PENDER
PenderFund Capital Management Ltd.

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Relationship Disclosure Brochure

About PenderFund Capital Management Ltd.

PenderFund Capital Management Ltd. ("Pender") is the manager of the following investment funds:

Fund	Type of Entity	Advisor Sales – APPROVED	Direct Sales (High Net Worth/ Institution sales) - APPROVED
Pender Bond Universe Fund	Mutual/SP	Canada-wide	British Columbia, Alberta, Manitoba, Ontario and Quebec
Pender Corporate Bond Fund	Mutual/SP	Canada-wide	British Columbia, Alberta, Manitoba, Ontario and Quebec
Pender Small Cap Opportunities Fund	Mutual/SP	Canada-wide	British Columbia, Alberta, Manitoba, Ontario and Quebec
Pender Small/Mid Cap Dividend Fund	Mutual/SP	Canada-wide	British Columbia, Alberta, Manitoba, Ontario and Quebec
Pender Strategic Growth and Income Fund	Mutual/SP	Canada-wide	British Columbia, Alberta, Manitoba, and Ontario
Pender Value Fund	Mutual/SP	Canada-wide	British Columbia, Alberta, Manitoba, Ontario and Quebec
Pender Alternative Absolute Return Fund	Alternative Mutual/SP	Canada-wide	British Columbia, Alberta, Manitoba, Ontario and Quebec
Pender Alternative Arbitrage Fund	Alternative Mutual/SP	Canada-wide	British Columbia, Alberta, Manitoba, Ontario and Quebec
Pender Alternative Arbitrage Plus Fund	Alternative Mutual/SP	Canada-wide	British Columbia, Alberta, Manitoba, Ontario and Quebec
Pender Alternative Multi-Strategy Income Fund	Alternative Mutual/SP	Canada-wide	British Columbia, Alberta, Manitoba, Ontario and Quebec
Pender Alternative Special Situations Fund	Alternative Mutual/SP	Canada-wide	British Columbia, Alberta, Manitoba, Ontario and Quebec
Pender Income Advantage Fund	Offering Memorandum	BC AB MB ON SK NB NS PEI NWT	British Columbia, Alberta, Manitoba, and Ontario
Pender Partners Fund	Corporation	BC AB MB ON SK NB NS PEI NWT	British Columbia, Alberta, Manitoba, and Ontario
Pender Growth Fund Inc.	Public Company Reporting Issuer	Through any dealer worldwide	Not available
Pender Technology Inflection Fund I Limited Partnership[1]	Alternative/LP, closed end fund	Limited Partnership Agreement in all provinces except Ontario, Quebec and Newfoundland; Accredited Investor Canada-wide	
Pender Technology Inflection Fund II Limited Partnership[2]	Alternative/LP, closed end fund	Limited Partnership Agreement in all provinces except Ontario, Quebec and Newfoundland; Accredited Investor Canada-wide	
Pender Credit Opportunities Fund Limited Partnership	Alternative/LP, closed end fund	Limited Partnership Agreement in all provinces except Ontario, Quebec and Newfoundland; Accredited Investor Canada-wide	

(each a "Fund" or collectively the "Funds")

[1] The Pender Technology Inflection Fund I Limited Partnership is technically not an Investment Fund and is managed by Pender Private Equity Fund Management Inc., which is 100% owned by Pender and has the same mind and management as Pender.

[2] The Pender Technology Inflection Fund II Limited Partnership is technically not an Investment Fund and is managed by Pender Private Equity Fund Management II Inc., which is 100% owned by Pender and has the same mind and management as Pender.

Pender is registered as an Adviser (in the category of Portfolio Manager) ("PM"), Investment Fund Manager ("IFM") and Exempt Market Dealer ("EMD") with the British Columbia Securities Commission and the Ontario Securities Commission, as an IFM and EMD with the Autorité des marchés financiers (Quebec), and as an IFM with the Government of Newfoundland and Labrador, and as an EMD with the Alberta Securities Commission and the Manitoba Securities Commission.

