11,168,025
Baytex Energy Corp., Callable, 8.50%, 2030/04/30	USD	700,000	923,507	906,535
Cameco Corporation, Callable, 2.95%, 2027/10/21	CAD	19,972,000	19,589,888	18,097,196
Canada Goose Inc., Term Loan, 8.66%, 2027/10/07	USD	5,089,867	6,396,733	6,591,088
Canadian Pacific Railway Co., Callable, 3.15%, 2029/03/13	CAD	7,400,000	7,915,318	6,773,085
Canadian Pacific Railway Co., Callable, 2.45%, 2031/12/02	USD	10,000,000	11,869,869	11,622,562
Canadian Pacific Railway Co., Callable, 3.00%, 2041/12/02	USD	1,000,000	1,104,676	1,082,606
Canopy Growth Corporation, Term Loan, 14.18%, 2026/03/18	USD	9,103,452	11,856,873	9,647,838
Chemtrade Logistics Income Fund, Callable, 6.50%, 2026/10/31	CAD	1,600,000	1,242,447	1,591,200
Chemtrade Logistics Income Fund, Convertible, Callable, 6.25%, 2027/08/31	CAD	1,970,000	2,103,252	1,974,925
Chemtrade Logistics Income Fund, Convertible, Callable, 7.00%, 2028/06/30	CAD	10,000,000	10,000,000	9,855,000
Choice Properties Real Estate Investment Trust, Callable, 3.53%, 2029/06/11	CAD	5,800,000	6,240,580	5,281,195
Choice Properties Real Estate Investment Trust, Callable, 2.98%, 2030/03/04	CAD	1,545,000	1,530,314	1,338,277
Fairfax Financial Holdings Limited, Callable, 4.23%, 2029/06/14	CAD	3,000,000	2,806,500	2,778,874
Fairfax Financial Holdings Limited, Callable, 3.95%, 2031/03/03	CAD	21,400,000	20,684,244	18,597,846
Fairfax India Holdings Corp., Callable, 5.00%, 2028/02/26	USD	10,000,000	12,331,398	11,459,088
First Majestic Silver Corp., Callable, 0.38%, 2027/01/15	USD	20,000,000	22,619,830	19,177,081
Loblaw Companies Limited, Callable, 3.92%, 2024/06/10	CAD	15,000,000	15,881,900	14,789,199
Methanex Corp., Callable, 5.65%, 2044/12/01	USD	4,679,000	4,493,064	5,140,978
NFI Group Inc., Convertible, Callable, 5.00%, 2027/01/15	CAD	12,392,000	10,252,839	10,235,792
Northriver Midstream Finance L.P., Callable, 5.63%, 2026/02/15	USD	7,000,000	9,140,670	8,717,782
Obsidian Energy Ltd., Callable, 11.95%, 2027/07/27	CAD	5,000,000	4,950,000	4,850,000
Ontario Power Generation Inc., Callable, 3.22%, 2030/04/08	CAD	8,000,000	8,601,850	7,312,989
Russel Metals Inc., Callable, 5.75%, 2025/10/27	CAD	10,000,000	10,550,000	9,931,250
SSR Mining Inc., Callable, 2.50%, 2039/04/01	USD	6,800,000	9,959,659	9,673,113
Tamarack Valley Energy Ltd., Callable, 7.25%, 2027/05/10	CAD	8,350,000	7,916,625	7,815,078
Trulieve Cannabis Corp., Callable, 9.75%, 2024/06/18	USD	5,696,000	7,757,191	7,151,056
Waste Management of Canada Corporation, Callable, 2.60%, 2026/09/23	CAD	19,791,000	18,222,288	18,237,581
			<b>272,237,086</b>	<b>254,900,483</b>
United States (51.7%):				
Abercrombie & Fitch Management Co., Callable, 8.75%, 2025/07/15	USD	5,075,000	6,811,005	6,830,982

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

## Pender Corporate Bond Fund

### Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2023

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
United States (51.7%): (cont'd)				
Accelerate Diagnostics Inc., Convertible, 5.00%, 2026/12/15	USD	4,000,000	5,287,200	5,299,000
Accelerate Diagnostics Inc., Convertible, 5.00%, 2026/12/15	USD	1,945,017	1,882,946	1,545,997
American Tire Distributors Inc., Term Loan, 11.49%, 2028/10/20	USD	16,335,000	20,237,331	18,878,229
APX Group Holdings, Inc., Callable, 5.75%, 2029/07/15	USD	6,664,000	7,610,789	7,675,003
Bandwidth Inc., Convertible, Callable, 0.25%, 2026/03/01	USD	4,000,000	4,096,090	4,193,698
Bandwidth Inc., Convertible, Callable, 0.50%, 2028/04/01	USD	19,500,000	16,552,540	16,763,668
Bausch + Lomb Corporation, Term Loan, 8.59%, 2027/05/10	USD	6,942,406	8,779,041	8,944,036
Beacon Roofing Supply Inc., Callable, 4.50%, 2026/11/15	USD	16,346,000	21,392,713	20,570,725
Beacon Roofing Supply Inc., Callable, 4.13%, 2029/05/15	USD	2,555,000	3,153,200	2,999,198
Beyond Meat Inc., Zero Coupon, Convertible, Callable, 2027/03/15	USD	8,000,000	8,327,973	2,914,450
Block Financial LLC, Callable, 2.50%, 2028/07/15	USD	755,000	873,435	852,461
Burford Capital Finance LLC, 6.13%, 2025/08/12	USD	9,000,000	11,469,376	11,284,883
Calumet Specialty Products Partners L.P. / Calumet Finance Corp., Callable, 11.00%, 2025/04/15	USD	4,038,000	5,319,807	5,540,660
Carriage Services, Inc., Callable, 4.25%, 2029/05/15	USD	5,674,000	6,365,935	6,476,480
Cineworld Group plc, Term Loan, 15.19%, 2023/09/07	USD	11,976,369	16,569,977	16,057,432
Cineworld Group plc, Term Loan, 9.50%, 2025/02/28	USD	542,636	754,249	726,944
Coeur Mining Inc., Callable, 5.13%, 2029/02/15	USD	10,517,000	12,144,130	11,508,995
CrowdStrike Holdings, Inc., Callable, 3.00%, 2029/02/15	USD	5,000,000	5,746,959	5,718,260
DISH DBS Corp., Callable, 5.75%, 2028/12/01	USD	10,500,000	10,079,037	10,373,108
DISH DBS Corp., Callable, 5.25%, 2026/12/01	USD	8,000,000	8,035,922	8,521,768
DISH DBS Corp., 5.13%, 2029/06/01	USD	8,000,000	5,535,933	4,931,049
Dollar Tree Inc., Callable, 4.00%, 2025/05/15	USD	859,000	1,139,283	1,101,930
Emergent BioSolutions Inc., Callable, 3.88%, 2028/08/15	USD	18,015,000	14,603,923	13,908,615
Esperion Therapeutics, Inc., Callable, 4.00%, 2025/11/15	USD	31,354,000	23,170,288	20,639,344
Fifth Third Bancorp, Callable, 4.30%, 2024/01/16	USD	7,108,000	9,347,166	9,290,593
FirstEnergy Corp., Series 'B', Callable., 3.90%, 2027/07/15	USD	2,210,000	2,894,078	2,777,360
FirstEnergy Transmission LLC, Callable, 4.35%, 2025/01/15	USD	2,300,000	3,100,420	2,972,349
FirstEnergy Transmission LLC, Callable, 2.87%, 2028/09/15	USD	5,000,000	6,082,850	5,833,927
Foot Locker, Inc., Callable, 4.00%, 2029/10/01	USD	2,000,000	1,985,574	1,996,610
Gartner, Inc., Callable, 4.50%, 2028/07/01	USD	12,000,000	15,472,792	14,865,582
Gartner, Inc., Callable, 3.75%, 2030/10/01	USD	9,316,000	11,601,120	10,762,078
Great Lakes Dredge & Dock Corporation, Callable, 5.25%, 2029/06/01	USD	20,715,000	22,434,545	22,945,254
GTT Communications, Inc., Term Loan, 12.00%, 2025/05/31	USD	6,795,922	7,212,340	4,366,406
Hecla Mining Co., Callable, 7.25%, 2028/02/15	USD	12,045,000	16,437,507	15,828,482
Hologic Inc., Callable, 4.63%, 2028/02/01	USD	5,000,000	6,364,702	6,247,689
Hologic Inc., Callable, 3.25%, 2029/02/15	USD	8,000,000	9,271,177	9,281,903
Huntington National Bank (The), Floating Rate, Callable, 6.27%, 2025/05/16	USD	2,745,000	3,540,531	3,535,297
Intercept Pharmaceuticals, Inc., 2.00%, 2026/05/15	USD	11,795,000	10,260,146	12,565,965
Jervois Mining USA Ltd., Callable, 12.50%, 2026/07/20	USD	8,053,000	10,283,087	9,691,324
Liberty TripAdvisor Holdings Inc., Convertible, Puttable, 0.50%, 2051/06/30	USD	23,975,000	23,656,189	25,075,216
Lumen Technologies Inc., Callable, 4.00%, 2027/02/15	USD	13,500,000	14,974,479	13,392,616
Magnite Inc. Convertible, 0.25%, 2026/03/15	USD	2,000,000	2,276,988	2,254,725
Match Group Holdings II, LLC, Callable, 5.00%, 2027/12/15	USD	1,500,000	1,840,850	1,844,867
McDonald's Corporation, Callable, 3.13%, 2025/03/05	CAD	24,559,184	24,843,261	23,620,286

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

## Pender Corporate Bond Fund

### Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2023

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
United States (51.7%): (cont'd)				
Mednax, Inc., Callable, 5.38%, 2030/02/15	USD	6,000,000	7,141,872	7,320,966
Morgan Stanley, 5.88%, 2049/12/31	USD	2,000,000	2,764,050	2,509,779
MSCI Inc., Callable, 4.00%, 2029/11/15	USD	6,000,000	7,130,497	7,200,704
MSCI Inc., Callable, 3.63%, 2030/09/01	USD	4,983,000	6,337,704	5,698,331
OPKO Health, Inc., Callable, 4.50%, 2025/02/15	USD	14,000,000	20,409,522	19,102,895
Paratek Pharmaceuticals, Inc., Callable, 4.75%, 2024/05/01	USD	13,010,000	12,986,472	17,040,988
PepsiCo, Inc., Callable, 2.15%, 2024/05/06	CAD	30,160,684	29,665,553	29,377,260
PetSmart Inc., Callable, 4.75%, 2028/02/15	USD	8,320,000	10,075,565	10,197,338
ProMedica Toledo Hospital, Callable, 4.98%, 2045/11/15	USD	2,450,000	2,032,371	1,978,378
ProMedica Toledo Hospital, Series 'B', 5.33%, 2028/11/15	USD	3,500,000	3,889,497	3,773,054
ProMedica Toledo Hospital, 6.02%, 2048/11/15	USD	1,000,000	904,601	932,293
Rackspace Technology Global Inc., Callable, 5.38%, 2028/12/01	USD	4,000,000	5,357,518	1,653,902
Science Applications International Corp., Callable, 4.88%, 2028/04/01	USD	13,988,000	17,536,181	17,251,905
Snap Inc., Convertible, Callable, 0.13%, 2028/03/01	USD	3,000,000	2,790,162	2,835,627
Snap Inc., Zero Coupon, Convertible, Callable, 2027/05/01	USD	2,000,000	1,986,451	1,973,878
SS&C Technologies, Inc., Callable, 5.50%, 2027/09/30	USD	16,165,000	21,664,717	20,530,196
Talos Production Inc., Callable, 12.00%, 2026/01/15	USD	750,000	910,611	1,040,667
Team Health Holdings Inc., Term Loan, 7.90%, 2024/02/06	USD	13,033,512	15,604,769	15,356,077
Topaz Solar Farms LLC, Callable, 5.75%, 2039/09/30	USD	11,424,974	16,720,821	14,758,972
TreeHouse Foods Inc., Callable, 4.00%, 2028/09/01	USD	10,720,000	11,387,729	12,156,404
Tronox Inc., Callable, 4.63%, 2029/03/15	USD	16,213,000	20,001,260	17,868,715
Trulieve Cannabis Corp., Callable, 8.00%, 2026/10/06	USD	8,350,000	10,550,643	8,196,581
Tutor Perini Corporation, Term Loan, 10.00%, 2027/08/18	USD	6,734	8,557	8,086
Varex Imaging Corporation, Callable, 7.88%, 2027/10/15	USD	17,023,000	21,942,116	22,478,038
Verisign, Inc., Callable, 5.25%, 2025/04/01	USD	8,300,000	11,224,050	10,897,779
Verisign, Inc., Callable, 4.75%, 2027/07/15	USD	27,062,000	35,378,359	35,319,490
Victoria's Secret & Co., Callable, 4.63%, 2029/07/15	USD	8,750,000	8,730,266	8,482,438
W&T Offshore, Inc., Callable, 11.75%, 2026/02/01	USD	18,000,000	24,052,501	23,803,158
WDB Holding PA Inc., Term Loan, 12.88%, 2024/12/18	USD	5,394,237	7,337,256	5,966,923
Wells Fargo & Company, 3.87%, 2025/05/21	CAD	5,467,000	5,766,350	5,242,443
Windstream Escrow Finance Corp., Callable, 7.75%, 2028/08/15	USD	11,755,000	15,302,304	12,933,657
			<b>787,409,209</b>	<b>757,292,366</b>
Foreign (8.0%):				
Cineworld Group plc, Term Loan, 9.50%, 2025/02/28	USD	36,000,000	7,604,329	11,326,613
DTEK Finance PLC, Payment-In-Kind, Sinkable, Callable, 7.00%, 2027/12/31	USD	4,970,260	1,207,998	1,777,775
Ferroglobe PLC / Globe Specialty Metals Inc., Callable, 9.38%, 2025/12/31	USD	10,000,000	13,062,748	13,528,215
Grupo FAMSA, S.A.B de C.V., Callable, 9.75%, 2024/12/15	USD	5,887,000	7,128,006	896,862
Hon Hai Precision Industry Co., Ltd., Zero Coupon, Convertible, Callable, 2026/08/05	USD	5,000,000	6,033,744	5,724,576
HSBC Bank PLC, Series '2M', Floating Rate, Convertible, Perpetual, 5.08%, 2049/12/31	USD	5,000,000	6,636,844	6,623,750
McDermott International Ltd., Term Loan, 8.15%, 2024/06/28	USD	85,929	116,249	91,068
McDermott International Ltd., Term Loan, 6.15%, 2025/06/30	USD	23,257,190	19,630,492	17,972,529
Petroleum Geo-Services ASA, Callable, 13.50%, 2027/03/31	USD	3,000,000	4,037,796	3,907,463
Seaspan Corp., Callable, 5.50%, 2029/08/01	USD	12,667,000	14,058,509	13,311,385



