

PENDER EQUITY

PENDER SMALL/MID CAP DIVIDEND FUND

Know Your Product



PENDERFUND.COM

Signatory of:

 **PRI** | Principles for
Responsible
Investment

 **RIA**
Responsible Investment Association

This document contains key information you should know about Pender Small/Mid Cap Dividend Fund. You can find more detailed information in the fund's simplified prospectus. Ask your representative for a copy, contact PenderFund Capital Management Ltd. (Pender) at 1-866-377-4743 or info@penderfund.com or visit www.penderfund.com.

Before you invest in any fund, consider how it would work with your other investments and your tolerance for risk.

Quick facts

Fund code:	PGF1310	Fund manager:	PenderFund Capital Management Ltd.
Date class started:	January 17, 2020	Portfolio manager(s):	David Barr, CFA, Aman Budhwar, CFA PenderFund Capital Management Ltd.
Total value of the fund on April 30, 2023:	\$23.8 million	Distributions:	Net income quarterly; net capital gains annually. Automatically reinvested in additional units; cash upon request.
Management expense ratio (MER):	1.53%	Minimum investment:	\$5,000 initial, \$100 additional

What does the fund invest in?

The fund invests 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.

The charts below give you a snapshot of the fund's investments on April 30, 2023. The fund's investments will change.

Top 10 investments - (April 30, 2023)

1. Vecima Networks Inc.	5.2%
2. Sylogist Ltd.	5.0%
3. Spartan Delta Corp.	4.9%
4. Altius Renewable Royalties Corp.	4.6%
5. Computer Modelling Group Ltd.	4.1%
6. Hamilton Thorne Ltd.	3.6%
7. Héroux-Devtek Inc.	3.6%
8. Chorus Aviation Inc.	3.6%
9. Total Energy Services Inc.	3.5%
10. Colliers International Group Inc.	3.3%
Total percentage of top 10 investments	41.4%
Total number of investments	35

Investment mix - (April 30, 2023)

Industrials	20.4%
Energy	19.1%
Information Technology	14.7%
Financial Services	13.7%
Real Estate	10.7%
Utilities	7.6%
Materials	5.0%
Health Care	3.6%
Insurance	1.8%
Cash	1.2%
Banks	1.1%
Consumer Discretionary	1.1%

How risky is it?

The value of the fund can go down as well as up. You could lose money. One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

Risk rating

Pender has rated the volatility of Class F of the fund as medium.

This rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.

Low	Low to Medium	Medium	Medium to High	High
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For more information about the risk rating and specific risks that can affect the fund's returns, see the section titled "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund" in the fund's simplified prospectus.

No guarantees

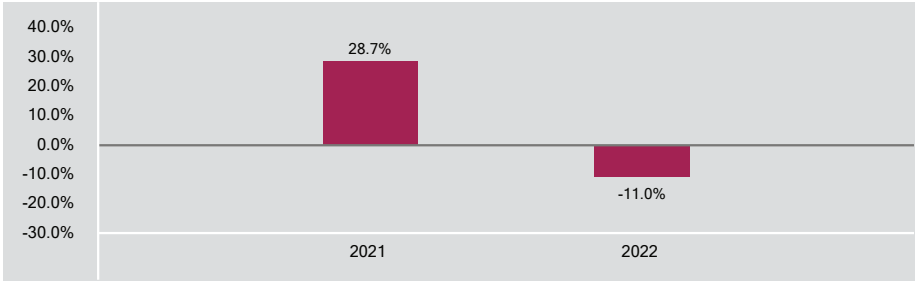
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

How has the fund performed?

This section tells you how Class F units of the fund have performed over the past 2 calendar years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

YEAR-BY-YEAR RETURNS

This chart shows how Class F units of the fund have performed in each of the past 2 calendar years. The fund dropped in value in 1 of the 2 calendar years. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.



BEST and WORST 3-MONTH RETURNS

This table shows the best and worst returns for Class F units of the fund in a 3-month period over the past 2 years. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3 months ended	If you invested \$1,000 at the beginning of the period
Best return	7.7%	January 31, 2023	Your investment would rise to \$1,077.
Worst return	-12.2%	June 30, 2022	Your investment would drop to \$878.

AVERAGE RETURN

The annual compounded return of Class F units of the fund was 16.2% since inception. If you had invested \$1,000 in the fund since inception, your investment would be now worth \$1,627.

Who is this fund for?

This fund is suitable for investors who want long-term capital growth potential and to receive dividends. Investors in this fund should have a long-term investment time horizon and a medium tolerance for investment risk. This fund is not suitable for those with a low tolerance for risk in their returns or for those who have a short or medium time horizon for their investment.