Pender Private Clients

In its capacity as an EMD, Pender distributes units of the Funds to its Pender private clients ("Private Client" and collectively, "Private Clients"). We review each purchase to ensure it is suitable for our Private Clients and puts our Private Clients' interests first. Pender generally distributes exclusively units of its Funds to its Private Clients, and only distributes third party funds on an exception basis. Private Clients will establish an account at Pender that will allow you to purchase and redeem units of the Funds. Other securities such as stocks and bonds cannot be purchased within this account. In order to be a Private Client, you must quality for a prospectus-exemption offered by the province in which you reside. Your account does not hold your units of the Funds; your units in the Funds are maintained with CIBC Mellon which is the registrar and transfer agent for the Funds.

Pender Separately Managed Account Clients

In its capacity as a PM, Pender offers discretionary management services to clients on a separately managed account ("SMA Client" and collectively, "SMA Clients") basis in which Pender will assess whether a purchase or sale of a security in a SMA Client account is suitable for the SMA Client, and that places the SMA Client's interest first prior to executing a transaction on the SMA Client's behalf. SMA Clients will establish an account with a third party custodian that will allow Pender to purchase individual securities within the account. In order to be a SMA Client at Pender, you must enter into a Portfolio Management Agreement with Pender.

KYC Information Pender has Collected

In order for Pender to assess whether an investment decision is suitable for you and puts your interests first, Pender will first collect certain information concerning you to establish your identity and review and understand your Know Your Client ("KYC") information. This KYC information includes but is not limited to your: a) personal circumstances; b) financial circumstances; c) investment needs and objectives; d) invest knowledge; e) risk profile; and f) investment time horizon.

Restrictions on Your Ability to Redeem a Fund

There may be restrictions on your ability to redeem or liquidate a Fund that you are invested in. You should carefully consider these restrictions. See Appendix A for the risks associated with each Fund.

Risks of Investing

In connection with an investment in any of the Funds or individual securities, you should carefully consider the risks of your investment. See Appendix A for the risks associated with each Fund and a description of the risks associated with individual securities.

Risk of Using Leverage

Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash only. If you borrow money to purchase securities, your responsibility to pay interest and principal as required by its terms remain the same even if the value of your investment declines.

Conflicts of Interest

Pender is the manager of the Funds. In exchange for our management services, Pender charges each respective Fund certain management and administration fees. In general, Pender will manage its relevant conflicts of interest as follows:

Avoid: In situations where conflicts cannot be effectively addressed or where conflicts are prohibited by law, we will avoid them.

Control: We will establish policies and procedures to provide procedures and guidelines on managing certain conflicts.

Disclose: We will provide you with information about certain conflicts so that you are able to evaluate their significance prior to you making decisions concerning your investments with us.

See Appendix B for a list of Pender's related parties and Appendix C for Pender's Conflict of Interest Disclosure Statement.

Client Reporting

For Private Clients your unit balances are maintained by Prometa Fund Service Inc. for units of the Pender Private Investments Inc., by Pinnacle Fund Services for Pender Technology Inflection Fund I Limited Partnership and Pender Technology Inflection Fund II Limited Partnership, and by CIBC Mellon for all other funds. For Private Clients, you will receive a confirmation from the applicable unitholder record keeper after each transaction and a statement from showing the value of your holdings at the end of each calendar quarter. For SMA Clients, you will receive quarterly statements from your Custodian and from Pender, or as otherwise negotiated. For all Pender clients, you are able to receive these statements on a monthly basis, upon request. For all Pender clients, you will also receive an annual report on compensation detailing the amount of compensation received by Pender for the prior calendar year, along with a report regarding the performance of your account with Pender.

Fees and Other Charges

For Private Clients, in exchange for our management services, Pender charges each Fund its respective management and administration fees. There are no additional fees for opening, maintaining, operating, closing or transferring your account. We also do not charge you any fees when purchasing or redeeming units of the Funds. For SMA Clients, Pender charges a management fee which is disclosed in the Investment Management Agreement that you sign with Pender.