## Pender Corporate Bond Fund

### Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2023

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
<b>Foreign (8.0%): (cont'd)</b>				
SFL Corporation Ltd., Callable, 7.25%, 2026/05/12	USD	13,000,000	15,960,750	16,627,772
SFL Corporation Ltd., Callable, 8.88%, 2027/02/01	USD	4,000,000	5,363,180	5,285,753
StoneCo Ltd., Callable, 3.95%, 2028/06/16	USD	20,000,000	19,293,655	20,634,306
			<b>120,134,300</b>	<b>117,708,067</b>
<b>Total corporate bonds and loans (77.1%)</b>			<b>1,179,780,595</b>	<b>1,129,900,916</b>
<b>Closed end funds:</b>				
Aberdeen Asia-Pacific Income Fund, Inc.	USD	2,040,400	7,333,523	7,298,154
Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.	USD	974,818	5,831,881	6,056,620
Nuveen Municipal Credit Income Fund	USD	650,000	10,117,017	10,040,279
Sprott Physical Uranium Trust	CAD	527,500	8,536,355	8,819,800
Western Asset / Claymore Inflation-Linked Opportunities & Income Fund	USD	294,915	4,126,645	3,461,501
Western Asset Emerging Markets Debt Fund Inc.	USD	570,109	6,797,679	6,510,271
Western Asset Inflation - Linked Securities & Income Fund	USD	130	1,524	1,423
<b>Total closed end funds (2.9%)</b>			<b>42,744,624</b>	<b>42,188,048</b>
<b>Common shares:</b>				
ATD New Holdings Inc.	USD	85,552	4,962,152	5,100,076
Forum Energy Technologies, Inc.	USD	250,757	8,360,582	8,500,751
McDermott International, Ltd.	USD	13,939,534	16,172,009	5,811,375
PHI Group Inc.	USD	180,299	1,878,398	2,866,213
<b>Total common shares (1.5%)</b>			<b>31,373,141</b>	<b>22,278,415</b>
<b>Government bonds:</b>				
Government of Canada, 1.25%, 2025/03/01	CAD	8,000,000	8,028,320	7,576,693
Government of Canada, 1.50%, 2026/06/01	CAD	7,000,000	7,207,200	6,515,605
Government of Canada, 1.25%, 2030/06/01	CAD	7,000,000	6,055,597	6,087,748
Government of Canada, Real Return, 4.25%, 2026/12/01	CAD	16,075,000	34,102,801	30,842,060
Government of Canada, Real Return, 4.00%, 2031/12/01	CAD	7,500,000	17,476,553	15,329,437
United States Treasury, 3.88%, 2027/11/30	USD	5,000,000	6,756,481	6,528,922
United States Treasury, Inflation Indexed, 1.75%, 2028/01/15	USD	16,649,815	23,608,150	21,800,486
United States Treasury, Inflation Indexed, 3.38%, 2032/04/15	USD	6,408,000	10,047,387	9,650,378
United States Treasury, 4.00%, 2028/02/29	USD	5,000,000	6,948,011	6,573,813
United States Treasury, 2.88%, 2028/08/15	USD	1,000,000	1,285,993	1,247,723
United States Treasury, 2.88%, 2029/04/30	USD	10,000,000	13,102,555	12,434,700
United States Treasury, 3.50%, 2033/02/15	USD	7,500,000	10,032,131	9,674,815
<b>Total government bonds (9.2%)</b>			<b>144,651,179</b>	<b>134,262,380</b>
<b>Preferred shares:</b>				
BCE Inc., Series AB, Variable	CAD	98,400	1,619,640	1,772,184
BCE Inc., Series AC, 5.08%	CAD	255,900	3,919,012	4,542,225
BCE Inc., Series 'AD', Variable, Perpetual	CAD	50,000	913,493	904,000
BCE Inc., Series AF, 3.87%	CAD	100,000	1,305,797	1,619,000
BCE Inc., Series AG, 3.37%	CAD	58,200	821,556	875,910
BCE Inc., Series 'AH', Variable, Convertible, Perpetual	CAD	50,000	915,819	898,000
BCE Inc., Series AJ, Variable	CAD	100,000	1,975,035	1,820,000
BCE Inc., Series AQ, 4.81%	CAD	326,300	6,303,314	6,676,098
Canadian Utilities Ltd., Series 'CC', 4.5%, Perpetual	CAD	58,000	1,083,017	1,003,400

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



## Pender Corporate Bond Fund

### Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2023

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
<b>Preferred shares: (cont'd)</b>				
Canadian Utilities Ltd., Series 'DD', 4.50%, Perpetual	CAD	125,000	2,332,500	2,157,500
Canadian Utilities Ltd., Series 'HH', 4.75%, Perpetual	CAD	100,000	1,913,000	1,817,500
Canadian Utilities Ltd., Series 'FF', Variable, Perpetual	CAD	21,500	511,473	486,545
Canadian Utilities Ltd., Series 'Y', Variable, Perpetual	CAD	216,500	4,440,106	3,838,545
Capstone Infrastructure Corporation, Series A, Callable, 7.37%	CAD	31,900	399,088	415,179
Cenovus Energy Inc., Series 3, 6.25%	CAD	178,650	2,928,846	3,296,093
Cenovus Energy Inc., Series 5, 5.73%	CAD	270,400	4,641,089	5,188,976
Cenovus Energy Inc., Series 7, 4.92%	CAD	47,475	820,318	892,530
Enbridge Inc., Series B, Variable	CAD	266,200	5,160,393	4,328,412
Fairfax Financial Holdings Limited, Series C, 6.30%	CAD	131,200	2,017,971	2,350,448
Fairfax Financial Holdings Limited, Series E, Callable, 5.68%	CAD	139,000	1,960,731	1,980,750
Fairfax Financial Holdings Limited, Series I, 5.42%	CAD	196,450	3,071,513	3,064,620
Fairfax Financial Holdings Limited, Series M, 6.07%	CAD	128,300	2,668,253	2,566,000
Fannie Mae, Series M, 4.75%	USD	101,000	515,677	424,145
Fannie Mae, Series R, 7.63%	USD	126,465	270,430	328,368
Fannie Mae, Series S, Variable	USD	2,190,089	9,458,665	6,818,103
Freddie Mac, Series K, 5.79%	USD	199,898	995,909	876,537
George Weston Limited, Series III, 6.64%	CAD	148,300	3,598,496	2,908,163
George Weston Limited, Series IV, 6.53%	CAD	98,100	2,346,198	1,919,817
George Weston Limited, Series V, 6.83%	CAD	131,500	3,035,109	2,367,000
Thomson Reuters Corporation, Series II, Variable	CAD	326,422	3,226,390	4,276,128
<b>Total preferred shares (4.9%)</b>			<b>75,168,838</b>	<b>72,412,176</b>
<b>Warrants:</b>				
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 \$0.01, expiry 2044/09/04	USD	50,000	503,859	794,850
<b>Total warrants (0.1%)</b>			<b>503,859</b>	<b>794,850</b>
Less: Transaction costs included in cost of investments			(186,146)	
<b>Total investments (95.7%)</b>			<b>1,474,036,090</b>	<b>1,401,836,785</b>
	Contract rate	Pay	Receive	Unrealized gain (loss)
<b>Derivative assets:</b>				
BNY Mellon, Foreign Currency Forward, settlement 2023/07/19	1.34	USD 337,541,040	CAD 450,719,100	3,664,152
BNY Mellon, Foreign Currency Forward, settlement 2023/10/18	1.34	USD 312,358,720	CAD 418,934,300	5,842,236
<b>Total derivative assets (0.6%)</b>				<b>9,506,388</b>
Cash (3.8%)				55,927,990
Other assets less liabilities (-0.1%)				(1,568,273)
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>1,465,702,890</b>

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

# Pender Small Cap Opportunities Fund

## Statements of Financial Position (Unaudited)

June 30, 2023 and December 31, 2022

	2023 (\$)	2022 (\$)
<b>Assets</b>		
Cash	-	7,243,534
Receivable for investments sold	469,360	-
Subscriptions receivable	249,618	345,506
Dividends receivable	4,779,035	382,439
Investments	239,026,380	231,247,249
	<b>244,524,393</b>	<b>239,218,728</b>
<b>Liabilities</b>		
Bank overdraft	777	-
Management and administration fees payable (note 4)	315,445	277,276
Redemptions payable to holders of redeemable units	670,730	97,855
Distributions payable to holders of redeemable units	-	35,510
Accrued expenses	174,768	731
	<b>1,161,720</b>	<b>411,372</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>243,362,673</b>	<b>238,807,356</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	20,180,652	20,765,490
Class B	10,251,107	14,495,892
Class E	3,117,555	2,660,006
Class F	68,467,279	70,142,699
Class G	104,446,300	93,761,733
Class I	16,609,273	16,871,593
Class M	10,278,638	10,185,835
Class N	44,308	95,583
Class O	9,967,561	9,828,525
	<b>243,362,673</b>	<b>238,807,356</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	24.56	24.24
Class B	9.06	8.94
Class E	10.75	10.50
Class F	25.54	25.08
Class G	9.32	9.15
Class I	12.02	11.79
Class M	5.58	5.47
Class N	14.44	14.14
Class O	26.36	25.68

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

*(signed) "David Barr"*

**David Barr**  
Director

*(signed) "Kelly Edmison"*

**Kelly Edmison**  
Director

## Pender Small Cap Opportunities Fund

### Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
<b>Revenue</b>		
Interest for distribution purposes	213,763	2,991
Dividend income	6,136,375	1,479,726
Foreign exchange gain (loss)	6,411	24,877
<b>Changes in fair value of investments:</b>		
Net realized gain (loss)	13,243,521	(2,407,497)
Net change in unrealized appreciation (depreciation)	(13,449,989)	(92,575,917)
<b>Total revenue</b>	<b>6,150,081</b>	<b>(93,475,820)</b>
<b>Expenses</b>		
Management fees (note 4)	1,145,270	1,399,353
Administration fees (note 4)	742,919	843,390
Transaction costs	229,022	218,309
Independent review committee fees	2,770	2,932
Withholding taxes (recovery) (note 6)	-	1,149
<b>Total expenses</b>	<b>2,119,981</b>	<b>2,465,133</b>
Less: Expenses absorbed by the Manager (note 4)	(2,770)	(2,932)
<b>Net expenses</b>	<b>2,117,211</b>	<b>2,462,201</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>4,032,870</b>	<b>(95,938,021)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	281,870	(9,593,169)
Class B	104,404	(7,639,852)
Class E	53,912	(994,385)
Class F	1,373,641	(28,490,450)
Class G	1,406,633	(31,753,130)
Class I	337,680	(6,588,358)
Class M	204,333	(3,005,835)
Class N	4,362	(162,939)
Class O	266,035	(7,709,903)
	<b>4,032,870</b>	<b>(95,938,021)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.33	(9.56)
Class B	0.09	(3.64)
Class E	0.19	(4.18)
Class F	0.51	(10.13)
Class G	0.12	(3.67)
Class I	0.24	(4.69)
Class M	0.12	(2.17)
Class N	1.06	(5.54)
Class O	0.70	(9.90)

## Pender Small Cap Opportunities Fund

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
<b>Class A</b>		
Balance, beginning of period	20,765,490	37,415,911
Increase (decrease) in net assets attributable to holders of redeemable units	281,870	(9,593,169)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(866,708)	(5,726,871)
	<b>(866,708)</b>	<b>(5,726,871)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>20,180,652</b>	<b>22,095,871</b>
<b>Class B</b>		
	2023 (\$)	2022 (\$)
Balance, beginning of period	14,495,892	26,051,170
Increase (decrease) in net assets attributable to holders of redeemable units	104,404	(7,639,852)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	910,088	2,551,679
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(5,259,277)	(2,459,953)
	<b>(4,349,189)</b>	<b>91,726</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>10,251,107</b>	<b>18,503,044</b>
<b>Class E</b>		
	2023 (\$)	2022 (\$)
Balance, beginning of period	2,660,006	3,513,165
Increase (decrease) in net assets attributable to holders of redeemable units	53,912	(994,385)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	422,993	311,985
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(19,356)	(237,399)
	<b>403,637</b>	<b>74,586</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>3,117,555</b>	<b>2,593,366</b>

## Pender Small Cap Opportunities Fund

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

Six months ended June 30, 2023 and 2022

Class F	2023 (\$)	2022 (\$)
Balance, beginning of period	70,142,699	97,457,101
Increase (decrease) in net assets attributable to holders of redeemable units	1,373,641	(28,490,450)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	23,525	4,951,361
Issued on reinvestment of distributions	69,946	94,898
Amounts paid on redemption of redeemable units	(3,072,586)	(2,439,131)
	<b>(2,979,115)</b>	<b>2,607,128</b>
<b>Distributions paid from:</b>		
Net investment income	(69,946)	(82,966)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(69,946)</b>	<b>(82,966)</b>
<b>Balance, end of period</b>	<b>68,467,279</b>	<b>71,490,813</b>

Class G	2023 (\$)	2022 (\$)
Balance, beginning of period	93,761,733	99,606,986
Increase (decrease) in net assets attributable to holders of redeemable units	1,406,633	(31,753,130)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	16,595,481	26,289,264
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(7,317,547)	(10,852,354)
	<b>9,277,934</b>	<b>15,436,910</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>104,446,300</b>	<b>83,290,766</b>

Class I	2023 (\$)	2022 (\$)
Balance, beginning of period	16,871,593	23,048,374
Increase (decrease) in net assets attributable to holders of redeemable units	337,680	(6,588,358)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	3,678	4,925
Amounts paid on redemption of redeemable units	(600,000)	-
	<b>(596,322)</b>	<b>4,925</b>
<b>Distributions paid from:</b>		
Net investment income	(3,678)	(4,325)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(3,678)</b>	<b>(4,325)</b>
<b>Balance, end of period</b>	<b>16,609,273</b>	<b>16,460,616</b>

## Pender Small Cap Opportunities Fund

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

Six months ended June 30, 2023 and 2022

Class M	2023 (\$)	2022 (\$)
Balance, beginning of period	10,185,835	9,642,849
Increase (decrease) in net assets attributable to holders of redeemable units	204,333	(3,005,835)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	546,674	1,840,243
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(658,204)	(700,000)
	<b>(111,530)</b>	<b>1,140,243</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>10,278,638</b>	<b>7,777,257</b>

Class N	2023 (\$)	2022 (\$)
Balance, beginning of period	95,583	613,334
Increase (decrease) in net assets attributable to holders of redeemable units	4,362	(162,939)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(55,637)	(96,844)
	<b>(55,637)</b>	<b>(96,844)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>44,308</b>	<b>353,551</b>

Class O	2023 (\$)	2022 (\$)
Balance, beginning of period	9,828,525	27,607,800
Increase (decrease) in net assets attributable to holders of redeemable units	266,035	(7,709,903)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	430,003
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(126,999)	(301,922)
	<b>(126,999)</b>	<b>128,081</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>9,967,561</b>	<b>20,025,978</b>

## Pender Small Cap Opportunities Fund

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

Six months ended June 30, 2023 and 2022

Total Fund	2023 (\$)	2022 (\$)
Balance, beginning of period	238,807,356	324,956,690
Increase (decrease) in net assets attributable to holders of redeemable units	4,032,870	(95,938,021)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	18,498,761	36,374,535
Issued on reinvestment of distributions	73,624	99,823
Amounts paid on redemption of redeemable units	(17,976,314)	(22,814,474)
	<b>596,071</b>	<b>13,659,884</b>
<b>Distributions paid from:</b>		
Net investment income	(73,624)	(87,291)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(73,624)</b>	<b>(87,291)</b>
<b>Balance, end of period</b>	<b>243,362,673</b>	<b>242,591,262</b>

## Pender Small Cap Opportunities Fund

### Statements of Cash Flows (Unaudited)

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	4,032,870	(95,938,021)
<b>Adjustments for:</b>		
Interest for distribution purposes	(213,763)	(2,991)
Dividend income	(6,136,375)	(1,479,726)
Foreign exchange (gain) loss	(6,411)	(24,877)
Net realized (gain) loss on sale of investments	(13,243,521)	2,407,497
Net change in unrealized (appreciation) depreciation of investments	13,449,989	92,575,917
Management and administration fees payable	38,169	151,819
Accrued expenses	174,037	897
	<b>(1,905,005)</b>	<b>(2,309,485)</b>
Proceeds on disposal of investments	27,711,530	51,435,719
Amounts paid on purchase of investments	(36,166,489)	(85,847,996)
Dividends received	1,739,779	1,463,026
Interest received	213,763	2,991
	<b>(8,406,422)</b>	<b>(35,255,745)</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	18,459,451	35,023,576
Amounts paid on redemption of redeemable units	(17,268,241)	(22,167,207)
Distributions paid to unitholders	(35,510)	-
	<b>1,155,700</b>	<b>12,856,369</b>
Net increase (decrease) in cash	(7,250,722)	(22,399,376)
Cash, beginning of period	7,243,534	16,691,420
Effect of exchange rate fluctuations on cash	6,411	24,877
<b>Bank overdraft, end of period</b>	<b>(777)</b>	<b>(5,683,079)</b>



## Pender Small Cap Opportunities Fund

### Schedule of Investment Portfolio (Unaudited)

June 30, 2023

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
<b>Equities:</b>				
Communication services (3.0%)				
Anterix Inc.		123,320	7,933,876	5,177,137
Corus Entertainment Inc., Class 'B'		1,706,023	9,141,728	2,234,890
			<b>17,075,604</b>	<b>7,412,027</b>
Consumer discretionary (10.0%)				
Aritzia Inc.		181,180	4,444,245	6,663,800
ATD New Holdings Inc.		85,551	4,959,524	5,100,016
BuildDirect.com Technologies Inc.		1,766,000	2,905,270	600,440
D2L Inc.		868,022	8,102,459	7,742,756
Nova Cannabis Inc.		2,967,931	5,600,554	1,825,278
Unisync Corp.		1,557,675	3,753,997	2,375,454
			<b>29,766,049</b>	<b>24,307,744</b>
Consumer staples (0.2%)				
GreenSpace Brands Inc.		48,455,868	8,444,541	-
MAV Beauty Brands Inc.		1,621,891	8,085,508	486,567
			<b>16,530,049</b>	<b>486,567</b>
Energy (8.4%)				
Logan Energy Corp.		494,275	-	-
McDermott International, Ltd.		5,559,379	3,457,284	2,317,699
Saturn Oil & Gas Inc.		3,366,390	9,257,573	7,406,058
Spartan Delta Corp.		494,275	1,632,952	2,347,806
TerraVest Industries Inc.		288,100	1,953,764	8,354,900
			<b>16,301,573</b>	<b>20,426,463</b>
Financial services (6.4%)				
Burford Capital Limited		403,370	7,209,964	6,508,558
Chesswood Group Limited		536,700	6,075,471	4,223,829
Deans Knight Income Corporation		3,000	1,200	1,200
Fiera Capital Corporation, Class 'A'		748,991	7,976,102	4,838,482
			<b>21,262,737</b>	<b>15,572,069</b>
Health care (6.2%)				
Clarius Mobile Health Corp., Preferred, Series '1'		1,123,596	1,000,000	1,536,518
dentalcorp Holdings Ltd.		855,607	7,669,898	6,280,155
Well Health Technologies Corp.		1,525,260	6,107,762	7,244,985
			<b>14,777,660</b>	<b>15,061,658</b>
Industrials (11.4%)				
Blackline Safety Corp.		3,317,130	15,841,871	10,448,960
GH Group, Inc., Preferred, Series 'C', 20.00%		2,880	3,932,208	3,815,280
Mullen Group Ltd.		166,100	1,241,569	2,521,398
NFI Group Inc.		598,000	5,016,462	6,823,560
Savaria Corporation		245,000	4,791,761	4,140,500
			<b>30,823,871</b>	<b>27,749,698</b>
Information technology (41.9%)				
Aviat Networks, Inc.		129,524	1,447,588	5,725,855
Copperleaf Technologies Inc.		2,171,338	12,271,415	12,376,627
Docebo Inc.		117,820	5,141,316	6,178,481
Dye & Durham Limited		376,217	6,277,981	6,813,290
Kinaxis Inc.		32,400	4,778,146	6,133,320
Optiva Inc.		299,822	6,969,103	1,948,843
PAR Technology Corporation		212,621	11,080,276	9,275,382

## Pender Small Cap Opportunities Fund

### Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2023

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
<b>Information technology (41.9%) (cont'd)</b>				
ProntoForms Corporation		11,545,106	5,946,639	6,349,808
Quorum Information Technologies Inc.		4,993,619	3,744,851	3,495,533
Sangoma Technologies Corporation		1,992,622	19,205,875	9,923,258
Sylogist Ltd.		1,940,420	17,677,800	14,553,151
Tantalus Systems Holding Inc.		2,871,939	6,153,217	2,240,112
Thinkific Labs Inc.		4,110,888	14,605,384	8,098,449
Tiny Ltd., Class 'A'		1,916,224	16,720,577	7,147,516
Wishpond Technologies Ltd.		2,705,400	3,695,913	1,731,456
			<b>135,716,081</b>	<b>101,991,081</b>
<b>Real estate (2.0%)</b>				
Dream Unlimited Corp., Class 'A'		235,809	5,114,757	4,864,740
			<b>5,114,757</b>	<b>4,864,740</b>
<b>Utilities (8.7%)</b>				
Altius Renewable Royalties Corp.		1,099,177	11,136,887	9,914,578
Maxim Power Corp.		1,315,400	3,522,062	6,261,304
Polaris Renewable Energy Inc.		348,713	4,590,465	4,969,160
			<b>19,249,414</b>	<b>21,145,042</b>
<b>Total equities (98.2%)</b>			<b>306,617,795</b>	<b>239,017,089</b>
<b>Warrants:</b>				
BeWhere Holdings Inc., strike price \$0.35, expiry 2024/02/15	CAD	15,500	388	-
Glass House Brand Inc., strike price \$5.00, expiry 2027/08/31	USD	576,000	-	-
Greenspace Brands Inc., strike price \$0.09, expiry 2023/09/28	CAD	2,011,500	-	-
INX Ltd., strike price \$1.88, expiry 2024/01/10	CAD	1,200,000	-	-
Logan Energy Corp., strike price \$0.35, 2023/07/31	CAD	494,275	-	-
Luxxfolio Holdings Inc., strike price \$1.00, expiry 2023/12/07	CAD	875,000	-	-
Medexus Pharmaceuticals Inc., strike price \$9.45, expiry 2023/10/16	CAD	98,038	126	-
NEXE Innovations Inc., strike price \$0.64, expiry 2024/04/09	CAD	87,500	-	-
Saturn Oil & Gas Inc., strike price \$3.20, expiry 2023/07/07	CAD	1,858,245	-	9,291
Sphere 3D Corp., strike price \$66.50, expiry 2026/09/08	USD	42,015	-	-
<b>Total warrants (0.0%)</b>			<b>514</b>	<b>9,291</b>
Less: Transaction costs included in cost of investments			(373,038)	
<b>Total investments (98.2%)</b>			<b>306,245,271</b>	<b>239,026,380</b>
Bank overdraft (0.0%)				(777)
Other assets less liabilities (1.8%)				4,337,070
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>243,362,673</b>

## Pender Small/Mid Cap Dividend Fund

### Statements of Financial Position (Unaudited)

June 30, 2023 and December 31, 2022

	2023 (\$)	2022 (\$)
<b>Assets</b>		
Cash	895,507	-
Receivable for investments sold	66,517	185,827
Subscriptions receivable	14,330	1,250
Dividends receivable	494,048	96,712
Investments	21,455,104	24,517,969
	<b>22,925,506</b>	<b>24,801,758</b>
<b>Liabilities</b>		
Bank overdraft	-	184,097
Management and administration fees payable (note 4)	24,881	34,025
Payable for investments purchased	121,948	-
Redemptions payable to holders of redeemable units	209	-
Distributions payable to holders of redeemable units	10,322	-
Accrued expenses	-	583
	<b>157,360</b>	<b>218,705</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>22,768,146</b>	<b>24,583,053</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	1,553,186	2,203,529
Class E	995,303	870,084
Class F	5,741,759	6,205,275
Class H	2,689,793	3,322,160
Class I	7,799,915	8,731,866
Class N	-	8,252
Class O	3,988,190	3,241,887
	<b>22,768,146</b>	<b>24,583,053</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	13.41	13.48
Class E	14.68	14.62
Class F	13.58	13.59
Class H	13.43	13.49
Class I	13.55	13.55
Class N	-	13.57
Class O	15.00	14.90

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

*(signed) "David Barr"*

**David Barr**  
Director

*(signed) "Kelly Edmison"*

**Kelly Edmison**  
Director

## Pender Small/Mid Cap Dividend Fund

### Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
<b>Revenue</b>		
Interest for distribution purposes	6,529	-
Dividend income	714,201	274,343
Securities lending income (note 5)	-	15,535
Foreign exchange gain (loss)	455	287
<b>Changes in fair value of investments:</b>		
Net realized gain (loss)	525,808	1,149,569
Net change in unrealized appreciation (depreciation)	(712,904)	(4,357,758)
<b>Total revenue</b>	<b>534,089</b>	<b>(2,918,024)</b>
<b>Expenses</b>		
Management fees (note 4)	105,689	108,102
Administration fees (note 4)	59,389	63,561
Transaction costs	13,836	13,390
Independent review committee fees	221	308
Withholding taxes (recovery) (note 6)	-	21
<b>Total expenses</b>	<b>179,135</b>	<b>185,382</b>
Less: Expenses absorbed by the Manager (note 4)	(221)	(308)
<b>Net expenses</b>	<b>178,914</b>	<b>185,074</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>355,175</b>	<b>(3,103,098)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	18,383	(191,348)
Class D	-	(75,382)
Class E	17,494	(106,965)
Class F	89,520	(703,410)
Class H	38,417	(393,552)
Class I	125,169	(1,347,570)
Class N	(111)	(1,076)
Class O	66,303	(283,795)
	<b>355,175</b>	<b>(3,103,098)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.12	(2.19)
Class D	-	(0.76)
Class E	0.26	(1.98)
Class F	0.21	(2.04)
Class H	0.16	(2.07)
Class I	0.20	(1.85)
Class N	(0.18)	(1.81)
Class O	0.26	(2.09)

## Pender Small/Mid Cap Dividend Fund

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2023 and 2022

Class A	2023 (\$)	2022 (\$)
Balance, beginning of period	2,203,529	945,087
Increase (decrease) in net assets attributable to holders of redeemable units	18,383	(191,348)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	57,149	2,078,116
Issued on reinvestment of distributions	25,251	22,520
Amounts paid on redemption of redeemable units	(723,223)	(1,023,854)
	<b>(640,823)</b>	<b>1,076,782</b>
<b>Distributions paid from:</b>		
Net investment income	(27,903)	(23,294)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(27,903)</b>	<b>(23,294)</b>
	<b>1,553,186</b>	<b>1,807,227</b>

Class D	2023 (\$)	2022 (\$)
Balance, beginning of period	-	1,302,816
Increase (decrease) in net assets attributable to holders of redeemable units	-	(75,382)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	664,537
Issued on reinvestment of distributions	-	13,723
Amounts paid on redemption of redeemable units	-	(1,891,176)
	-	<b>(1,212,916)</b>
<b>Distributions paid from:</b>		
Net investment income	-	(14,518)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	<b>(14,518)</b>
<b>Balance, end of period</b>	-	-