A word about tax

In general, you pay income tax on your share of the fund's earnings and on any gains you realize from redeeming your investment. The amount of tax depends on the tax rules and rates that apply to you, and whether you hold the fund in a registered plan, such as an RRSP or TFSA.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell Class F units of the fund. The fees and expenses – including any commissions – can vary among classes of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

1. SALES CHARGES

There are no sales charges for Class F units of the fund.

2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. As of December 31, 2022, the expenses of Class F were 1.66% of the value of this class. This equals \$16.60 for every \$1,000 invested.

	Annual rate (as a % of the class' value)
Management expense ratio (MER)	1.53%
This is the total of the fund's management fee (including, if applicable, the trailing commission) and administration fee.	
Trading expense ratio (TER)	0.13%
These are the fund's trading costs for this class.	
Fund expenses	1.66%

More about the trailing commission

No trailing commission is paid by Pender to your representative's firm in respect of Class F securities.

3. OTHER FEES

You may have to pay other fees when you buy, hold, sell or switch units of the fund.

Fee	What you pay
Short-term trading fee	You may be charged up to 2.00% of the value of units you sell or switch within 30 days of buying them. This fee goes to the fund.
Switch fee	Your representative's firm may charge you up to 2.00% of the value of units you switch to another class of the fund or to another fund managed by Pender.
Fee-based account fee	You may pay a fee-based account fee, which is negotiated between you and your representative, and paid directly to your representative's firm. Investors who purchase this class of the fund generally participate in an eligible fee-based program with their representative's firm.

What if I change my mind?

Under the securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund units within two business days after you receive a simplified prospectus or Fund Facts document; or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you will also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document; or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

For more information

Contact Pender or your representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents, which can be found on our website at www.penderfund.com or on the SEDAR website at www.sedar.com.

PenderFund Capital Management Ltd.
1066 W. Hastings St., Suite 1830
Vancouver, BC V6E 3X2
Toll Free: 1-866-377-4743
Fax: 604-563-3199
Email: info@penderfund.com
www.penderfund.com

To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at www.securities-administrators.ca.



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EQUITY

December 2023 / CLASS F

Pender Small/Mid Cap Dividend Fund

NET ASSET VALUE	AS OF Dec 31/23
Class F	\$13.85
Fund Beta	0.91
Active Share (%)	98.89
Total Holdings	30
Total Net Assets of Fund	\$21.05 Million

FUND FACTS

Asset Class	Small/Mid Cap Equities
Fund Inception	January 2020
Valuations	Daily
Eligibility	Canada-wide Registered Plans
Distributions	DRIP Quarterly Cash Optional

FUND INFO

	CODES
Class A	PGF 1300
Class F	PGF 1310
Class H	PGF 1340
Class I	PGF 1350

FUND INFO

	MGMT FEE	MER*
Class A	1.95%	2.59%
Class F	0.95%	1.55%
Class H	1.65%	2.26%
Class I	0.80%	1.37%

*MERs as at 2023-06-30.

MINIMUM INVESTMENT

	Initial Investment	Subsequent Investment
Class A	\$5,000	\$100
Class F	\$5,000	\$100
Class H	\$100,000	\$100
Class I	\$100,000	\$100

FUND OVERVIEW

Legal Counsel	Lawson Lundell LLP
Fund Admin	CIBC Mellon
Auditor	KPMG LLP

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.

PERFORMANCE (%)

1 Mo.	3 Mo.	6 Mo.	1 Yr.	3 Yr.	SINCE INCEPTION
4.9	3.0	3.4	5.0	6.3	14.7

ANNUAL PERFORMANCE (%)

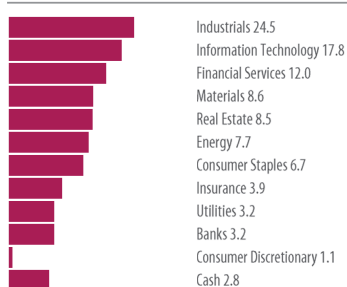
2021	2022	2023	2023 YTD
28.7	-11.0	5.0	5.0

DISTRIBUTIONS (\$)

Jun 22	Sep 22	Dec 22	Mar 23	Jun 23	Sep 23	Dec 23	SINCE INCEPTION
0.10	0.10	0.09	0.12	0.10	0.10	0.09	2.96

Since Inception returns and distributions are from Jan 2020. All returns greater than a year are annual compounded returns.