Custodian

For Private Clients, CIBC Mellon is the custodian for all funds managed by Pender, except for the Pender Alternative Absolute Return Fund, the Pender Alternative Arbitrage Fund, the Pender Alternative Arbitrage Plus Fund, the Pender Alternative Special Situations Fund, which has The Bank of Nova Scotia ("Scotia") as its custodian, Pender Credit Opportunities Fund Limited Partnership which has Aviso Wealth as its custodian and the Pender Technology Inflection Fund I Limited Partnership[3] and Pender Technology Inflection Fund II Limited Partnership[4] which are self-custodied. CIBC Mellon provides custodial services to Pender through: CIBC Global Securities Services Company, CIBC Mellon Trust Company, the Canadian Imperial Bank of Commerce and, as applicable, the Bank of New York Mellon ("CIBC Mellon" and together with Scotia, the "Custodian"). The Custodian holds client assets in trust to the benefit of the Funds, are segregated on not mingled with other assets. Pender, in its capacity as the IFM of each of the Funds, is provided access to the assets of the Funds. The Custodian is a qualified Canadian custodian as defined in securities legislation. In the case where a sub-custodian is used by the Custodian, this information is available upon request. The Custodian is independent of Pender.

The assets of the Funds are being held with the Custodian (or prime broker if applicable) and their records will be reconciled against Pender's record-keeping systems.

Dispute Resolution

Should you have a complaint or concern about Pender, we fully encourage you to bring this to the attention of our Chief Compliance Officer. We will acknowledge receipt of a complaint within five business days of receipt of your complaint re-outline our obligations to you at that time, and we will advise you that you may be eligible to utilize the Ombudsman for Banking Services and Investments ("OBSI"). OBSI is a free and independent dispute resolution service.

Within 90 days receiving your complaint we will provide you with a written response detailing our findings and our proposed course of action should any be required. Should the complaint not be resolved in a manner that is satisfactory to you, we will advise you that you may be eligible to use OBSI. You have 180 days from the date of our written response to register a complaint with OBSI.

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[3] *Securities in which the Pender Technology Inflection Fund I Limited Partnership (the 'LP' is invested will be registered in the name of the LP in the books of the relevant issuer, transfer agent or trustee. For some private offerings this may be the only method available to hold such securities.*

[4] *Securities in which the Pender Technology Inflection Fund II Limited Partnership (the 'LP' is invested will be registered in the name of the LP in the books of the relevant issuer, transfer agent or trustee. For some private offerings this may be the only method available to hold such securities.*

OBSI may be contacted by email at ombudsman@obsi.ca or by telephone at 1-888-451-4519. OBSI works in a confidential and informal manner and a lawyer is not required. OBSI will investigate your matter and may interview you and us. We will cooperate with OBSI's investigations. OBSI will then provide its recommendations which are not binding on us and can recommend compensation of up to $350,000.

Benchmarks

Comparing performance to that of an appropriate benchmark may be a useful exercise for assessing performance. From time to time Pender in its materials may present its performance and also the performance of a comparative benchmark. Unless otherwise stated, the benchmark presented should reflect the general investment universe and risk profile of the portfolio to which it is compared. Benchmark returns are intended to provide a basis for understanding a portfolio's historic performance in relation to comparable investments or the market segment in which the portfolio is invested. However, a portfolio's past performance relative to a benchmark may not be reflective of the future performance. Performance of the portfolio will vary from that of the benchmark as the securities held by the portfolio and/or their relative composition will vary from the benchmark. In certain cases, the performance of a portfolio has been compared to returns of a general index such as the TSX/S&P, and the S&P500 indexes. These index returns are shown because they are widely quoted and are provided for general information purposes only. They may not be a fair comparison to the portfolio because the investment universe and risk profile of the portfolio differ from the index. Benchmark returns are obtained from sources believed to be accurate. However, Pender does not take any steps to verify their accuracy or completeness. For more information about comparing your returns to a benchmark, please contact us.

Impact of Fees on Investment Returns

Ongoing fees can reduce the value of your investment. This is particularly true over time, because not only is your investment balance reduced by the fee, but you also lose any return you would have earned on that fee. Over time, even ongoing fees that are small can have an impact on the value of your investment.