Class E	2023 (\$)	2022 (\$)
Balance, beginning of period	870,084	895,306
Increase (decrease) in net assets attributable to holders of redeemable units	17,494	(106,965)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	107,725	113,309
Issued on reinvestment of distributions	15,426	14,015
Amounts paid on redemption of redeemable units	-	(60,000)
	<b>123,151</b>	<b>67,324</b>
<b>Distributions paid from:</b>		
Net investment income	(15,426)	(14,015)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(15,426)</b>	<b>(14,015)</b>
<b>Balance, end of period</b>	<b>995,303</b>	<b>841,650</b>

## Pender Small/Mid Cap Dividend Fund

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

Six months ended June 30, 2023 and 2022

Class F	2023 (\$)	2022 (\$)
Balance, beginning of period	6,205,275	5,001,533
Increase (decrease) in net assets attributable to holders of redeemable units	89,520	(703,410)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	380,888	3,066,157
Issued on reinvestment of distributions	76,490	67,917
Amounts paid on redemption of redeemable units	(917,866)	(1,571,488)
	<b>(460,488)</b>	<b>1,562,586</b>
<b>Distributions paid from:</b>		
Net investment income	(92,548)	(83,192)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(92,548)</b>	<b>(83,192)</b>
<b>Balance, end of period</b>	<b>5,741,759</b>	<b>5,777,517</b>

Class H	2023 (\$)	2022 (\$)
Balance, beginning of period	3,322,160	2,800,564
Increase (decrease) in net assets attributable to holders of redeemable units	38,417	(393,552)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	265,498	1,152,284
Issued on reinvestment of distributions	44,434	47,893
Amounts paid on redemption of redeemable units	(934,638)	(251,553)
	<b>(624,706)</b>	<b>948,624</b>
<b>Distributions paid from:</b>		
Net investment income	(46,078)	(49,727)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(46,078)</b>	<b>(49,727)</b>
<b>Balance, end of period</b>	<b>2,689,793</b>	<b>3,305,909</b>

Class I	2023 (\$)	2022 (\$)
Balance, beginning of period	8,731,866	11,315,293
Increase (decrease) in net assets attributable to holders of redeemable units	125,169	(1,347,570)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	440,243	2,687,303
Issued on reinvestment of distributions	126,529	174,905
Amounts paid on redemption of redeemable units	(1,496,137)	(1,526,606)
	<b>(929,365)</b>	<b>1,335,602</b>
<b>Distributions paid from:</b>		
Net investment income	(127,755)	(175,611)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(127,755)</b>	<b>(175,611)</b>
<b>Balance, end of period</b>	<b>7,799,915</b>	<b>11,127,714</b>

## Pender Small/Mid Cap Dividend Fund

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

Six months ended June 30, 2023 and 2022

Class N	2023 (\$)	2022 (\$)
Balance, beginning of period	8,252	9,226
Increase (decrease) in net assets attributable to holders of redeemable units	(111)	(1,076)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	70	141
Amounts paid on redemption of redeemable units	(8,141)	-
	<b>(8,071)</b>	<b>141</b>
<b>Distributions paid from:</b>		
Net investment income	(70)	(141)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(70)</b>	<b>(141)</b>
<b>Balance, end of period</b>	<b>-</b>	<b>8,150</b>

Class O	2023 (\$)	2022 (\$)
Balance, beginning of period	3,241,887	2,204,569
Increase (decrease) in net assets attributable to holders of redeemable units	66,303	(283,795)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	680,000	740,000
Issued on reinvestment of distributions	62,572	39,075
Amounts paid on redemption of redeemable units	-	-
	<b>742,572</b>	<b>779,075</b>
<b>Distributions paid from:</b>		
Net investment income	(62,572)	(39,075)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(62,572)</b>	<b>(39,075)</b>
<b>Balance, end of period</b>	<b>3,988,190</b>	<b>2,660,774</b>

Total Fund	2023 (\$)	2022 (\$)
Balance, beginning of period	24,583,053	24,474,394
Increase (decrease) in net assets attributable to holders of redeemable units	355,175	(3,103,098)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	1,931,503	10,501,706
Issued on reinvestment of distributions	350,772	380,189
Amounts paid on redemption of redeemable units	(4,080,005)	(6,324,677)
	<b>(1,797,730)</b>	<b>4,557,218</b>
<b>Distributions paid from:</b>		
Net investment income	(372,352)	(399,573)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(372,352)</b>	<b>(399,573)</b>
<b>Balance, end of period</b>	<b>22,768,146</b>	<b>25,528,941</b>

## Pender Small/Mid Cap Dividend Fund

### Statements of Cash Flows (Unaudited)

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	355,175	(3,103,098)
<b>Adjustments for:</b>		
Interest for distribution purposes	(6,529)	-
Dividend income	(714,201)	(274,343)
Foreign exchange (gain) loss	(455)	(287)
Net realized (gain) loss on sale of investments	(525,808)	(1,149,569)
Net change in unrealized (appreciation) depreciation of investments	712,904	4,357,758
Other receivable	-	(6,145)
Management and administration fees payable	(9,144)	3,874
Accrued expenses	(583)	(222)
	<b>(188,641)</b>	<b>(172,032)</b>
Proceeds on disposal of investments	7,845,858	3,982,395
Amounts paid on purchase of investments	(4,728,831)	(7,567,622)
Dividends received	316,865	261,073
Interest received	6,529	
	<b>3,251,780</b>	<b>(3,496,186)</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	1,782,875	10,217,656
Amounts paid on redemption of redeemable units	(3,944,248)	(5,985,208)
Distributions paid to unitholders	(11,258)	(10,537)
	<b>(2,172,631)</b>	<b>725,725</b>
Net increase (decrease) in cash	1,079,149	725,725
(Bank overdraft)/Cash, beginning of period	(184,097)	2,847,810
Effect of exchange rate fluctuations on cash	455	287
<b>Cash, end of period</b>	<b>895,507</b>	<b>3,573,822</b>



## Pender Small/Mid Cap Dividend Fund

### Schedule of Investment Portfolio (Unaudited)

June 30, 2023

	Issue currency	Number of shares/units	Cost (\$)	Fair value (\$)
<b>Equities:</b>				
Banks (2.4%):				
EQB Inc.		7,712	458,366	539,840
			<b>458,366</b>	<b>539,840</b>
Consumer discretionary (1.1%):				
Nova Cannabis Inc.		389,500	253,385	239,543
			<b>253,385</b>	<b>239,543</b>
Consumer staples (0.6%):				
Premium Brands Holdings Corporation		1,201	121,948	125,541
			<b>121,948</b>	<b>125,541</b>
Energy (13.6%):				
Computer Modelling Group Ltd.		132,260	719,607	880,852
Logan Energy Corp.		46,720	-	-
North American Construction Group Ltd.		19,900	331,152	504,465
Saturn Oil & Gas Inc.		310,810	863,943	683,782
Spartan Delta Corp.		46,720	205,966	221,920
Total Energy Services Inc.		91,560	724,449	804,812
			<b>2,845,117</b>	<b>3,095,831</b>
Financial services (11.2%):				
Alaris Equity Partners Income Trust		42,514	654,203	644,087
Chesswood Group Limited		87,580	1,113,041	689,255
Fiera Capital Corporation		7,236	74,725	46,745
Guardian Capital Group Limited		14,760	561,022	619,920
Onex Corporation		7,570	504,558	553,897
			<b>2,907,549</b>	<b>2,553,904</b>
Health care (3.3%):				
Hamilton Thorne Ltd.		519,276	839,190	752,950
			<b>839,190</b>	<b>752,950</b>
Industrials (20.6%):				
ADENTRA Inc.		25,863	769,225	840,547
Chorus Aviation Inc.		285,959	988,682	866,456
Exchange Income Corporation		13,219	545,649	692,808
GDI Integrated Facility Services Inc.		7,938	323,585	331,173
Héroux-Devtek Inc.		63,010	1,021,239	966,573
NFI Group Inc.		87,358	791,526	997,493
			<b>4,439,906</b>	<b>4,695,050</b>
Information technology (15.6%):				
Dye & Durham Limited		25,500	506,218	461,805
Evertz Technologies Limited		57,800	740,815	794,750
Sylogist Ltd.		185,432	1,449,611	1,390,739
Vecima Networks Inc.		51,241	821,613	899,280
			<b>3,518,257</b>	<b>3,546,574</b>
Insurance (2.9%):				
Trisura Group Ltd.		17,720	628,636	665,740
			<b>628,636</b>	<b>665,740</b>
Materials (7.5%):				
Richards Packaging Income Fund		15,990	957,434	527,670
Stella-Jones Inc.		9,730	605,158	663,781
Winpak Ltd.		12,450	514,366	513,065
			<b>2,076,958</b>	<b>1,704,516</b>

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

## Pender Small/Mid Cap Dividend Fund

### Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2023

	Issue currency	Number of shares/units	Cost (\$)	Fair value (\$)
<b>Real estate (7.4%):</b>				
Dream Unlimited Corp., Class 'A'		31,511	926,325	650,072
FirstService Corporation		2,720	498,904	554,934
Information Services Corporation, Class 'A'		22,640	412,114	479,742
			<b>1,837,343</b>	<b>1,684,748</b>
<b>Utilities (7.9%):</b>				
Altius Renewable Royalties Corp.		116,639	1,118,959	1,052,083
Polaris Renewable Energy Inc.		52,800	959,358	752,400
			<b>2,078,317</b>	<b>1,804,483</b>
<b>Total equities (94.1%)</b>			<b>22,004,972</b>	<b>21,408,720</b>
<b>Warrants:</b>				
Logan Energy Corp., strike price \$0.35, expiry 2023/07/31	CAD	46,720	-	-
Saturn Oil & Gas Inc., strike price \$3.20, expiry 2023/07/07	CAD	96,805	-	484
Saturn Oil & Gas Inc., strike price \$4.00, expiry 2025/03/10	CAD	180,000	-	45,900
<b>Total warrants (0.2%)</b>			-	<b>46,384</b>
Less: Transaction costs included in cost of investments			(13,525)	
<b>Total investments (94.3%)</b>			<b>21,991,447</b>	<b>21,455,104</b>
Cash (3.9%)				895,507
Other assets less liabilities (1.8%)				417,535
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>22,768,146</b>

## Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)

### Statements of Financial Position (Unaudited)

June 30, 2023 and December 31, 2022

	2023 (\$)	2022 (\$)
<b>Assets</b>		
Cash	-	88,465
Subscriptions Receivable	37,354	1,518
Distributions receivable from underlying funds	104,399	-
Dividends receivable	48,321	34,280
Other receivable	-	543
Investments	45,572,977	35,148,508
	<b>45,763,051</b>	<b>35,273,314</b>
<b>Liabilities</b>		
Bank overdraft	170,537	-
Management and administration fees payable (note 4)	41,699	41,994
Redemptions payable to holders of redeemable units	129,001	-
Accrued expenses	-	372
	<b>341,237</b>	<b>42,366</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>45,421,814</b>	<b>35,230,948</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	13,108,093	6,535,315
Class E	227,477	25,393
Class F	9,732,485	7,117,599
Class H	5,618	-
Class I	22,332,575	21,540,750
Class N	-	5,869
Class O	15,566	6,022
	<b>45,421,814</b>	<b>35,230,948</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	7.34	7.19
Class E	10.54	10.23
Class F	7.78	7.58
Class H	10.23	-
Class I	10.31	10.04
Class N	-	10.12
Class O	10.72	10.38

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

*(signed) "David Barr"*

**David Barr**  
Director

*(signed) "Kelly Edmison"*

**Kelly Edmison**  
Director

## Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)

### Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
<b>Revenue</b>		
Distributions from underlying funds	470,785	436,534
Interest for distribution purposes	520	-
Dividend income	188,670	263,259
Securities lending income (note 5)	3,517	2,292
Foreign exchange gain (loss)	2,845	4,162
<b>Changes in fair value of investments:</b>		
Net realized gain (loss)	943,380	1,130,829
Net change in unrealized appreciation (depreciation)	587,853	(5,756,875)
<b>Total revenue</b>	<b>2,197,570</b>	<b>(3,919,799)</b>
<b>Expenses</b>		
Management fees (note 4)	137,547	168,068
Administration fees (note 4)	100,903	118,186
Withholding taxes (recovery) (note 6)	11,901	4,343
Transaction costs	5,631	7,101
Independent review committee fees	537	455
<b>Total expenses</b>	<b>256,519</b>	<b>298,153</b>
Less: Expenses absorbed by the Manager (note 4)	(537)	(455)
<b>Net expenses</b>	<b>255,982</b>	<b>297,698</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>1,941,588</b>	<b>(4,217,497)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	403,857	(842,943)
Class A1	-	(30,562)
Class E	5,925	(781)
Class F	405,205	(647,906)
Class F1	-	(255,778)
Class H	32,763	-
Class I	1,093,149	(2,438,332)
Class N	138	(605)
Class O	551	(590)
	<b>1,941,588</b>	<b>(4,217,497)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.45	(0.77)
Class A1	-	(0.92)
Class E	1.83	(1.28)
Class F	0.45	(0.86)
Class F1	-	(1.39)
Class H	0.23	-
Class I	0.53	(1.09)
Class N	0.23	(1.08)
Class O	0.89	(1.05)

## Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2023 and 2022

Class A	2023 (\$)	2022 (\$)
Balance, beginning of period	6,535,315	10,215,166
Increase (decrease) in net assets attributable to holders of redeemable units	403,857	(842,943)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	89,835	288,284
Amounts from issue of units on merger (note 4 (f))	7,006,608	-
Issued on reinvestment of distributions	124,856	207,466
Amounts paid on redemption of redeemable units	(909,839)	(2,554,467)
	<b>6,311,460</b>	<b>(2,058,717)</b>
<b>Distributions paid from:</b>		
Net investment income	(142,539)	(228,280)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(142,539)</b>	<b>(228,280)</b>
<b>Balance, end of period</b>	<b>13,108,093</b>	<b>7,085,226</b>
Class A1	2023 (\$)	2022 (\$)
Balance, beginning of period	-	433,685
Increase (decrease) in net assets attributable to holders of redeemable units	-	(30,562)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	171
Issued on reinvestment of distributions	-	7,312
Amounts paid on redemption of redeemable units	-	(402,542)
	-	<b>(395,059)</b>
<b>Distributions paid from:</b>		
Net investment income	-	(8,064)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	<b>(8,064)</b>
<b>Balance, end of period</b>	-	-
Class E	2023 (\$)	2022 (\$)
Balance, beginning of period	25,393	6,335
Increase (decrease) in net assets attributable to holders of redeemable units	5,925	(781)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	5,000
Amounts from issue of units on merger (note 4 (f))	196,159	-
Issued on reinvestment of distributions	592	183
Amounts paid on redemption of redeemable units	-	-
	<b>196,751</b>	<b>5,183</b>
<b>Distributions paid from:</b>		
Net investment income	(592)	(183)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(592)</b>	<b>(183)</b>
<b>Balance, end of period</b>	<b>227,477</b>	<b>10,554</b>

## Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)

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

Six months ended June 30, 2023 and 2022

Class F	2023 (\$)	2022 (\$)
Balance, beginning of period	7,117,599	6,569,596
Increase (decrease) in net assets attributable to holders of redeemable units	405,205	(647,906)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	169,709	2,435,517
Amounts from issue of units on merger (note 4 (f))	2,962,486	-
Issued on reinvestment of distributions	147,025	159,205
Amounts paid on redemption of redeemable units	(910,848)	(497,479)
	<b>2,368,372</b>	<b>2,097,243</b>
<b>Distributions paid from:</b>		
Net investment income	(158,691)	(171,064)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(158,691)</b>	<b>(171,064)</b>
<b>Balance, end of period</b>	<b>9,732,485</b>	<b>7,847,869</b>
Class F1	2023 (\$)	2022 (\$)
Balance, beginning of period	-	1,316,783
Increase (decrease) in net assets attributable to holders of redeemable units	-	(255,778)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	2,327,898
Issued on reinvestment of distributions	-	35,371
Amounts paid on redemption of redeemable units	-	(3,382,412)
	-	<b>(1,019,143)</b>
<b>Distributions paid from:</b>		
Net investment income	-	(41,862)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	<b>(41,862)</b>
<b>Balance, end of period</b>	-	-
Class H	2023 (\$)	2022 (\$)
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	32,763	-
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	4,999	-
Amounts from issue of units on merger (note 4 (f))	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(32,144)	-
	<b>(27,145)</b>	-
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>5,618</b>	-

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

## Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)

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

Six months ended June 30, 2023 and 2022

Class I	2023 (\$)	2022 (\$)
Balance, beginning of period	21,540,750	25,310,605
Increase (decrease) in net assets attributable to holders of redeemable units	1,093,149	(2,438,332)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	59,110	1,786,337
Amounts from issue of units on merger (note 4 (f))	1,440,238	-
Issued on reinvestment of distributions	475,760	629,007
Amounts paid on redemption of redeemable units	(1,788,977)	(1,996,121)
	<b>186,131</b>	<b>419,223</b>
<b>Distributions paid from:</b>		
Net investment income	(487,455)	(643,822)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(487,455)</b>	<b>(643,822)</b>
<b>Balance, end of period</b>	<b>22,332,575</b>	<b>22,647,674</b>
Class N	2023 (\$)	2022 (\$)
Balance, beginning of period	5,869	6,290
Increase (decrease) in net assets attributable to holders of redeemable units	138	(605)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	110	162
Amounts paid on redemption of redeemable units	(6,007)	-
	<b>(5,897)</b>	<b>162</b>
<b>Distributions paid from:</b>		
Net investment income	(110)	(162)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(110)</b>	<b>(162)</b>
<b>Balance, end of period</b>	<b>-</b>	<b>5,685</b>
Class O	2023 (\$)	2022 (\$)
Balance, beginning of period	6,022	6,397
Increase (decrease) in net assets attributable to holders of redeemable units	551	(590)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Amounts from issue of units on merger (note 4 (f))	8,993	-
Issued on reinvestment of distributions	140	165
Amounts paid on redemption of redeemable units	-	-
	<b>9,133</b>	<b>165</b>
<b>Distributions paid from:</b>		
Net investment income	(140)	(165)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(140)</b>	<b>(165)</b>
<b>Balance, end of period</b>	<b>15,566</b>	<b>5,807</b>

## Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)

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

Six months ended June 30, 2023 and 2022

Total Fund	2023 (\$)	2022 (\$)
Balance, beginning of period	35,230,948	43,864,857
Increase (decrease) in net assets attributable to holders of redeemable units	1,941,588	(4,217,497)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	323,653	6,843,207
Amounts from issue of units on merger (note 4 (f))	11,614,484	-
Issued on reinvestment of distributions	748,483	1,038,871
Amounts paid on redemption of redeemable units	(3,647,815)	(8,833,021)
	<b>9,038,805</b>	<b>(950,943)</b>
<b>Distributions paid from:</b>		
Net investment income	(789,527)	(1,093,602)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(789,527)</b>	<b>(1,093,602)</b>
<b>Balance, end of period</b>	<b>45,421,814</b>	<b>37,602,815</b>



## Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)

### Statements of Cash Flows (Unaudited)

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	1,941,588	(4,217,497)
<b>Adjustments for:</b>		
Distributions from underlying funds	(470,785)	(436,534)
Interest for distribution purposes	(520)	-
Dividend income	(188,670)	(263,259)
Foreign exchange (gain) loss	(2,845)	(4,162)
Net realized (gain) loss on sale of investments	(943,380)	(1,130,829)
Net change in unrealized (appreciation) depreciation of investments	(587,853)	5,756,875
Other receivable	543	(338)
Management and administration fees payable	(295)	(9,309)
Accrued expenses	(372)	76
	<b>(252,589)</b>	<b>(304,977)</b>
Proceeds on disposal of investments	6,232,651	6,162,509
Amounts paid on purchase of investments	(3,511,746)	(4,780,926)
Dividends received	174,629	191,189
Distributions received from underlying funds	366,386	436,534
Interest received	520	-
	<b>3,009,851</b>	<b>1,704,329</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units upon merger	1,960	-
Proceeds from issue of redeemable units	287,817	6,707,087
Bank overdraft received on merger	(1,617)	-
Amounts paid on redemption of redeemable units	(3,518,814)	(8,708,415)
Distributions paid to unitholders	(41,044)	(47,025)
	<b>(3,271,698)</b>	<b>(2,048,353)</b>
Net increase (decrease) in cash	(261,847)	(344,024)
Cash, beginning of period	88,465	509,499
Effect of exchange rate fluctuations on cash	2,845	4,162
<b>Bank overdraft/Cash, end of period</b>	<b>(170,537)</b>	<b>169,637</b>

## Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)

### Schedule of Investment Portfolio (Unaudited)

June 30, 2023

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
<b>Mutual funds:</b>				
Pender Alternative Absolute Return Fund, Class 'O'		186,004	1,871,887	1,891,656
Pender Alternative Arbitrage Plus Fund, Class 'O'		117,664	1,188,805	1,188,347
Pender Corporate Bond Fund, Class 'O'		1,580,505	16,927,348	16,114,673
Pender Small Cap Opportunities Fund, Class 'O'		116,422	3,139,139	3,069,044
<b>Total mutual funds (49.0%)</b>			<b>23,127,179</b>	<b>22,263,720</b>
<b>Equities:</b>				
Communication services (4.3%):				
Baidu, Inc., ADR		7,050	1,202,965	1,278,669
KAB Distribution Inc.		1,508,544	-	-
Liberty Broadband Corporation, Class 'C'		6,250	727,256	663,286
			<b>1,930,221</b>	<b>1,941,955</b>
Consumer discretionary (1.5%):				
Starbucks Corporation		5,230	553,235	686,332
			<b>553,235</b>	<b>686,332</b>
Energy (5.6%):				
ARC Resources Ltd.		83,860	787,354	1,481,806
Artis Exploration Ltd.		183,200	503,800	701,656
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		207	314,712	361,015
			<b>1,606,283</b>	<b>2,544,894</b>
Financial services (20.6%):				
Brookfield Corp., Class 'A'		40,690	1,747,723	1,814,773
Burford Capital Limited		86,920	948,917	1,402,494
Community Vehicle Financing & Leasing Inc.		153	8	-
Community Vehicle Financing & Leasing Inc., Preferred, Series '1', 6.00%		23,400	2,049,148	-
Exor N.V.		14,530	1,270,746	1,715,614
Fiera Capital Corporation		81,475	815,024	526,329
Jack Cooper Enterprises, Inc.		1,410	18	-
KKR & Co. Inc.		21,680	991,255	1,608,352
Onex Corporation		20,330	1,470,047	1,487,546
Rubix Lending Co. Inc., Class 'B'		698	7	7
Starwood Property Trust, Inc.		31,400	649,915	806,985
			<b>9,942,808</b>	<b>9,362,100</b>
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	-	-
			<b>10,182</b>	-
Industrials (7.1%):				
ADENTRA Inc.		24,271	719,164	788,808
Chorus Aviation Inc.		149,292	542,816	452,355
Exchange Income Corporation		13,780	594,280	722,210
Northrop Grumman Corporation		750	340,824	452,866
SS&C Technologies Holdings, Inc.		10,180	879,200	817,249
			<b>3,076,284</b>	<b>3,233,488</b>

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

## Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)

### Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2023

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Information technology (2.9%):				
Microchip Technology, Inc.		9,060	842,817	1,075,280
Taiwan Semiconductor Manufacturing Company Limited, ADR		1,680	212,478	224,606
			<b>1,055,295</b>	<b>1,299,886</b>
Insurance (1.6%):				
Trisura Group Ltd.		19,450	716,467	730,737
			<b>716,467</b>	<b>730,737</b>
Materials (1.7%):				
CCL Industries Inc., Class 'B'		11,740	672,975	764,509
			<b>672,975</b>	<b>764,509</b>
Real estate (3.1%):				
Dream Unlimited Corp., Class 'A'		24,550	721,101	506,467
Kennedy-Wilson Holdings, Inc.		41,150	790,342	890,205
			<b>1,511,443</b>	<b>1,396,672</b>
Utilities (3.0%):				
Altius Renewable Royalties Corp.		148,934	1,359,335	1,343,385
Genalta Power Inc., Rights		1	-	-
			<b>1,359,335</b>	<b>1,343,385</b>
<b>Total equities (51.4%)</b>			<b>22,434,528</b>	<b>23,303,958</b>
<b>Corporate bonds:</b>				
Escrow Quicksilver Resources Inc., Callable, 11.00%, 2021/07/01	USD	2,000,000	2,294,008	5,299
<b>Total corporate bonds (0.0%)</b>			<b>2,294,008</b>	<b>5,299</b>
<b>Warrants:</b>				
Affinion Group Holdings, Inc., strike price \$67.12, expiry 2024/04/10	USD	1,858	551,891	-
<b>Total warrants (0.0%)</b>			<b>551,891</b>	<b>-</b>
Less: Transaction costs included in cost of investments			(3,256)	
<b>Total investments (100.4%)</b>			<b>48,404,350</b>	<b>45,572,977</b>
Bank overdraft (-0.4%)				(170,537)
Other assets less liabilities (0.0%)				19,374
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>45,421,814</b>

## Pender Value Fund

### Statements of Financial Position (Unaudited)

June 30, 2023 and December 31, 2022

	2023 (\$)	2022 (\$)
<b>Assets</b>		
Cash	5,532,126	423,730
Receivable for investments sold	3,527,752	181,435
Subscriptions receivable	20,193	11,249
Dividends receivable	34,390	42,910
Investments	103,174,014	120,670,864
	<b>112,288,475</b>	<b>121,330,188</b>
<b>Liabilities</b>		
Management and administration fees payable (note 4)	141,561	168,492
Redemptions payable to holders of redeemable units	246,013	30,535
Distributions payable to holders of redeemable units	-	801
Accrued expenses	113,392	738
	<b>500,966</b>	<b>200,566</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>111,787,509</b>	<b>121,129,622</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	22,563,537	22,633,418
Class E	1,787,097	671,717
Class F	46,676,736	49,964,163
Class H	7,152,640	7,216,176
Class I	31,032,301	38,791,024
Class N	920,366	874,464
Class O	1,654,832	978,660
	<b>111,787,509</b>	<b>121,129,622</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	14.97	14.60
Class E	9.04	8.73
Class F	15.60	15.14
Class H	10.84	10.56
Class I	11.42	11.07
Class N	8.20	7.93
Class O	12.87	12.85

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

*(signed) "David Barr"*

**David Barr**  
Director

*(signed) "Kelly Edmison"*

**Kelly Edmison**  
Director

## Pender Value Fund

### Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
<b>Revenue</b>		
Distributions from underlying funds	-	152,421
Interest for distribution purposes	17,402	78
Dividend income	789,053	709,410
Securities lending income (note 5)	333	-
Foreign exchange gain (loss)	87,564	68,011
<b>Changes in fair value of investments:</b>		
Net realized gain (loss)	(5,907,366)	(3,321,074)
Net change in unrealized appreciation (depreciation)	10,145,218	(64,945,255)
<b>Total revenue</b>	<b>5,132,204</b>	<b>(67,336,409)</b>
<b>Expenses</b>		
Management fees (note 4)	584,023	948,466
Administration fees (note 4)	347,967	570,328
Transaction costs	148,975	84,227
Withholding taxes (recovery) (note 6)	15,901	39,442
Independent review committee fees	1,297	1,894
<b>Total expenses</b>	<b>1,098,163</b>	<b>1,644,357</b>
Less: Expenses absorbed by the Manager (note 4)	(1,297)	(1,894)
<b>Net expenses</b>	<b>1,096,866</b>	<b>1,642,463</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>4,035,338</b>	<b>(68,978,872)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	643,489	(11,874,264)
Class D	-	(370,126)
Class E	46,429	(272,178)
Class F	1,622,013	(24,922,045)
Class H	205,723	(3,794,946)
Class I	1,400,973	(23,062,240)
Class N	29,578	(468,572)
Class O	87,133	(4,214,501)
	<b>4,035,338</b>	<b>(68,978,872)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.45	(6.19)
Class D	-	(2.33)
Class E	0.60	(3.51)
Class F	0.53	(6.34)
Class H	0.30	(4.48)
Class I	0.45	(4.57)
Class N	0.27	(3.20)
Class O	7.00	(5.29)

## Pender Value Fund

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2023 and 2022

Class A	2023 (\$)	2022 (\$)
Balance, beginning of period	22,633,418	43,761,108
Increase (decrease) in net assets attributable to holders of redeemable units	643,489	(11,874,264)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	367,343	1,731,431
Amounts from issue of units on merger (note 4 (f))	2,401,118	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(3,481,831)	(7,360,923)
	<b>(713,370)</b>	<b>(5,629,492)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>22,563,537</b>	<b>26,257,352</b>
Class D	2023 (\$)	2022 (\$)
Balance, beginning of period	-	2,202,286
Increase (decrease) in net assets attributable to holders of redeemable units	-	(370,126)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	23,988
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(1,856,148)
	-	<b>(1,832,160)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	-	-
Class E	2023 (\$)	2022 (\$)
Balance, beginning of period	671,717	896,075
Increase (decrease) in net assets attributable to holders of redeemable units	46,429	(272,178)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	100,888
Amounts from issue of units on merger (note 4 (f))	1,118,014	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(49,063)	(2,321)
	<b>1,068,951</b>	<b>98,567</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>1,787,097</b>	<b>722,464</b>

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

## Pender Value Fund

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

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
Class F		
Balance, beginning of period	49,964,163	94,884,680
Increase (decrease) in net assets attributable to holders of redeemable units	1,622,013	(24,922,045)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	2,060,149	8,340,581
Amounts from issue of units on merger (note 4 (f))	3,384,615	-
Issued on reinvestment of distributions	1,647	2,201
Amounts paid on redemption of redeemable units	(10,354,204)	(22,034,611)
	<b>(4,907,793)</b>	<b>(13,691,829)</b>
<b>Distributions paid from:</b>		
Net investment income	(1,647)	(1,892)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(1,647)</b>	<b>(1,892)</b>
<b>Balance, end of period</b>	<b>46,676,736</b>	<b>56,268,914</b>
Class H		
Balance, beginning of period	7,216,176	13,547,045
Increase (decrease) in net assets attributable to holders of redeemable units	205,723	(3,794,946)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	211,510	969,497
Amounts from issue of units on merger (note 4 (f))	177,322	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(658,091)	(2,939,543)
	<b>(269,259)</b>	<b>(1,970,046)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>7,152,640</b>	<b>7,782,053</b>
Class I		
Balance, beginning of period	38,791,024	91,624,807
Increase (decrease) in net assets attributable to holders of redeemable units	1,400,973	(23,062,240)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	2,389,750	7,679,829
Amounts from issue of units on merger (note 4 (f))	136,673	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(11,686,119)	(22,963,209)
	<b>(9,159,696)</b>	<b>(15,283,380)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>31,032,301</b>	<b>53,279,187</b>

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

## Pender Value Fund

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

Six months ended June 30, 2023 and 2022

Class N	2023 (\$)	2022 (\$)
Balance, beginning of period	874,464	1,564,976
Increase (decrease) in net assets attributable to holders of redeemable units	29,578	(468,572)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	4,999	699,999
Amounts from issue of units on merger (note 4 (f))	11,325	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	<b>16,324</b>	<b>699,999</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>920,366</b>	<b>1,796,403</b>
Class O	2023 (\$)	2022 (\$)
Balance, beginning of period	978,660	16,826,982
Increase (decrease) in net assets attributable to holders of redeemable units	87,133	(4,214,501)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	5,200	258,593
Amounts from issue of units on merger (note 4 (f))	1,618,115	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(1,034,276)	(2,993,295)
	<b>589,039</b>	<b>(2,734,702)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>1,654,832</b>	<b>9,877,779</b>
Total Fund	2023 (\$)	2022 (\$)
Balance, beginning of period	121,129,622	265,307,959
Increase (decrease) in net assets attributable to holders of redeemable units	4,035,338	(68,978,872)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	5,038,951	19,804,806
Amounts from issue of units on merger (note 4 (f))	8,847,182	-
Issued on reinvestment of distributions	1,647	2,201
Amounts paid on redemption of redeemable units	(27,263,584)	(60,150,050)
	<b>(13,375,804)</b>	<b>(40,343,043)</b>
<b>Distributions paid from:</b>		
Net investment income	(1,647)	(1,892)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(1,647)</b>	<b>(1,892)</b>
<b>Balance, end of period</b>	<b>111,787,509</b>	<b>155,984,152</b>

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



## Pender Value Fund

### Statements of Cash Flows (Unaudited)

Six months ended June 30, 2023 and 2022

	2023 (\$)	2022 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	4,035,338	(68,978,872)
<b>Adjustments for:</b>		
Distribution from underlying funds	-	(152,421)
Interest for distribution purposes	(17,402)	(78)
Dividend income	(789,053)	(709,410)
Foreign exchange (gain) loss	(87,564)	(68,011)
Net realized (gain) loss on sale of investments	5,907,366	3,321,074
Net change in unrealized (appreciation) depreciation of investments	(10,145,218)	64,945,255
Management and administration fees payable	86,461	(142,403)
Accrued expenses	(738)	(494)
	<b>(1,010,810)</b>	<b>(1,785,360)</b>
Proceeds on disposal of investments	40,714,270	50,906,077
Amounts paid on purchase of investments	(18,020,253)	(7,696,198)
Dividends received	797,573	814,243
Distributions received from underlying funds	-	130,608
Interest received	17,402	78
	<b>22,498,182</b>	<b>42,369,448</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units upon merger	(235)	
Proceeds from issue of redeemable units	4,724,735	14,654,665
Cash received on merger	4,541,785	-
Amounts paid on redemption of redeemable units	(26,742,834)	(54,725,144)
Distributions paid to unitholders	(801)	-
	<b>(17,477,350)</b>	<b>(40,070,479)</b>
Net increase (decrease) in cash	5,020,832	2,298,969
Cash, beginning of period	423,730	31,620
Effect of exchange rate fluctuations on cash	87,564	68,011
<b>Cash, end of period</b>	<b>5,532,126</b>	<b>2,398,600</b>

## Pender Value Fund

### Schedule of Investment Portfolio (Unaudited)

June 30, 2023

	Issue Currency	Number of shares / units	Cost (\$)	Fair value (\$)
<b>Equities:</b>				
Communication services (6.3%):				
Baidu, Inc., ADR		20,795	4,124,140	3,771,621
IAC/InterActiveCorp		26,100	3,081,647	2,171,371
TeraGo Inc.		538,302	3,627,447	1,098,136
			<b>10,833,234</b>	<b>7,041,128</b>
Consumer discretionary (8.1%):				
D2L Inc.		461,378	6,239,536	4,115,492
JD.com, Inc., ADR		56,665	2,794,888	2,562,035
Peloton Interactive, Inc., Class 'A'		234,215	13,238,703	2,386,025
			<b>22,273,127</b>	<b>9,063,552</b>
Consumer staples (6.1%):				
CareRx Corporation		794,630	3,969,694	1,787,918
GreenSpace Brands Inc.		45,327,028	2,618,523	-
MAV Beauty Brands Inc.		1,408,011	3,735,404	422,403
Premium Brands Holdings Corporation		44,230	3,956,097	4,623,362
			<b>14,279,718</b>	<b>6,833,683</b>
Energy (3.0%):				
Computer Modelling Group Ltd.		34,300	248,775	228,438
McDermott International, Ltd.		331,336	148,017	138,134
Texas Pacific Land Corporation		1,700	2,908,416	2,964,857
			<b>3,305,208</b>	<b>3,331,429</b>
Financial services (21.7%):				
Burford Capital Limited		319,126	4,552,287	5,149,243
Exor N.V.		30,930	2,752,458	3,652,027
Federal National Mortgage Association, Preferred, Series 'S', 8.25%		1,223,862	3,732,296	3,810,081
FRMO Corporation		44,700	451,611	438,201
Interactive Brokers Group, Inc., Class 'A'		42,718	3,016,488	4,700,987
KKR & Co. Inc.		54,340	2,266,515	4,031,267
Onex Corporation		33,270	2,543,526	2,434,366
			<b>19,315,181</b>	<b>24,216,172</b>
Health care (2.6%):				
dentalcorp Holdings Ltd.		389,168	3,498,535	2,856,493
			<b>3,498,535</b>	<b>2,856,493</b>
Industrials (2.4%):				
SS&C Technologies Holdings, Inc.		33,630	2,483,410	2,699,811
			<b>2,483,410</b>	<b>2,699,811</b>
Information technology (35.0%):				
Copperleaf Technologies Inc.		972,912	4,782,831	5,545,597
Dye & Durham Limited		121,277	2,871,255	2,196,326
eGain Corporation		338,902	4,059,611	3,362,714
Kinaxis Inc.		19,200	2,745,963	3,634,560
Optiva Inc.		197,329	5,147,302	1,282,639
PAR Technology Corporation		92,058	4,240,091	4,015,940
ProntoForms Corporation		7,456,950	3,007,397	4,101,323
Sangoma Technologies Corporation		815,368	8,045,586	4,060,533
Sylogist Ltd.		1,045,175	8,729,401	7,838,812
Tantalus Systems Holding Inc.		1,059,434	2,235,860	826,359
Tiny Ltd., Class 'A'		614,351	3,016,840	2,291,529
			<b>48,882,137</b>	<b>39,156,332</b>

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

## Pender Value Fund

### Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2023

	Issue Currency	Number of shares / units	Cost (\$)	Fair value (\$)
<b>Materials (4.0%):</b>				
CCL Industries Inc., Class 'B'		69,405	4,106,494	4,519,654
			<b>4,106,494</b>	<b>4,519,654</b>
<b>Real estate (3.1%):</b>				
Zillow Group, Inc., Class 'C'		51,357	3,778,131	3,419,448
			<b>3,778,131</b>	<b>3,419,448</b>
<b>Total equities (92.3%)</b>			<b>132,755,175</b>	<b>103,137,702</b>
<b>Warrants:</b>				
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	-	13,981
GreenSpace Brands Inc., strike price \$0.09, expiry 2023/09/28	CAD	2,011,500	-	-
Taiga Motors Corporation, strike price \$17.25, expiry 2026/12/31	CAD	82,706	407,724	22,331
<b>Total warrants (0.0%)</b>			<b>407,724</b>	<b>36,312</b>
Less: Transaction costs included in cost of investments			(55,074)	
<b>Total investments (92.3%)</b>			<b>133,107,825</b>	<b>103,174,014</b>
Cash (4.9%)				5,532,126
Other assets less liabilities (2.8%)				3,081,369
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>111,787,509</b>

# PENDER MUTUAL FUNDS: Notes to Financial Statements (Unaudited)

Six months ended June 30, 2023

## 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, 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(USD), O, U
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, O
Strategic Growth and Income Fund (formerly Enhanced Income Fund)	September 21, 2009	A, E, F, H, I, O
Value Fund	June 28, 2013	A, E, F, H, I, N, O

On June 23, 2023 the Pender Strategic Growth and Income Fund merged with the Pender Enhanced Income Fund and the Pender Global Focused Fund merged with the Pender Value Fund (see Note 4). Effective June 23, 2023, the Pender Enhanced Income Fund was renamed Pender Strategic Growth and Income Fund.

Effective May 26, 2023, Class N units were closed in the Pender Corporate Bond Fund, Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) and Pender Small/Mid Cap Dividend Fund. Effective May 26, 2023, Class A (USD) units of the Pender Bond Universe Fund were closed. 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 Strategic Growth and Income Fund (formerly 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 Twentieth Amended and Restated Mutual Fund Trust Agreement dated June 16, 2023 (previously the Nineteenth Amended and Restated Mutual Fund Trust Agreement dated August 15, 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 August 25, 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.

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

Six months ended June 30, 2023

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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.

### 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.

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

Six months ended June 30, 2023

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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.

### (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 (Unaudited) (cont'd)

Six months ended June 30, 2023

### (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 June 30, 2023 and December 31, 2022 are as follows:

	Class A/ A (USD)/ B (%)	Class F/ F (USD)/ G (%)	Class H/ H (USD) (%)
As at June 30, 2023			
Bond Universe Fund	0.60	0.10	-
Corporate Bond Fund	1.40	0.60	1.10
Small Cap Opportunities Fund	1.95	0.95	-
Small/Mid Cap Dividend Fund	1.95	0.95	1.65
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	1.70	0.70	1.40
Value Fund	1.85	0.85	1.55

	Class I/ I (USD) (%)	Class N/ N (USD)/ M (%)	Class U (%)
As at June 30, 2023 (cont'd)			
Bond Universe Fund	-	-	-
Corporate Bond Fund	0.45	0.20	0.60
Small Cap Opportunities Fund	0.80	0.45	-
Small/Mid Cap Dividend Fund	0.80	-	-
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	0.55	-	-
Value Fund	0.70	0.30	-

	Class A/ A (USD)/ B (%)	Class F/ F (USD)/ G (%)	Class H/ H (USD) (%)
As at December 31, 2022			
Bond Universe Fund	0.60	0.10	-
Corporate Bond Fund	1.40	0.60	1.10
Small Cap Opportunities Fund	1.95	0.95	-
Small/Mid Cap Dividend Fund	1.95	0.95	1.65
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	1.70	0.70	-
Value Fund	1.85	0.85	1.55

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

Six months ended June 30, 2023

As at December 31, 2022 (cont'd)	Class I/ I (USD) (%)	Class N/ N (USD)/ M (%)	Class U (%)
Bond Universe Fund	-	-	-
Corporate Bond Fund	0.45	0.20	0.60
Small Cap Opportunities Fund	0.80	0.45	-
Small/Mid Cap Dividend Fund	0.80	0.45	-
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	0.55	0.30	-
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 June 30, 2023 and December 31, 2022 for each class does not exceed the percentage of average NAV set out in the Fund's offering documents, as follows:

As at June 30, 2023	Class A/ A (USD)/ B (%)	Class E (%)	Class F/ F (USD)/ G (%)	Class H/ H (USD) (%)
Bond Universe Fund	1.10	0.50	0.60	-
Corporate Bond Fund	1.90	0.50	1.10	1.60
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 (formerly Pender Enhanced Income Fund)	2.20	0.50	1.20	1.90
Value Fund	2.35	0.50	1.35	2.05

As at June 30, 2023 (cont'd)	Class I/ I (USD) (%)	Class N/ N (USD)/ M (%)	Class U (%)
Bond Universe Fund	-	-	-
Corporate Bond Fund	0.95	0.70	1.10
Small Cap Opportunities Fund	1.30	0.95	-
Small/Mid Cap Dividend Fund	1.30	-	-
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	1.05	-	-
Value Fund	1.20	0.80	-



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

Six months ended June 30, 2023

	Class A/ A (USD)/ B (%)	Class E (%)	Class F/ F (USD)/ G (%)	Class H/ H (USD) (%)
As at December 31, 2022				
Bond Universe Fund	1.10	0.50	0.60	-
Corporate Bond Fund	1.90	0.50	1.10	1.60
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 (formerly Pender Enhanced Income Fund)	2.20	0.50	1.20	-
Value Fund	2.35	0.50	1.35	2.05

	Class I/ I (USD) (%)	Class N/ N (USD)/ M (%)	Class U (%)
As at December 31, 2022 (cont'd)			
Bond Universe Fund	-	-	-
Corporate Bond Fund	0.95	0.70	1.10
Small Cap Opportunities Fund	1.30	0.95	-
Small/Mid Cap Dividend Fund	1.30	0.95	-
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	1.05	0.80	-
Value Fund	1.20	0.80	-

The Manager may, at its discretion, reduce or waive management fees and reimburse the Funds for any expenses.

(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 June 30, 2023 and December 31, 2022, no performance fee was accrued for Class B, Class G or Class M. During the periods ended June 30, 2023 and June 30, 2022, no performance fees were crystallized in Class B, Class G or Class M due to redemptions during the periods.

The high-water marks for the Pender Small Cap Opportunities Fund were reset on December 31, 2022 to \$12.02 per unit for Class B and \$12.54 per unit for Class G. The high water mark for Class M remained at \$10.00 per unit since the class commenced operations on June 25, 2021. The high-water marks were adjusted to reflect the distributions that were paid out to investors, including that of December 2022, 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 June 30, 2023.

As at June 30, 2023 and December 31, 2022, there were no performance fees payable by to the manager by the Pender Small Cap Opportunities Fund.

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

Six months ended June 30, 2023

(d) Amounts payable to the Manager:

As at June 30, 2023 and December 31, 2022, the Funds had the following amounts payable to the Manager relating to management fees, administration fees, performance fees (as applicable) and their related taxes and other expenses incurred by the Manager on behalf of the Funds:

	As at June 30, 2023 (\$)	As at December 31, 2022 (\$)
Bond Universe Fund	39,552	45,941
Corporate Bond Fund	1,427,163	1,406,010
Small Cap Opportunities Fund	315,445	277,276
Small/Mid Cap Dividend Fund	24,881	34,025
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	41,699	41,994
Value Fund	254,953	168,492

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

(e) Related party holdings:

As at June 30, 2023 and December 31, 2022, parties related to the Manager held the following percentages of each Fund's outstanding units directly or indirectly. Subscriptions and redemptions of related parties are subject to the same terms and conditions as those of arm's length investors in the Funds.

	As at June 30, 2023 (%)	As at December 31, 2022 (%)
Bond Universe Fund	<1	<1
Corporate Bond Fund	<1	<1
Small Cap Opportunities Fund	2	2
Small/Mid Cap Dividend Fund	5	5
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	2	<1
Value Fund	3	1

As at June 30, 2023 and December 31, 2022, funds also managed by the Manager held the following percentages of each Fund's outstanding units directly or indirectly. Subscriptions and redemptions of related parties are subject to the same terms and conditions as those of arm's length investors in the Funds. The remaining Fund did not have related party mutual fund investments.

	As at June 30, 2023 (%)	As at December 31, 2022 (%)
Bond Universe Fund	3	2
Corporate Bond Fund	2	3
Small Cap Opportunities Fund	2	2
Small/Mid Cap Dividend Fund	15	11
Value Fund	2	0

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

Six months ended June 30, 2023

(f) Fund merger:

On June 23, 2023, the Pender Global Focused Fund was merged into the Pender Value Fund, the Pender Strategic Growth and Income Fund was merged into the Pender Enhanced Income Fund and the Pender Enhanced Income Fund was renamed the Pender Strategic Growth and Income Fund. In each case, the two funds that were merged were managed by the Manager, had the same investment objectives, and had substantially similar investment strategies. The mergers resulted in an increase of \$11,614,484 in net assets attributable to unitholders of Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) and \$8,847,182 in net assets attributable to unitholders of Pender Value Fund.

Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	(\$)
Cash	(1,617)
Investments	11,614,141
Other assets less liabilities	1,960
	<b>11,614,484</b>

Value Fund	(\$)
Cash	4,541,785
Investments	4,305,632
Other assets less liabilities	(235)
	<b>8,847,182</b>

Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	Units issued	Amount (\$)
Class A	1,545,684	7,006,608
Class E	19,049	196,159
Class F	389,376	2,962,486
Class I	142,858	1,440,238
Class O	858	8,993
	<b>2,097,825</b>	<b>11,614,484</b>

Value Fund	Units issued	Amount (\$)
Class A	163,515	2,401,118
Class E	126,168	1,118,014
Class F	221,173	3,384,615
Class H	16,669	177,322
Class I	12,202	136,673
Class N	1,408	11,325
Class O	128,183	1,618,115
	<b>669,318</b>	<b>8,847,182</b>

**5. Securities lending transactions:**

The following table shows the value of securities loaned and collateral received from securities lending as at June 30, 2023 and December 31, 2022 for certain Funds. The remaining Funds did not have any securities loaned or collateral received as at June 30, 2023 and December 31, 2022.

	Securities loaned (\$)	Collateral received (\$)
As at June 30, 2023		
Bond Universe Fund	2,409,553	2,534,050

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

Six months ended June 30, 2023

	Securities loaned (\$)	Collateral received (\$)
As at December 31, 2022		
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	938,740	985,685

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 periods ended June 30, 2023 and 2022 for certain Funds. The remaining Funds did not have any securities lending income earned for the periods ended June 30, 2023 and 2022.

	Gross income (\$)	Withholding taxes (\$)	Agent fees (\$)	Net income (\$)
As at June 30, 2023				
Bond Universe Fund	1,015	(64)	(291)	660
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	5,410	(910)	(983)	3,517
Value Fund	538	(26)	(179)	333
As at June 30, 2022				
Bond Universe Fund	770	-	(284)	486
Small/Mid Cap Dividend Fund	24,932	(774)	(8,623)	15,535
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	3,588	(12)	(1,284)	2,292

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 period, withholding tax rates were between 0% and 35% (2022 - 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 periods ended June 30, 2023 and 2022 were as follows:

	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
As at June 30, 2023					
<b>Bond Universe Fund:</b>					
Class A	370,331	31,043	3,732	(48,854)	356,252
Class A (USD)	507	-	5	(512)	-
Class E	36,415	2,328	705	-	39,448
Class F	9,407,030	1,927,879	82,024	(3,997,737)	7,419,196
Class F (USD)	13,907	-	10	(6,090)	7,827
Class O	210,553	41,568	5,183	(8,163)	249,141

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

Six months ended June 30, 2023

As at June 30, 2023	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
<b>Corporate Bond Fund:</b>					
Class A	8,288,704	878,671	132,350	(1,083,662)	8,216,063
Class A (USD)	197,474	13,829	2,690	(41,573)	172,420
Class E	380,944	3,937	11,022	(917)	394,986
Class F	34,740,168	9,051,095	542,638	(8,495,575)	35,838,326
Class F (USD)	1,506,774	268,911	29,438	(358,477)	1,446,646
Class H	8,578,535	708,234	162,851	(524,572)	8,925,048
Class H (USD)	554,228	76,884	12,095	(52,743)	590,464
Class I	70,636,548	14,549,214	1,081,935	(10,206,803)	76,060,894
Class I (USD)	2,752,813	292,140	37,279	(980,736)	2,101,496
Class N	520	-	9	(529)	-
Class N (USD)	182,917	498	11	(2,965)	180,461
Class O	4,273,445	123,125	109,255	(1,290,154)	3,215,671
Class U	944,053	107,498	4,276	(838,691)	217,136
<b>Small Cap Opportunities Fund:</b>					
Class A	856,700	-	-	(34,935)	821,765
Class B	1,621,516	99,205	-	(588,924)	1,131,797
Class E	253,401	38,472	-	(1,781)	290,092
Class F	2,797,179	902	2,724	(119,849)	2,680,956
Class G	10,249,347	1,741,171	-	(779,985)	11,210,533
Class I	1,430,710	-	305	(49,135)	1,381,880
Class M	1,863,319	99,623	-	(121,147)	1,841,795
Class N	6,759	-	-	(3,691)	3,068
Class O	382,752	-	-	(4,644)	378,108
<b>Small/Mid Cap Dividend Fund:</b>					
Class A	163,464	4,245	1,896	(53,746)	115,859
Class E	59,533	7,187	1,060	-	67,780
Class F	456,689	28,159	5,674	(67,810)	422,712
Class H	246,353	18,955	3,330	(68,404)	200,234
Class I	644,582	32,090	9,408	(110,620)	575,460
Class N	608	-	5	(613)	-
Class O	217,647	43,940	4,209	-	265,796
<b>Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):</b>					
Class A	909,428	984,610	17,173	(124,834)	1,786,377
Class E	2,483	19,049	57	-	21,589
Class F	938,640	411,496	19,112	(118,920)	1,250,328
Class H	-	495	-	-	495
Class I	2,145,538	148,512	46,700	(175,631)	2,165,119
Class N	580	-	11	(591)	-
Class O	580	859	13	-	1,452
<b>Value Fund:</b>					
Class A	1,550,596	187,557	-	(230,651)	1,507,502
Class E	76,980	126,168	-	(5,362)	197,786
Class F	3,301,195	349,091	104	(658,526)	2,991,864
Class H	683,390	35,518	-	(59,296)	659,612
Class I	3,504,476	213,292	-	(1,000,240)	2,717,528
Class N	110,242	1,985	-	-	112,227
Class O	76,185	128,567	-	(76,201)	128,551

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

Six months ended June 30, 2023

As at June 30, 2022	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
<b>Bond Universe Fund:</b>					
Class A	373,849	25,080	3,816	(38,765)	363,980
Class A (USD)	-	500	-	-	500
Class D	534	-	4	(538)	-
Class E	30,835	1,702	608	-	33,145
Class F	7,883,926	4,307,824	57,236	(6,248,298)	6,000,688
Class F (USD)	-	500	-	-	500
Class N	536	-	6	(542)	-
Class O	105,529	131,265	3,532	(7,441)	232,885
<b>Corporate Bond Fund:</b>					
Class A	8,607,770	804,441	117,728	(1,352,883)	8,177,056
Class A (USD)	202,496	111,225	3,124	(69,103)	247,742
Class D	740,251	90,334	6,995	(837,580)	-
Class E	400,826	5,495	10,004	(39,142)	377,183
Class F	32,781,853	10,793,459	455,179	(10,149,543)	33,880,948
Class F (USD)	1,091,009	309,650	15,703	(262,595)	1,153,767
Class H	9,004,515	815,471	150,109	(1,115,193)	8,854,902
Class H (USD)	589,688	48,750	10,560	(82,178)	566,820
Class I	54,127,966	16,865,054	913,049	(6,808,528)	65,097,541
Class I (USD)	2,522,383	666,731	34,248	(516,586)	2,706,776
Class N	270,776	-	2,653	(165,102)	108,327
Class N (USD)	190,261	-	-	(2,791)	187,470
Class O	5,161,977	743,591	131,380	(2,004,880)	4,032,068
Class U	1,085,631	65,435	141	(299,690)	851,517
<b>Small Cap Opportunities Fund:</b>					
Class A	1,092,309	-	-	(183,442)	908,867
Class B	2,062,223	219,788	-	(218,374)	2,063,637
Class E	241,879	23,776	-	(16,699)	248,956
Class F	2,779,227	154,020	2,841	(78,504)	2,857,584
Class G	7,774,891	2,308,262	-	(956,400)	9,126,753
Class I	1,405,165	-	315	-	1,405,480
Class M	1,268,907	281,877	-	(120,492)	1,430,292
Class N	31,166	-	-	(6,048)	25,118
Class O	782,730	15,877	-	(9,047)	789,560
<b>Small/Mid Cap Dividend Fund:</b>					
Class A	59,880	141,979	1,565	(70,639)	132,785
Class D	79,168	41,237	839	(121,244)	-
Class E	53,409	6,937	893	(3,609)	57,630
Class F	317,745	205,034	4,681	(104,094)	423,366
Class H	177,938	79,099	3,295	(17,141)	243,191
Class I	722,150	184,606	11,997	(100,200)	818,553
Class N	590	-	9	-	599
Class O	129,717	47,054	2,471	-	179,242

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

Six months ended June 30, 2023

As at June 30, 2022	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
<b>Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):</b>					
Class A	1,243,193	39,326	26,830	(322,044)	987,305
Class A1	39,116	16	692	(39,824)	-
Class E	552	474	17	-	1,043
Class F	765,860	317,830	19,802	(61,507)	1,041,985
Class F1	116,408	212,987	3,324	(332,719)	-
Class I	2,232,299	168,712	58,981	(186,949)	2,273,043
Class N	552	-	15	-	567
Class O	552	-	15	-	567
<b>Value Fund:</b>					
Class A	2,058,688	91,396	-	(411,089)	1,738,995
Class D	167,309	2,009	-	(169,318)	-
Class E	71,935	9,132	-	(218)	80,849
Class F	4,351,254	447,546	111	(1,185,336)	3,613,575
Class H	884,038	68,568	-	(238,995)	713,611
Class I	5,754,368	560,838	-	(1,633,043)	4,682,163
Class N	137,767	83,026	-	-	220,793
Class O	922,403	16,941	-	(186,505)	752,839

**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 Manager deems the risk/reward trade-off 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 Manager deems the risk/reward trade-off to be in the investors' favour.

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

Six months ended June 30, 2023

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### **Pender Small Cap Opportunities Fund:**

The 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 Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):**

The objective of the Pender Strategic Growth and Income Fund (formerly 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 Value Fund:**

The 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 Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) carries out part of its investment strategy by investing in Class O units of the Pender Alternative Absolute Return Fund, Pender Alternative Arbitrage Plus Fund, Pender Corporate Bond Fund and Pender Small Cap Opportunities Fund. The Pender Bond Universe Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) have indirect exposure to various financial risks through their holdings of underlying mutual funds. The financial risks associated with the Pender Bond Universe Fund's and Pender Strategic Growth and Income (formerly Pender Enhanced Income Fund) Fund's investment strategies 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, the impact of central bank measures, geopolitical and other global events have the potential to slow growth in the global economy.

During the first half of 2023, the collapse of Silicon Valley Bank and Signature Bank led to an overall financial market decline especially in the banking sector. The Funds do not have any direct exposure to the banks and are monitoring their portfolios given the impact of the situation across the broader financial sector.

Future developments in these challenging areas could impact the Funds' results and financial condition and the full extent of that impact remains unknown. Developing reliable estimates and applying judgment continue to be substantially complex. Actual results may differ from those estimates and assumptions. 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.



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

Six months ended June 30, 2023

The following table summarizes the maximum exposure to credit risk for the Pender Bond Universe Fund, Pender Corporate Bond Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) as at June 30, 2023 and December 31, 2022 categorized by credit ratings. The remaining Funds did not have exposure to any material credit risk.

	As at June 30, 2023 (\$)	As at December 31, 2022 (\$)
<b>Bond Universe Fund:</b>		
AAA	9,490,713	9,059,819
AA	968,630	963,825
A	12,732,423	12,686,650
BBB	32,880,468	41,100,485
	<b>56,072,234</b>	<b>63,810,779</b>
<b>Corporate Bond Fund:</b>		
AAA	157,919,297	100,021,840
AA	-	4,293,536
A	81,903,534	50,183,754
BBB	211,186,513	195,239,512
Below BBB	579,804,100	690,769,358
Unrated	233,349,852	242,020,377
	<b>1,264,163,296</b>	<b>1,282,528,377</b>
<b>Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):</b>		
Unrated	5,299	5,416
	<b>5,299</b>	<b>5,416</b>

(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 a Fund holds 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 Fund and Pender Corporate Bond Fund as at June 30, 2023 and December 31, 2022 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 June 30, 2023 and December 31, 2022.

	As at June 30, 2023		As at December 31, 2022	
	Nominal value (\$)	Unrealized gain (loss) (\$)	Nominal value (\$)	Unrealized gain (loss) (\$)
Derivative instruments inflows (outflows)				
Bond Universe Fund	4,053,600	56,894	3,811,800	30,113
Corporate Bond Fund	869,653,400	9,506,388	803,735,800	(11,537,851)

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

Six months ended June 30, 2023

(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, changes in financial systems' stability, 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.

(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 Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) as at June 30, 2023 and December 31, 2022, categorized by the earlier of contractual re-pricing or maturity dates. The remaining Funds did not have exposure to any material interest rate risk.

	As at June 30, 2023 (\$)	As at December 31, 2022 (\$)
<b>Bond Universe Fund:</b>		
Less than 1 year	9,439,633	983,629
1 to 3 years	10,035,383	20,222,346
3 to 5 years	15,439,884	22,920,733
More than 5 years	21,157,334	19,684,071
	<b>56,072,234</b>	<b>63,810,779</b>
<b>Corporate Bond Fund:</b>		
Less than 1 year	121,055,473	63,095,268
1 to 3 years	261,825,695	338,521,683
3 to 5 years	449,802,228	425,388,375
More than 5 years	431,479,900	455,523,051
	<b>1,264,163,296</b>	<b>1,282,528,377</b>
<b>Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):</b>		
More than 5 years	5,299	5,416
	<b>5,299</b>	<b>5,416</b>

As at June 30, 2023 and December 31, 2022, 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:

	As at June 30, 2023 (\$)	As at December 31, 2022 (\$)
Bond Universe Fund	1,940,077	2,346,468
Corporate Bond Fund	52,445,376	52,687,721
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	-	-

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.

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

Six months ended June 30, 2023

### (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 was not exposed to any material currency risk at December 31, 2022.

The net currency exposure for each of the remaining Funds as at June 30, 2023 and December 31, 2022 was as follows:

	Canadian dollar (\$)	US dollar (\$)	Euro (\$)	Total (\$)
As at June 30, 2023				
Bond Universe Fund	73,841,353	109,545	-	73,950,898
Corporate Bond Fund	1,203,871,483	261,827,467	3,944	1,465,702,894
Small Cap Opportunities Fund	205,442,492	37,920,181	-	243,362,673
Small/Mid Cap Dividend Fund	22,767,304	842	-	22,768,146
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	33,404,546	10,301,654	1,715,614	45,421,814
Value Fund	59,636,739	48,498,743	3,652,027	111,787,509

	Canadian dollar (\$)	US dollar (\$)	Euro (\$)	Total (\$)
As at December 31, 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
Small Cap Opportunities Fund	204,392,529	34,414,827	-	238,807,356
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	25,986,727	8,135,496	1,108,725	35,230,948
Value Fund	60,941,900	56,137,907	4,049,815	121,129,622

As at June 30, 2023 and December 31, 2022, 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:

	As at June 30, 2023 (\$)	As at December 31, 2022 (\$)
Bond Universe Fund	10,955	30,377
Corporate Bond Fund	26,183,141	28,993,494
Small Cap Opportunities Fund	3,792,018	3,441,483
Small/Mid Cap Dividend Fund	84	-
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	1,201,727	924,422
Value Fund	5,215,077	6,018,772

### (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 (Unaudited) (cont'd)

Six months ended June 30, 2023

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 June 30, 2023, 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 June 30, 2023 and December 31, 2022:

	As at June 30, 2023 (\$)	As at December 31, 2022 (\$)
Corporate Bond Fund	137,673,489	109,551,339
Small Cap Opportunities Fund	239,026,380	231,247,249
Small/Mid Cap Dividend Fund	21,455,104	24,517,969
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	45,567,678	35,143,092
Value Fund	103,174,014	120,670,864

As at June 30, 2023 and December 31, 2022, 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:

	As at June 30, 2023 (\$)	As at December 31, 2022 (\$)
Corporate Bond Fund	413,020	4,592,082
Small Cap Opportunities Fund	20,625,397	26,620,916
Small/Mid Cap Dividend Fund	2,206,893	3,571,735
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	3,007,751	2,623,146
Value Fund	7,561,775	12,380,523

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 (Unaudited) (cont'd)

Six months ended June 30, 2023

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 June 30, 2023 and December 31, 2022 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.

As at June 30, 2023	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<b>Bond Universe Fund:</b>				
Bonds	56,072,234	-	-	56,072,234
Forward Currency Contract	-	56,894	-	56,894
Mutual funds	13,863,838	-	-	13,863,838
	<b>69,936,072</b>	<b>56,894</b>	-	<b>69,992,966</b>
<b>Corporate Bond Fund:</b>				
Bonds and loans	1,264,163,296	-	-	1,264,163,296
Closed end funds	42,188,048	-	-	42,188,048
Common shares	22,278,415	-	-	22,278,415
Forward foreign currency contracts	-	9,506,388	-	9,506,388
Preferred shares	72,412,176	-	-	72,412,176
Warrants	-	794,850	-	794,850
	<b>1,401,041,935</b>	<b>10,301,238</b>	-	<b>1,411,343,173</b>
<b>Small Cap Opportunities Fund:</b>				
Equities	233,664,091	-	5,352,998	239,017,089
Warrants	9,291	-	-	9,291
	<b>233,673,382</b>	-	<b>5,352,998</b>	<b>239,026,380</b>
<b>Small/Mid Cap Dividend Fund:</b>				
Equities	21,408,720	-	-	21,408,720
Warrants	46,384	-	-	46,384
	<b>21,455,104</b>	-	-	<b>21,455,104</b>
<b>Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):</b>				
Bonds	-	-	5,299	5,299
Equities	22,601,878	-	702,080	23,303,958
Mutual funds	19,194,676	3,069,044	-	22,263,720
Warrants	-	-	-	-
	<b>41,796,554</b>	<b>3,069,044</b>	<b>707,379</b>	<b>45,572,977</b>

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

Six months ended June 30, 2023

As at June 30, 2023	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<b>Value Fund:</b>				
Equities	103,137,702	-	-	103,137,702
Warrants	36,312	-	-	36,312
	<b>103,174,014</b>	-	-	<b>103,174,014</b>
<hr/>				
As at December 31, 2022	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<b>Bond Universe Fund:</b>				
Bonds	63,810,779	-	-	63,810,779
Forward Currency Contract	-	30,113	-	30,113
Mutual funds	22,465,421	-	-	22,465,421
	<b>86,276,200</b>	<b>30,113</b>	-	<b>86,306,313</b>
<hr/>				
<b>Corporate Bond Fund:</b>				
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
	<b>1,391,240,236</b>	<b>(10,698,371)</b>	-	<b>1,380,541,865</b>
<hr/>				
<b>Small Cap Opportunities Fund:</b>				
Equities	225,480,173	-	5,437,238	230,917,411
Warrants	-	329,838	-	329,838
	<b>225,480,173</b>	<b>329,838</b>	<b>5,437,238</b>	<b>231,247,249</b>
<hr/>				
<b>Small/Mid Cap Dividend Fund:</b>				
Equities	24,410,786	-	-	24,410,786
Warrants	107,183	-	-	107,183
	<b>24,517,969</b>	-	-	<b>24,517,969</b>
<hr/>				
<b>Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):</b>				
Bonds	-	-	5,416	5,416
Equities	17,349,263	-	674,878	18,024,141
Mutual funds	14,833,935	2,276,672	-	17,110,607
Warrants	-	-	8,344	8,344
	<b>32,183,198</b>	<b>2,276,672</b>	<b>688,638</b>	<b>35,148,508</b>
<hr/>				
<b>Value Fund:</b>				
Equities	120,632,330	-	-	120,632,330
Warrants	38,534	-	-	38,534
	<b>120,670,864</b>	-	-	<b>120,670,864</b>

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 Level 1 and Level 2 during the period ended June 30, 2023 and the year ended December 31, 2022. 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 period ended June 30, 2023 and the year ended December 31, 2022, for those Funds holding such financial instruments: Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) and Pender Small Cap Opportunities Fund. The remaining Funds did not hold any financial instruments categorized as Level 3.

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

Six months ended June 30, 2023

	2023 (\$)	2022 (\$)
<b>Small Cap Opportunities Fund:</b>		
Opening balance	5,437,238	4,537,718
Purchase of investments	-	3,932,208
Net transfers in (out)	8,444,541	(3,000,000)
Change in unrealized appreciation (depreciation)	(8,528,781)	(32,688)
<b>Ending Balance</b>	<b>5,352,998</b>	<b>5,437,238</b>
<b>Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):</b>		
Opening balance	688,638	283,948
Change in unrealized appreciation (depreciation)	18,741	404,690
<b>Ending Balance</b>	<b>707,379</b>	<b>688,638</b>

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

Six months ended June 30, 2023

(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 June 30, 2023 and December 31, 2022, for those funds holding such financial instruments: Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) and Pender Small Cap Opportunities Fund. The remaining Funds did not hold financial instruments categorized as Level 3 in the fair value hierarchy exposure.

As at June 30, 2023	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
<b>Small Cap Opportunities Fund:</b>				
Unlisted private investments	5,352,998	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<b>Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):</b>				
Unlisted private investments	702,080	Comparable trading multiples	Market capitalization/tangible book value/enterprise value	The estimated fair value would increase if the unobservable input increased
	5,299	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<hr/>				
As at December 31, 2022	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
<b>Small Cap Opportunities Fund:</b>				
Unlisted private investments	5,437,238	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<b>Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):</b>				
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

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.



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

Six months ended June 30, 2023

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

The Pender Small Cap Opportunities Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income 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 June 30, 2023 and December 31, 2022. The remaining Funds did not have any financial instruments categorized as Level 3.

Entity	As at June 30, 2023	As at December 31, 2022
<b>Small Cap Opportunities Fund:</b>		
Favourable	535,300	543,724
Unfavourable	(535,300)	(543,724)
<b>Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):</b>		
Favourable	70,738	68,884
Unfavourable	(70,738)	(68,884)

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 and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) hold an interest but which they do not consolidate. The remaining Funds did not hold an interest in structured entities as at June 30, 2023 and December 31, 2022.

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 (Unaudited) (cont'd)

Six months ended June 30, 2023

The table below sets out interests held by the Pender Bond Universe Fund, Pender Corporate Bond Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) in unconsolidated structured entities as at June 30, 2023 and December 31, 2022. 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 (\$)
<b>Bond Universe Fund:</b>			
As at June 30, 2023	1	1,465,702,890	13,863,838
As at December 31, 2022	1	1,422,143,348	22,465,421
<b>Corporate Bond Fund:</b>			
As at June 30, 2023	7	9,915,000,000	42,188,048
As at December 31, 2022	9	14,799,000,000	28,051,496
<b>Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):</b>			
As at June 30, 2023	4	2,024,387,285	22,263,720
As at December 31, 2022	4	1,855,554,368	17,110,607

During the period ended June 30, 2023 and year ended December 31, 2022, the Pender Bond Universe Fund, Pender Corporate Bond Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income 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 and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income 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	-
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	47,922,092	48,634,740

The remaining Funds had no accumulated capital losses or non-capital losses as at the end of the 2022 and 2021 tax year-end. Due to the merger, the non-capital losses that were available for the Pender Value Fund at the end of the tax year December 15, 2022 expired.



**Unaudited Semi-Annual Financial Statements of  
PENDER MUTUAL FUNDS**

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