SECTOR ALLOCATION (%)



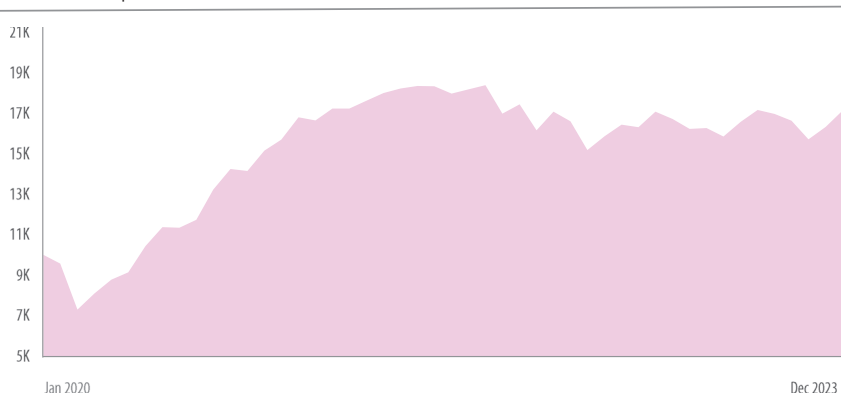
ASSET ALLOCATION (%)



CURRENCY ALLOCATION (%)



GROWTH OF \$10K



TOP 10 HOLDINGS

Computer Modelling Group Ltd. TSX:CMG	Computer Modelling Group Ltd., a computer software technology company, engages in the development and licensing of reservoir simulation software and related services in Canada and internationally.
NFI Group Inc. TSX:NFI	NFI Group Inc., together with its subsidiaries, manufactures and sells buses in North America, the United Kingdom, Europe, and the Asia Pacific.
Aecon Group Inc. TSX:ARE	Aecon Group Inc., together with its subsidiaries, provide construction and infrastructure development services to private and public sector clients in Canada, the United States, and internationally.
Héroux-Devtek Inc. TSX:HRX	Héroux-Devtek Inc. engages in the design, development, manufacture, finishing, assembling, and repair and overhaul of aircraft landing gears, hydraulic and electromechanical flight control actuators, custom ball screws, and fracture-critical components.
Sylogist Ltd. TSX:SYZ	Sylogist Ltd., a software company, provides SaaS solutions in Canada, the United States, and the United Kingdom.
Vecima Networks Inc. TSX:VCM	Vecima Networks Inc. engages in the development of integrated hardware and software solutions for broadband access, content delivery, and telematics.
Trisura Group Ltd. TSX:TSU	Trisura Group Ltd., a specialty insurance company, operates in the surety, risk solutions, corporate insurance, and reinsurance businesses in Canada, the United States, and internationally.
ADENTRA Inc. TSX:ADEN	ADENTRA Inc. engages in the wholesale distribution of architectural building products to the residential, repair and remodel, and commercial construction markets in Canada and the United States.
Evertz Technologies Limited TSX:ET	Evertz Technologies Limited engages in the design, manufacture, and distribution of video and audio infrastructure solutions for the production, post-production, broadcast, and telecommunications markets in Canada, the United States, and internationally.
Stella-Jones Inc. TSX:SJ	Stella-Jones Inc. produces and markets pressure-treated wood products in Canada and the United States.

Source: Capital IQ

PORTFOLIO MANAGER(S)

DAVID BARR, CFA

Mr. Barr is the CEO of PenderFund. He is also the Portfolio Manager of several of Pender's funds and has been investing since 2000. Mr. Barr is an advocate of value investing and aims to determine the intrinsic value of a company and to buy shares in that company at a significant discount to that value (margin-of-safety). He looks for value in unloved and unfollowed parts of the market where he can find quality at a discount. Capital preservation and downside protection are a primary concern. Mr. Barr holds a Bachelor of Science degree from the University of British Columbia and an MBA from the Schulich School of Business at York University. He earned his CFA designation in 2003 and is a past President and an active member of the CFA Society Vancouver.

AMAN BUDWAR, CFA

Mr. Budwar is the Portfolio Manager of the Pender Small/Mid Cap Dividend Fund. He joined Pender in February 2022. Aman is passionate about capital markets and has over 25 years of experience in the field of equity research, analysis and stock-picking. Prior to joining Pender, Aman held Senior Equity Analyst positions at leading Canadian fund and asset management firms. Prior to that, he began his career as an Investment Correspondent for India's leading business daily. He also worked with a domestic stockbroker in Mumbai before immigrating to Canada in 2001. Aman holds a Bachelor of Commerce from Garhwal University in India and an MBA from the Institute of Management Technology in India. He earned his Chartered Financial Analyst (CFA) designation in 2004.

ABOUT PENDER

Pender was founded in 2003 and is an independent, employee-owned investment firm located in Vancouver, British Columbia. Our goal is to protect and grow wealth for our investors over time. We have a talented investment team of expert analysts, security selectors and independent thinkers who actively manage our suite of differentiated investment funds, exploiting inefficient parts of the investing universe to achieve our goal.

PenderFund Capital Management Ltd.
1830-1066 West Hastings, Street
Vancouver, BC V6E 3X2

Toll Free: 1-866-377-4743
Tel: (604) 688-1511 Fax: (604) 563-3199

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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the simplified prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in net asset value and assumes reinvestment of all distributions and are net of all management and administrative fees, but do not take into account sales, redemption or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. This commentary is intended for information purposes only and does not constitute an offer to buy or sell our products or services nor is it intended as investment and/or financial advice on any subject matter and is provided for your information only. Every effort has been made to ensure the accuracy of its contents. © Copyright PenderFund Capital Management Ltd. All rights reserved. Dec 31/23.



Pender Small/Mid Cap Dividend Fund

Additional Fund Information
Class F, December 31, 2023

NAV PER UNIT	
Class A	\$13.60
Class F	\$13.85
Class H	\$13.65
Class I	\$13.83

TOP 10 HOLDINGS	44.6%
Computer Modelling Group Ltd.	5.8%
NFI Group Inc.	5.7%
Aecon Group Inc.	5.3%
Héroux-Devtek Inc.	4.5%
Sylogist Ltd.	4.1%
Vecima Networks Inc.	4.0%
Trisura Group Ltd.	3.9%
ADENTRA Inc.	3.9%
Evertz Technologies Limited	3.8%
Stella-Jones Inc.	3.6%

SUPPLEMENTAL INFORMATION	
Alpha	6.38
Beta	1.06
Correlation	0.85
Sharpe	0.61
Standard Deviation	21.61
Up Capture	23
Down Capture	19

COUNTRY OF DOMICILE	
Canada	97.2%
Cash	2.8%

Supplemental Information Statistics are calculated based on class A units of the fund since the fund's inception date. The actual results for class F units should be substantially similar to above units.

Supplemental statistics are calculated using the S&P/TSX Composite Index.



Our Investment Team

Pender Small/Mid Cap Dividend Fund



David Barr, CFA

CEO & Portfolio Manager

David Barr is Pender's CEO and the Portfolio Manager of several of Pender's funds. David began his investing career in 2000 and has been with Pender since 2003. David believes that investing in a company well below intrinsic value decreases the risk and sets it up for generating long term performance. He is driven to find quality at a discount and looks for ideas in unpopular places with a view to reducing risk and finding prices that include a margin-of-safety. David holds an MBA from the Schulich School of Business and earned his CFA designation in 2003.



Felix Narhi, CFA

Chief Investment Officer & Portfolio Manager

Felix Narhi is the Chief Investment Officer and a Portfolio Manager at Pender. Felix spent over nine years at an independent and value-oriented investment firm in Vancouver before joining Pender in 2013. Felix advocates for a business-like approach to investing, determining the value underlying a security and then buying it at a considerable discount to that value. He sees the greatest challenge as maintaining the necessary balance between patience, emotional fortitude and discipline to only buy when prices are attractive and to sell when they are dear. Felix holds a Bachelor of Commerce degree from the University of British Columbia and earned his CFA designation in 2003.



Amar Pandya, CFA

Portfolio Manager

Amar Pandya is a Portfolio Manager at Pender. Before joining Pender in 2017, he was an APM at a large-cap equity value firm. He began his investment career in the Portfolio Management Training Program at a large global financial services company. As an advocate of a contrarian value investing approach, Amar works to identify out of favour, high quality compound growth businesses, as well as opportunistic close-the-discount investment opportunities trading at a significant discount to intrinsic value. He has expertise in event driven special situations with a primary focus on M&A and balance sheet driven special situations, uncovering many opportunities which have contributed to Pender's equity mandates. He holds a Bachelor of Commerce degree in Finance (Honours) from the University of Manitoba. He earned his Chartered Financial Analyst designation in 2015.



Aman Budwar, CFA

Portfolio Manager

Aman Budwar is a Portfolio Manager at Pender and has over 25 years of experience in the field of equity research, analysis and stock-picking. Throughout his career, Aman has pursued investment opportunities with a long term, differentiated view. He has developed a process to help identify long term compounders by focusing on key attributes such as a sustainable competitive advantage, high returns on capital, and an attractive free cash flow yield. Aman holds a Bachelor of Commerce from Garhwal University in India and an MBA from the Institute of Management Technology in India. He earned his Chartered Financial Analyst (CFA) designation in 2004.



Our Investment Team

Pender Small/Mid Cap Dividend Fund



Sharon Wang

Senior Investment Analyst

Sharon Wang joined Pender 2013 and is a Senior Equity Analyst. Prior to joining Pender, Sharon was a Research Associate at a brokerage firm based in Vancouver, where she specialized in the information technology and consumer products sectors and special situations. Sharon has a profound knowledge of the Canadian/US small cap tech landscape, and she has been responsible for uncovering many strong portfolio contributors over the years. Sharon holds a BA in English Literature, a MSc Finance from the Carroll School of Management at Boston College, MA and has completed the CFA Program.



Tracy Tidy, CFA

Investment Analyst

Tracy Tidy is an Equity Analyst and joined Pender in January 2019. She began her investing career as an Institutional Equity Sales Trader for two multi-national investment firms before moving to a well-regarded deep-value asset manager based in Vancouver where she spent ten-years as an Associate Vice President focusing on global companies. At Pender, Tracy focuses on Canadian small cap companies. She holds a Bachelor of Business Administration degree from Simon Fraser University and is a CFA charterholder. In addition, she holds the ICD.D designation from the Institute of Corporate Directors.



Ruben Gomez-Garcia

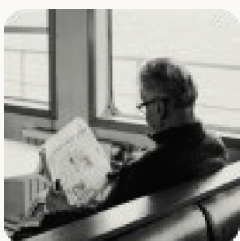
Equity Analyst

Ruben Gomez-Garcia joined Pender in July 2023 as an Equity Analyst. Prior to joining Pender, Ruben was an Equity Research Associate at RBC where he covered diversified financials. He also has research experience in industrials and consumer equities. Ruben is an alumnus of the Beedie School of Business at Simon Fraser University.



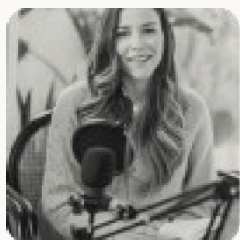
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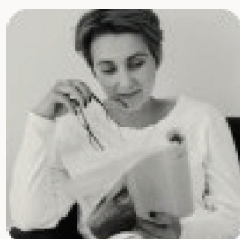
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For More Information



Ben Myers

Regional Vice President
Ontario
+1 647 203 2736
bmyers@penderfund.com



Patrick Hogan

Regional Vice President
Alberta & Manitoba
+1 780 850 4999
phogan@penderfund.com



Lucy Nair

Manager
Inside Sales
+1 778 945 1147
lnair@penderfund.com



Georgia Cleland

Business Development Manager
Ontario
+1 437 423 7039
gcleland@penderfund.com



Rupina Baek

Business Development Manager
BC & Saskatchewan
+1 778 681 0710
rbaek@penderfund.com



Ian Collins

Vice President
Business Development
+1 604 219 9598
icollins@penderfund.com



Josh Rowland, CFA

Regional Vice President
Ontario
+1 905 439 0369
jrowland@penderfund.com



Laurent Galarneau

Regional Vice President
Quebec
+1 514 835 8423
lgalarneau@penderfund.com



Sara Embury

Regional Vice President
BC & Saskatchewan
+1 604 630 5450
sembury@penderfund.com



Michael Young, CFA

Regional Sales Manager
Southwest Ontario
+1 437 238 4589
myoung@penderfund.com



Matthew MacDonald

Business Development Manager
BC & Calgary
+1 778 628 0534
mmacdonald@penderfund.com





Pender was founded in 2003 and is an independent, employee-owned investment firm located in Vancouver, British Columbia.

Our goal is to protect and grow wealth for our investors over time. We have a talented investment team of expert analysts, security selectors and independent thinkers who actively manage our suite of differentiated investment funds, exploiting inefficient parts of the investing universe to achieve our goal.

This brochure is subject to the Disclaimer found here: www.penderfund.com/disclaimer

Standard Performance Data for Pender Funds may be found here:

Equity Funds: www.penderfund.com/equity

Fixed Income Funds: www.penderfund.com/fixed-income

Balanced Funds: www.penderfund.com/balanced

Liquid Alternative Funds: www.penderfund.com/liquid-alternative-funds

Standard Performance Information for Funds that have been launched within the last 12 months will be available one year after inception.

For more information on Pender Ventures please visit: www.penderventures.com

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