Trusted Contact Person

By choosing to provide information about a trusted contact person, you authorize Pender to contact the trusted contact person and disclose information about your accounts to that person in the following circumstances:

- (a) possible financial exploitation of yourself;
- (b) concerns about your mental capacity as it relates to your financial decision making or lack of decision making;
- (c) the name and contact information of any of the following:
    - a. a legal guardian of yourself,
    - b. an executor of an estate under which you are a beneficiary;
    - c. a trustee of a trust under which you are a beneficiary, or
    - d. any other personal or legal representative of yourself; or
- (d) your current contact information.

Temporary Holds

A temporary hold means a hold that is placed by Pender on the purchase or sale of a security on your behalf or on the withdrawal or transfer of cash or securities from your account.

Pender will not place a temporary hold on your accounts unless we reasonably believe that:

(a) you are a vulnerable client;
(b) you have been financially exploited, financial exploitation is occurring, has been attempted or will be attempted; or
(c) we reasonably believe that you do not have the mental capacity to make decisions involving financial matters.
Should a temporary hold be placed on your accounts we will provide you notice of the temporary hold and the reasons for the temporary hold as soon as possible. We will continue to review the relevant facts on an ongoing basis in order to determine if continuing the hold is appropriate. Within 30 days of placing the temporary hold and, until the hold is revoked, we will update you on a monthly basis to inform you if we have revoked the temporary hold or provide you with notice of our decision to continue the hold, and the reasons for that decision.

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Appendix A - Risks Associated with Investments (all are potentially applicable) and Investments in the Funds

Mutual Funds & Alternative Mutual Funds

Type of Risk	Bond Universe Fund	Corporate Bond Fund	Small Cap Opps Fund	Small/Mid Cap Dividend Fund	Strategic Growth & Income Fund	Value Fund	Alternative Absolute Return Fund	Alternative Arbitrage Fund	Alternative Arbitrage Plus Fund	Alternative Multi-Strategy Income Fund	Alternative Special Situations Fund
Arbitrage Risk								x	x	x	x
Asset-backed and mortgage-backed securities risk	x	x			x					x	
Business risk	x	x	x	x	x	x	x	x	x	x	x
Call risk	x	x			x		x	x	x	x	x
Changes in legislation risk	x	x	x	x	x	x	x	x	x	x	x
Class risk	x	x	x	x	x	x	x	x	x	x	x
Closed end fund risk	x	x	x	x	x	x	x	x	x	x	x
Commodity risk	x	x	x	x	x	x	x	x	x	x	x
Concentration risk	x	x	x	x	x	x	x	x	x	x	x
Counterparty risk	x	x	x	x	x	x	x	x	x	x	x
Credit risk	x	x			x		x	x	x	x	x
Currency, foreign exchange and hedging risk	x	x	x	x	x	x	x	x	x	x	x
Cybersecurity and business continuity risk	x	x	x	x	x	x	x	x	x	x	x
Depository securities and receipts risk			x	x	x	x		x	x	x	x
Derivative risk	x	x	x	x	x	x	x	x	x	x	x
Emerging markets risk											
Equity risk	x	x	x	x	x	x	x	x	x	x	x
ESG Investment Strategies or Objectives Risk											
ETF index risks							x	x	x	x	x
ETF industry sector risk							x	x	x	x	x
Fixed income risk	x	x			x		x	x	x	x	x

Type of Risk	Bond Universe Fund	Corporate Bond Fund	Small Cap Opps Fund	Small/Mid Cap Dividend Fund	Strategic Growth & Income Fund	Value Fund	Alternative Absolute Return Fund	Alternative Arbitrage Fund	Alternative Arbitrage Plus Fund	Alternative Multi-Strategy Income Fund	Alternative Special Situations Fund
Floating rate instruments risk							x			x	
Foreign market risk	x	x	x	x	x	x	x	x	x	x	x
Fund-on-fund risk	x	x	x	x	x	x	x	x	x	x	x
Global pandemic risk	x	x	x	x	x	x	x	x	x	x	x
Gold and silver ETFs risk											
High yield securities risk	x	x			x		x	x	x	x	x
Income trust and REIT risk	x	x	x	x	x	x	x	x	x	x	x
Interest rate risk	x	x			x		x	x	x	x	x
Lack of separate counsel risk	x	x	x	x	x	x	x	x	x	x	x
Large transaction risk	x	x	x	x	x	x	x	x	x	x	x
Leverage Risk							x	x	x	x	x
Liquidity risk	x	x	x	x	x	x	x	x	x	x	x
Market risk	x	x	x	x	x	x	x	x	x	x	x
Net asset value risk	x	x	x	x	x	x	x	x	x	x	x
No assurance of return risk	x	x	x	x	x	x	x	x	x	x	x
Performance fee risk			x				x	x	x	x	x
Portfolio manager risk	x	x	x	x	x	x	x	x	x	x	x
Portfolio turnover risk	x	x	x	x	x	x	x	x	x	x	x
Potential conflicts of interest risk	x	x	x	x	x	x	x	x	x	x	x
Prepayment risk	x	x			x		x	x	x	x	x
Prime broker risk							x	x	x	x	x
Private company risk			x	x	x	x	x	x	x	x	x
Rebalancing risk	x	x	x	x	x	x	x	x	x	x	x
Regulatory risk	x	x	x	x	x	x	x	x	x	x	x
Securities lending risk	x	x	x	x	x	x					

Type of Risk	Bond Universe Fund	Corporate Bond Fund	Small Cap Opps Fund	Small/Mid Cap Dividend Fund	Strategic Growth & Income Fund	Value Fund	Alternative Absolute Return Fund	Alternative Arbitrage Fund	Alternative Arbitrage Plus Fund	Alternative Multi-Strategy Income Fund	Alternative Special Situations Fund
Short selling risk	x	x	x	x	x	x	x	x	x	x	x
Small company risk	x	x	x	x	x	x	x	x	x	x	x
Specialization risk											
Special-purpose acquisition company risk			x	x	x	x	x	x	x	x	x
Stock connect risk											
Style risk	x	x	x	x	x	x	x	x	x	x	x
Tax loss restriction event risk	x	x	x	x	x	x	x	x	x	x	x
Taxation policy risk	x	x	x	x	x	x	x	x	x	x	x
U.S. regulation and tax risk	x	x	x	x	x	x	x	x	x	x	x
Volatility risk							x	x	x	x	x

Other Funds

Type of Risk	Income Advantage Fund	Partners Fund	Growth Fund	Private Investments	Technology Inflection Fund I LP	Technology Inflection Fund II LP	Pender Credit Opportunities Fund Limited
Arbitrage Risk	X						
Asset-backed and mortgage-backed securities risk	X	X					X
Available opportunities and competition for Investments risk			X	X	X	X	
Business risk	X	X					X
Call risk	X	X					X
Cease trading of securities risk	X	X					
Changes in Legislation and Administrative policy risk	X	X	X	X	X	X	X
Changing technology risk			X	X	X	X	
Class risk	X	X					X
Closed end fund risk							X
Commodity risk	X	X					X
Competition risk			X	X	X	X	
Concentration risk	X	X	X	X	X	X	X
Conflicts of interest risk			X	X	X	X	
Counterparty Risk	X	X					X
Credit risk	X	X					X
Currency, foreign exchange and hedging risk	X	X					X
Cybersecurity and business continuity risk	X	X	X	X	X	X	X
Dependence on market growth risk			X	X	X	X	
Derivative risk	X	X					X
Due diligence risk			X	X	X	X	
Early termination risk	X	X					
Emerging technology risk			X	X	X	X	
Enforcement of rights risk			X	X	X	X	
Equity risk	X	X	X	X	X	X	X
European market risk	X	X					
Expenses ultimately borne by the Shareholders risk			X	X	X	X	
Fixed income risk	X	X					X
Foreign market risk	X	X					X
Fund-on-Fund risk	X	X					X
Future dilution risk			X	X	X	X	X
Global Pandemic risk	X	X	X	X	X	X	
High yield securities risk	X	X					X
Income trust and REIT risk	X	X					X
Intellectual property risk			X	X	X	X	
Interest rate risk	X	X					X
Investment risk	X	X					
Investments in Private Issuers risk			X	X	X	X	
Issuance of Preferred Shares risk			X	X	X	X	
Lack of investment diversification risk			X	X	X	X	
Lack of separate counsel risk	X	X					X

Type of Risk	Income Advantage Fund	Partners Fund	Growth Fund	Private Investments	Technology Inflection Fund I LP	Technology Inflection Fund II LP	Pender Credit Opportunities Fund Limited
Large Transaction risk	x	x					x
Leverage risk	x	x	x	x	x	x	
Liability of unitholders risk	x	x					
Liquidity risk	x	x					
Liquidity Risk for Class C Shares			x	x	x	x	
Liquidity Risk for Investments			x	x	x	x	
Market risk	x	x					x
Need for future financings risk			x	x	x	x	
Net Asset Value risk	x	x					x
Niche markets risk			x	x	x	x	
No assurance of objective or return risk	x	x	x	x	x	x	x
No dividends risk			x	x	x	x	
Non-controlling interests risk			x	x	x	x	
Not a Mutual Fund or Investment Fund risk			x	x	x	x	
Operating history and illiquidity of units risk	x	x					
Performance fee risk	x	x	x	x	x	x	
Personnel risk			x	x	x	x	
Portfolio manager risk	x	x					x
Portfolio turnover risk	x	x					x
Potential conflicts of interest risk	x	x					x
Prepayment risk	x	x					x
Prime broker risk	x	x					
Private company risk	x	x					
Rebalancing risk	x	x					x
Redemption risk	x	x					x
Regulatory risk	x	x					
Reliance on key personnel risk			x	x	x	x	
Reliance on the Manager risk			x	x	x	x	
Repurchase and reverse repurchase transactions risk	x						
Securities lending risk	x	x					x
Securities regulatory risk	x						
Shareholder activism	x		x	x	x	x	
Short selling risk	x	x					x
Small company risk	x	x					x
SPAC risk	x	x					
Style risk	x	x					x
Tax loss restriction event risk	x	x					
Tax treatment of derivative agreement risk	x	x					
Taxation policy risk	x	x					
Trading price of the Shares Relative to the Value of Net Assets risk			x	x	x	x	x
U.S. regulation and tax risk	x	x					x
Valuation of the Company's investments			x	x	x	x	x

Risks

Arbitrage risk

Arbitrage investing involves the risk that an expected corporate transaction will not be consummated or will not be consummated as expected and the Fund will experience a loss.

Asset-backed and mortgage-backed securities risk

Asset-backed and mortgage-backed securities are typically securities which give the holder an interest in a group of secured corporate loans or real estate mortgages. The value of these securities is sensitive to the value of the underlying group of loans or mortgages, which value changes with (i) the market's perception of the creditworthiness of underlying borrowers, either generally across the entire economy or specifically in respect of the particular group of borrowers involved, (ii) the value of the underlying assets or property, or (iii) the interest rate applicable to the loans or mortgages. As these factors change the value of such securities, and the net asset value of a mutual fund if it is invested in such securities, may be affected. With respect to creditworthiness and changes in interest rates, see "*Credit risk*" and "*Interest rate risk*".

Available opportunities and competition for Investments risk

The success of the Company's operations will depend upon, among other things: (i) the availability of appropriate investment opportunities; (ii) its ability to identify, select, acquire, grow and exit those investments; and (iii) its ability to generate funds for future investments. The Company can expect to encounter competition from other entities having investment objectives similar to its own, including institutional investors and strategic investors. These groups may compete for the same investments as the Company, may be better capitalized, have more personnel, have a longer operating history and have different return targets than the Company. As a result, the Company may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing which may further limit the Company's ability to generate desired returns.

There can be no assurance that there will be a sufficient number of suitable investment opportunities available to the Company or that such investments can be made within a reasonable period of time. There can be no assurance that the Company will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential portfolio returns will be diminished to the extent that the Company is unable to find and make a sufficient number of investments.

Business risk

There can be no guarantee against losses resulting from an investment in units of a mutual fund and there can be no assurance that a mutual fund's investment approach will be successful or that its investment objectives will be attained. A mutual fund can realize substantial losses rather than gains, from some or all of the investments within its investment portfolio. Income trusts or companies that pay a significant amount of their income as dividends may have difficulty in maintaining their distribution of income or dividends and consequently the income to the mutual fund and the price of their securities may decline and part or all of the amount of distributions by the mutual fund may be treated as a return of capital rather than income for tax purposes for its investors.

Call risk

A mutual fund may invest, directly or indirectly, in callable securities. During periods of falling interest rates, an issuer of a callable security may "call" or repay a security before its stated maturity, which may result in a mutual fund having to reinvest the proceeds at lower interest rates, resulting in a decline in their respective income.

Cease trading of securities risk

If the securities held by a fund are cease-traded by order of a securities regulatory authority or halted from trading by the relevant exchanges, the fund may halt trading in its units or temporarily suspend the right to redeem the units for cash, subject to applicable regulatory approval.

Changes in legislation and administrative policy risk

There can be no assurance that certain laws applicable to the Company, including income tax laws, will not be changed in a manner which could adversely affect the value of the Company. In addition, there can be no assurance that the administrative policies and assessing practices of the Canadian Revenue Agency will not be changed in a manner which adversely affects the Shareholders. The Company may also be affected by changes in regulatory requirements, customs, duties or other taxes in Canada or foreign jurisdictions. Such changes could, depending on their nature, benefit or adversely affect the Company.

Changing technology risk

The markets for a technology company's products are characterized by rapidly changing technology, evolving industry standards and increasingly sophisticated customer requirements. The introduction of products embodying new technology and the emergence of new industry standards can render a private technology company's existing products obsolete and unmarketable and can exert price pressures on existing products. It is critical to the success of a private technology company that they are able to anticipate and react quickly to changes in technology or in industry standards and to successfully develop and introduce new, enhanced and competitive products on a timely basis. There can be no assurance that a private technology company will successfully develop new products or enhance and improve their existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render their products obsolete. A private technology company's inability to develop products that are competitive in technology and price and that meet end-user needs could have a material adverse effect on a private technology company's business, financial condition or results of operations.

Class risk

A mutual fund may offer more than one class of units. Each class typically has its own fees and expenses, which an investment fund manager tracks separately. If the expenses of one class cannot be paid using that class' proportionate share of the mutual fund's assets, the mutual fund will be required to pay these expenses out of the other classes' proportionate share of the mutual fund's assets. This could reduce the investment return of the other classes.

Closed end fund risk

Unlike a mutual fund, closed end funds trade on a stock exchange in the secondary market and typically do not redeem or issue shares on a daily basis. Investments in closed end funds come with a number of risks, some of which are listed below.

Market risk. Just like open-ended funds, closed-end funds are subject to market movements and volatility. The value of a closed end fund can decrease due to movements in the overall financial markets.

Interest rate risk. Changes in interest rate levels can directly impact income generated by a closed end fund. Funds that have a portfolio with a significant allocation to fixed income assets, like bonds, may be more exposed to this type of risk as interest rates change.

Other risks. Closed end funds are exposed to much of the same risk as mutual funds, including liquidity risk on the secondary market, credit risk, concentration risk and discount risk. If the closed end fund includes foreign market investments, it will be exposed to the typical foreign market risks, including currency, political and economic risk.

Commodity risk

If a mutual fund invests in natural resource companies or in income or royalty trusts based on commodities such as oil and gas, it will be affected by changes in commodity prices. The Funds are permitted to invest up to 100% of their NAV in physical commodities, either directly or through the use of specified derivatives. Commodity prices tend to be cyclical and can move dramatically in short periods of time. In addition, new discoveries or changes in government regulations can affect the price of commodities.

Competition risk

Earlier stage technology companies experience and will continue to experience intense competition from other organizations with more established sales and marketing presence, more advanced technology and technical services and greater financial resources. Competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Furthermore, additional competitors may enter the market and competition may intensify. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on a technology company's business, results of operation and financial condition.

Concentration risk

There are risks associated with any mutual fund that concentrates its investments in a particular company or a few companies. As alternative mutual funds, the Funds are permitted under NI 81-102 to invest up to 20% of their NAV in securities of a single issuer. Concentrating investments allows the fund to focus on a particular company's potential, but it also means that the value of the fund tends to be more volatile than the value of a more diversified fund because a concentrated fund's value is affected more by the performance of the companies in which it has concentrated its investments.

Conflicts of interest risk

The Manager provides management services to other investment entities, which may invest in securities similar to the portfolio of the Company. The Manager has a fiduciary duty to each of these clients (including the Company) and will need to balance any competing interests. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Company.

Counterparty risk

A fund may enter into customized financial instrument transactions that are subject to the risk of credit failure or the inability of, or refusal by, the counterparty to perform its obligations with respect to such customized financial instrument transactions, which could subject a fund to substantial losses.

Credit risk

Credit risk is the possibility that an issuer of a bond or other fixed income investment may not be able to pay interest or to repay the principal at maturity. The risk of this occurring is greater with some issuers than with others. For example, the risk of default is generally low for government and high-quality corporate securities. Where the risk is considered greater, the interest rate that must be paid by the company on its fixed income securities is generally higher than for a company where the risk is considered to be lower.

Credit risk is comprised of default risk, credit spread risk, downgrade risk and collateral risk. Each can have a negative impact on the value of a debt security:

> **Default risk** is the risk that the issuer will not be able to pay the obligation, either on time or at all. Generally, lower quality debt securities involve a greater risk of default on interest and/or principal payments.
>
> **Credit spread risk** is the risk that there will be an increase in the difference between the interest rate of an issuer's bond and the interest rate of a bond that is considered to have little associated risk (such as a government guaranteed bond or treasury bill). The difference between these interest rates is called a "credit spread". Credit spreads are based on macroeconomic events in the domestic or global financial markets. An increase in credit spread will decrease the value of debt securities.
>
> **Downgrade risk** is the risk that a specialized credit rating agency, such as DBRS (Dominion Bond Rating Services), Standard & Poor's or Moody's Investors Services, will reduce the credit rating of an issuer's securities. Downgrades in credit rating will decrease the value of those debt securities.
>
> **Collateral risk** is the risk that the value of any assets securing an issuer's obligation may be deficient or difficult to liquidate. As a result, the value of those debt securities may decline significantly in value.

Currency, foreign exchange and hedging risk

> **Currency risk** - The value of investments denominated in a currency other than Canadian dollars is affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the investment is denominated. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of foreign investments falls. A

mutual fund may convert its Canadian dollars to foreign currency to buy a foreign security and when it sells the foreign security, may convert the foreign currency to Canadian dollars. As a result, if the value of the Canadian dollar has risen and the market value of the security stayed the same, the mutual fund will lose money on that investment.

Foreign currency exposure risk - Securities included in a mutual fund may be valued in or have exposure to currencies other than the Canadian dollar and, accordingly, each class net asset value will, when measured in Canadian dollars, be affected by fluctuations in the value of such currencies relative to the Canadian dollar.

Hedging risk - Various hedging techniques may be used in an attempt to reduce certain risks, including hedging options as a means to reduce the risks of both short-selling and taking long positions in certain transactions and hedging currency risks associated with investments denominated in foreign currencies. An investment fund manager may hedge the Canadian dollar exposure to the foreign currency in whole or in part. There can be no assurance that gains or losses on currency hedging transactions will be matched in timing or characterization with losses and gains on the securities valued in foreign currencies in which a mutual fund invests. The use of currency hedging could result in a mutual fund incurring losses as a result of the imposition of exchange controls, suspension of settlements, or the inability to deliver or receipt a specified currency.

Recalculations and adjustments to specific position hedges will be performed as market conditions warrant. However, such position hedges entail risks of their own. For example, unanticipated changes in currency exchange rates may result in an overall poorer performance than if currency risks had not been hedged. If market conditions are analyzed incorrectly or a risk reduction strategy is employed that does not correlate well with a mutual fund's investments, a mutual fund's risk reduction techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return.

Cybersecurity and business continuity risk

The information and technology systems of an investment fund manager and a fund administrator may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although an investment fund manager may have implemented, and/or fund administrator may maintain, various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, an investment fund manager and/or a fund administrator may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in an investment fund manager, a mutual funds' and a fund administrator's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm an investment fund manager's and/or a fund administrator's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Depository securities and receipts risk

In some cases, rather than directly holding securities of non-Canadian and non-U.S. companies, a mutual fund may hold these securities through a depository security and receipt (an "ADR" -- American Depository Receipt, a "GDR" -- