PENDER

Pender Alternative Arbitrage Plus Fund

Six months ended June 30, 2023

Semi-Annual Management Report of Fund Performance

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

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

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations

The Pender Alternative Arbitrage Plus Fund (the "Fund") commenced operations on September 1, 2022. The net assets of the Fund were $17,088,470 as at June 30, 2023 versus $5,970,260 as at December 31, 2022. Of this $11,118,210 increase, $11,231,903 is attributable to net unitholder purchases of Fund units and $113,693 is attributable to negative investment performance.

Because the Fund has been in operation for less than one year, past performance data is not available for disclosure.

The following comments and the comments under "Recent Developments" reflect the views of the portfolio management team and are based on information as at June 30, 2023. Please read the caution regarding forward-looking statements located on the last page of this document.

We are pleased to report positive fund flows for the period ended June 30, 2023 and we are optimistic that the Fund will see a continuation of positive fund flows as investment advisors assess the Fund's strategy and risk/reward profile.

To achieve the Fund's objective of generating consistent, positive returns with low volatility and low correlation to equity markets, the Fund employs arbitrage strategies, which are specialized investment techniques designed with the goal of profiting from the successful completion of mergers, take-overs, tender offers, leveraged buyouts, spin-offs, liquidations and other corporate reorganizations. We may also use a variety of additional investment strategies permitted within an alternative mutual fund, including but not limited to investing in special purpose acquisition companies ("SPACs"), convertible securities, and preferred shares. The Pender Alternative Arbitrage Plus Fund is differentiated from the Pender Alternative Arbitrage Fund in that the strategy will use moderate levels of leverage where appropriate to enhance returns.

Portfolio transactions during the period were made based on our investment process that aims to identify attractive arbitrage opportunities, particularly in merger deals. In general, we added positions to the portfolio that we felt offered an attractive spread relative to the probability that a merger deal will close. The strategy seeks to exploit this return opportunity and deliver a relatively low volatility return to unitholders. We are constantly looking for new investment ideas and we may liquidate our positions for various reasons, such as when share prices have reached our assessment of fair value, when an acquisition has occurred, or where we have changed our investment thesis.

As at June 2023, the Fund was 139.3% invested in long positions, -3.6% invested in short positions. The geographic positioning of the Fund remains predominantly tilted towards the US with 106.5% of net exposure in this jurisdiction. The Fund remains broadly diversified across various industries and skewed to smaller companies. As at June 30, 2023, the Fund had a net exposure of 135.7% We feel this smaller market cap size is less exposed to the regulatory risk faced by larger merger deals and leverages the broader equity investment process at the Manager with its extensive research relating to smaller companies.

The overall sector exposure of the Fund is determined by stock selection decisions and may shift from time to time. As at June 30, 2023, we were weighted toward long position holdings in Financial Services, Health Care and Industrials sectors, because those are the sectors where we believe we are finding the best investment opportunities currently. These top three sectors accounted for 78.6% (long positions) of the Fund at the end of the period.

Recent Developments

Worldwide merger and acquisitions ("M&A") activity totalled $1.3 trillion through the first half of 2023, down 37% from the same period last year. Global M&A has declined this year as economic uncertainty, persistent inflation, higher interest rates, increased regulatory scrutiny and a precarious geopolitical environment have impacted the ability to complete deals. While these factors continue to weigh on markets today, the second quarter of the year did see a material improvement in deal activity with a 33% increase in total deal value from the first quarter of the year. Better-than-expected equity market performance, disinflation trends materializing and improved perceived visibility in the path of interest rates all appear to have given acquirers greater confidence to make deals.

The healthcare and energy & power sectors have led deal activity this year, surpassing the technology sector, which has led activity since 2020. While the share of private equity ("PE") backed mergers has declined from peak levels over the past two years when PE-led deals represented nearly half of all activity, PE-led activity in the first half of 2023 still ranks as the fourth highest level on record. With ample dry powder to deploy and strong financial incentives to do deals, we expect PE to remain active in public markets through the second half of the year.

With a hostile regulatory environment targeted at mega merger deals, large-cap M&A has seen a steep decline this year. Through the first half of 2023, there have been only 14 deals greater than $10 billion in size, a 53% decline from the same period last year and the lowest period of mega deal M&A since 2017. Large-cap M&A is likely to remain under pressure this year with key regulators at the Federal Trade Commission and United States Department of Justice continuing to demonstrate hostile regulatory oversight and increased anti-trust scrutiny. As larger deals continue to face regulatory and financing challenges, small merger deal activity should benefit, since they are relatively lower risk and easier to finance in a capital-constrained environment. With large-cap M&A typically being more transformational in nature, which is a challenging strategic decision in an uncertain environment, smaller deals in the form of tuck-ins for synergies or acquisitions to add new capabilities or expand into new markets are likely to be viewed as lower risk to investors. This will make it easier for management teams and boards to convince shareholders, bankers and debtholders of the merits of doing the deal.

One of the key benefits of a merger arbitrage strategy is the short duration of investments, which allows market participants to react quickly to new information and new market dynamics and reprice risk accordingly. With the first half of 2023 exhibiting a more challenging environment for the merger arbitrage industry, which was fraught with an unprecedented hostile regulatory regime, the industry has reacted to higher interest rates, lower deal activity and elevated regulatory risk, resulting in a favourable yield environment on both a relative and absolute basis.

Deal activity remains low despite a pickup in activity in Q2, but there are promising signs that activity could increase in the back half of the year. Corporate balance sheets and PE coffers remain flush with capital looking to be deployed and technological disruption could accelerate with the rapid growth of artificial intelligence (AI) forcing companies to acquire capabilities and expertise in order to remain viable. The surprising strength in equity markets has been driven by large-cap companies, which have expanded the gap between small and large cap valuations to near-record levels and created opportunities for accretive acquisitions for large companies or financial acquirers. While higher interest rates can be a headwind for large M&A deals as the cost and availability of financing is more challenging, it also can put pressure on businesses and make an acquisition below intrinsic value more tolerable for target company shareholders. As investor activism continues to rise and more companies look for ways to realize or unlock value, M&A activity in the small and mid-cap space is primed for action.

While inflation in both Canada and the US is showing continued signs of easing, labour markets remain strong and consumers continue to tap into residual savings from the pandemic putting pressure on the prices of goods and services. Commentaries from both central banks suggest that rates could remain high for longer than expected and that further rate hikes are possible should inflation rise. Despite rising rates, growing concerns about the economy and cracks forming in certain markets, the US equity market continues to exhibit confounding strength. This market environment presents a conundrum for investors — there is uncertainty in the path of interest rates as signs of a slowdown materialize, yet inflation remains high and persistent. As large-cap and broad equity market index valuations have expanded considerably through the year with equity risk premiums shrinking, investors are left with the challenging decision of where and how to allocate capital in an investment portfolio. With the path of interest rates and equity markets difficult to predict, investors would benefit from adding exposure to non-correlated, event-driven alternative investment strategies like merger arbitrage to hedge unpredictable and volatile market conditions.

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

Related Party Transactions

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

As at the end of the period, parties related to the Manager collectively held less than 1% of the Fund's units. In addition, the Pender Alternative Multi-Strategy Income Fund, Pender Income Advantage Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund), funds also managed by the Manager, collectively held less than 15% of the Fund's outstanding units.

Management Fees

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

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

Such expenses represented approximately 22% of the management fees paid by the Fund to the Manager for the period.

Performance Fees

The Manager is also entitled to a performance fee plus applicable taxes such as GST or HST on all classes of units of the Fund. For Class O units, this fee is or will be charged directly to Unitholders, as applicable. The performance fee is equal to 15% of the amount by which the total return of the class of units exceeds the previous high-water mark for each applicable class of units for the period since the performance fee was last paid. The high-water mark is the net asset value of the applicable class of units to which it applies as at the most recent determination date on which a performance fee was payable. Performance fees will be calculated and accrued daily, and such accrued fees will be payable by the Fund at the end of each year. The Manager has reserved the right to change the period for which any performance fee may be paid by a Fund. The Manager, at its discretion, may reduce or waive performance fees.

Financial Highlights

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

Fund's Net Assets Per Unit (a)

	2023 ($)	2022 ($)
Class A		
Net Assets, beginning of period	10.10	10.00
Increase (decrease) from operations:		
Total revenue	0.21	0.07
Total expenses	(0.42)	(0.06)
Realized gains (losses)	0.13	0.10
Unrealized gains (losses)	(0.05)	0.39
Total increase (decrease) from operations (b)	**(0.13)**	**0.50**
Distributions:		
From income (excluding dividends)	-	(0.02)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions (b), (c)	**-**	**(0.02)**
Net Assets, end of period	**10.00**	**10.10**
Class E		
Net Assets, beginning of period	10.10	10.00
Increase (decrease) from operations:		
Total revenue	0.16	0.15
Total expenses	(0.26)	(0.15)
Realized gains (losses)	0.00	(0.13)
Unrealized gains (losses)	0.04	0.27
Total increase (decrease) from operations (b)	**(0.06)**	**0.14**
Distributions:		
From income (excluding dividends)	-	(0.02)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions (b), (c)	**-**	**(0.02)**
Net Assets, end of period	**10.10**	**10.10**

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

	2023 ($)	2022 ($)
Class F		
Net Assets, beginning of period	10.11	10.00
Increase (decrease) from operations:		
Total revenue	0.15	0.05
Total expenses	(0.28)	(0.05)
Realized gains (losses)	0.04	0.05
Unrealized gains (losses)	0.02	0.33
Total increase (decrease) from operations (b)	**(0.07)**	**0.38**
Distributions:		
From income (excluding dividends)	-	(0.02)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions (b), (c)	**-**	**(0.02)**
Net Assets, end of period	**10.06**	**10.11**
Class H		
Net Assets, beginning of period	10.11	10.00
Increase (decrease) from operations:		
Total revenue	-	0.16
Total expenses	(0.10)	(0.15)
Realized gains (losses)	(0.07)	(0.13)
Unrealized gains (losses)	(0.08)	0.27
Total increase (decrease) from operations (b)	**(0.25)**	**0.15**
Distributions:		
From income (excluding dividends)	-	(0.02)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions (b), (c)	**-**	**(0.02)**
Net Assets, end of period	**-**	**10.11**
Class I		
Net Assets, beginning of period	10.18	10.00
Increase (decrease) from operations:		
Total revenue	0.14	(0.02)
Total expenses	(0.26)	0.01
Realized gains (losses)	0.02	0.14
Unrealized gains (losses)	0.02	0.17
Total increase (decrease) from operations (b)	**(0.08)**	**0.30**
Distributions:		
From income (excluding dividends)	-	(0.02)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions (b), (c)	**-**	**(0.02)**
Net Assets, end of period	**10.13**	**10.18**

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

	2023 ($)	2022 ($)
Class N		
Net Assets, beginning of period	10.11	10.00
Increase (decrease) from operations:		
Total revenue	-	0.16
Total expenses	(0.05)	(0.15)
Realized gains (losses)	(0.07)	(0.13)
Unrealized gains (losses)	(0.08)	0.27
Total increase (decrease) from operations (b)	**(0.20)**	**0.15**
Distributions:		
From income (excluding dividends)	-	(0.02)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions (b), (c)	**-**	**(0.02)**
Net Assets, end of period	**-**	**10.11**
Class O		
Net Assets, beginning of period	10.07	10.00
Increase (decrease) from operations:		
Total revenue	0.15	0.15
Total expenses	(0.21)	(0.14)
Realized gains (losses)	(0.11)	(0.13)
Unrealized gains (losses)	0.11	0.23
Total increase (decrease) from operations (b)	**(0.06)**	**0.11**
Distributions:		
From income (excluding dividends)	-	(0.04)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions (b), (c)	**-**	**(0.04)**
Net Assets, end of period	**10.10**	**10.07**
Class A (USD)		
Net Assets, beginning of period	13.71	13.16
Increase (decrease) from operations:		
Total revenue	0.03	(0.02)
Total expenses	(0.19)	0.01
Realized gains (losses)	0.10	0.15
Unrealized gains (losses)	(0.19)	0.43
Total increase (decrease) from operations (b)	**(0.25)**	**0.57**
Distributions:		
From income (excluding dividends)	-	(0.03)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions (b), (c)	**-**	**(0.03)**
Net Assets, end of period	**-**	**13.71**

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

	2023 ($)	2022 ($)
Class F (USD)		
Net Assets, beginning of period	13.71	13.16
Increase (decrease) from operations:		
Total revenue	0.02	(0.01)
Total expenses	(0.13)	0.00
Realized gains (losses)	(0.24)	0.19
Unrealized gains (losses)	(0.06)	0.22
Total increase (decrease) from operations (b)	**(0.41)**	**0.40**
Distributions:		
From income (excluding dividends)	-	(0.03)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions (b), (c)	**-**	**(0.03)**
Net Assets, end of period	**13.38**	**13.71**
Class H (USD)		
Net Assets, beginning of period	13.71	13.16
Increase (decrease) from operations:		
Total revenue	0.04	(0.02)
Total expenses	(0.17)	0.01
Realized gains (losses)	0.10	0.15
Unrealized gains (losses)	(0.19)	0.43
Total increase (decrease) from operations (b)	**(0.22)**	**0.57**
Distributions:		
From income (excluding dividends)	-	(0.03)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions (b), (c)	**-**	**(0.03)**
Net Assets, end of period	**-**	**13.71**

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

	2023 ($)	2022 ($)
Class I (USD)		
Net Assets, beginning of period	13.71	13.16
Increase (decrease) from operations:		
Total revenue	0.10	(0.02)
Total expenses	(0.22)	0.01
Realized gains (losses)	(0.01)	0.15
Unrealized gains (losses)	(0.20)	0.44
Total increase (decrease) from operations (b)	**(0.33)**	**0.58**
Distributions:		
From income (excluding dividends)	-	(0.03)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions (b), (c)	**-**	**(0.03)**
Net Assets, end of period	**13.40**	**13.71**

(a) This information is derived from the Fund's unaudited semi-annual financial statements as at June 30 and audited annual financial statements as at December 31 for the period stated, prepared under International Financial Reporting Standards. The Fund's information for each class is from the date each class commenced operations: September 1, 2022. Class A (USD), Class H, Class H (USD) and Class N were closed on May 26, 2023.
(b) Net assets per unit and distributions per unit are based on the actual number of units for the relevant Fund class outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding during the period.
(c) Distributions were paid in cash and/or reinvested in additional units of the Fund.

Ratios and Supplemental Data

	2023	2022
Class A		
Total net asset value ($000s) (a)	68	57
Number of units outstanding (a)	6,809	5,593
Management expense ratio before performance fee (b)	2.42%	0.00%
Management expense ratio (b)	2.42%	0.00%
Management expense ratio before absorptions (c)	2.42%	2.43%
Trading expense ratio (d)	2.83%	1.56%
Portfolio turnover rate (e)	204.54%	111.63%
Net asset value per unit ($) (a)	10.00	10.10
Class E		
Total net asset value ($000s) (a)	120	64
Number of units outstanding (a)	11,889	6,326
Management expense ratio before performance fee (b)	0.53%	0.00%
Management expense ratio (b)	0.53%	0.00%
Management expense ratio before absorptions (c)	0.53%	0.53%
Trading expense ratio (d)	2.83%	1.56%
Portfolio turnover rate (e)	204.54%	111.63%
Net asset value per unit ($) (a)	10.10	10.10
Class F		
Total net asset value ($000s) (a)	1,542	1,010
Number of units outstanding (a)	153,319	99,878
Management expense ratio before performance fee (b)	1.37%	0.00%
Management expense ratio (b)	1.37%	0.00%
Management expense ratio before absorptions (c)	1.37%	1.37%
Trading expense ratio (d)	2.83%	1.56%
Portfolio turnover rate (e)	204.54%	111.63%
Net asset value per unit ($) (a)	10.06	10.11
Class I		
Total net asset value ($000s) (a)	12,770	3,721
Number of units outstanding (a)	1,259,988	365,502
Management expense ratio before performance fee (b)	1.21%	0.00%
Management expense ratio (b)	1.21%	0.00%
Management expense ratio before absorptions (c)	1.21%	1.22%
Trading expense ratio (d)	2.83%	1.56%
Portfolio turnover rate (e)	204.54%	111.63%
Net asset value per unit ($) (a)	10.13	10.18
Class O		
Total net asset value ($000s) (a)	2,575	1,017
Number of units outstanding (a)	254,946	100,589
Management expense ratio before performance fee (b)	0.00%	0.00%
Management expense ratio (b)	0.00%	0.00%
Management expense ratio before absorptions (c)	0.00%	0.01%
Trading expense ratio (d)	2.83%	1.56%
Portfolio turnover rate (e)	204.54%	111.63%
Net asset value per unit ($) (a)	10.10	10.07

Ratios and Supplemental Data (cont'd)

	2023	2022
Class F (USD)		
Total net asset value ($000s) (a)	7	71
Number of units outstanding (a)	494	5,145
Management expense ratio before performance fee (b)	1.37%	0.00%
Management expense ratio (b)	1.37%	0.00%
Management expense ratio before absorptions (c)	1.37%	1.37%
Trading expense ratio (d)	2.83%	1.56%
Portfolio turnover rate (e)	204.54%	111.63%
Net asset value per unit ($) (a)	13.38	13.71
Class I (USD)		
Total net asset value ($000s) (a)	7	7
Number of units outstanding (a)	501	501
Management expense ratio before performance fee (b)	1.19%	0.00%
Management expense ratio (b)	1.19%	0.00%
Management expense ratio before absorptions (c)	1.19%	1.20%
Trading expense ratio (d)	2.83%	1.56%
Portfolio turnover rate (e)	204.54%	111.63%
Net asset value per unit ($) (a)	13.40	13.71

(a) This information is derived from the Fund's unaudited semi-annual financial statements as at June 30 and audited annual financial statements as at December 31 for the period stated, prepared under International Financial Reporting Standards. The Fund's information for each class is from the date each class commenced operations: September 1, 2022. Class A (USD), Class H, Class H (USD) and Class N were closed on May 26, 2023.
(b) Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the period and is expressed as an annualized percentage of daily average net asset value during the period. The MER may vary from one class of units to another because of differences in the applicable management fees and certain fees and expenses may have been absorbed by the Manager which would otherwise be paid by the Fund. Management expense ratio before performance fee is the MER before any performance fees, if applicable, for the stated period.
(c) The Manager of the Fund has agreed to absorb sufficient expenses of the Fund, as necessary, so that the annual MER before applicable taxes such as GST or HST will not exceed certain limits as outlined in the Fund's Simplified Prospectus. The amount of expenses absorbed is at the discretion of the Manager as set out in the Fund's Simplified Prospectus, and the Manager may in its sole discretion cease to absorb expenses.
(d) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
(e) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. In general, the higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Past Performance

The past performance for the Fund is not available for disclosure because it has been in operation for less than one year. The Fund commenced operations on September 1, 2022.

Summary of Investment Portfolio

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

Top 25 Holdings

	% of Net Assets
LONG POSITIONS	
Berkshire Grey, Inc.	4.7
IVERIC bio, Inc.	4.7
Diversey Holdings, Ltd.	4.6
Focus Financial Partners Inc., Class 'A'	4.6
Home Capital Group Inc.	4.6
Radius Global Infrastructure, Inc., Class 'A'	4.6
TESSCO Technologies Incorporated	4.2
Home Point Capital Inc.	4.1
INDUS Realty Trust, Inc.	4.0
Argo Group International Holdings, Ltd.	3.9
Quotient Technology Inc.	3.9
Greenhill & Co., Inc.	3.8
Univar Solutions Inc.	3.7
U.S. Xpress Enterprises, Inc., Class 'A'	3.5
BELLUS Health Inc.	3.4
GasLog Partners LP	3.4
NeoGames S.A.	3.2
Uni-Select Inc.	3.2
Arconic Corporation	3.1
eMagin Corporation	3.1
CIRCOR International, Inc.	2.9
Syneos Health, Inc.	2.8
Absolute Software Corporation	2.7
Franchise Global Health Inc.	2.7
Midwest Holding Inc.	2.7

Composition of the Portfolio

	% of Net Assets
LONG POSITIONS	
Financial services	32.7
Health care	24.1
Industrials	21.8
Information technology	21.3
Consumer discretionary	9.2
Communication services	8.5
Materials	7.7
Insurance	6.6
Real estate	4.0
Energy	3.4
Total Long Positions	**139.3**

Composition of the Portfolio (cont'd)

	% of Net Assets
SHORT POSITIONS	
Health care	(3.6)
Total Short Positions	**(3.6)**
Total investments	**135.7**
Derivative assets	0.7
Total investment portfolio	**136.4**
Bank overdraft	(32.6)
Other assets less liabilities	(3.8)
Total net assets	**100.0**

Caution Regarding Forward-Looking Statements

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

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

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

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

Pender Alternative Arbitrage Plus Fund

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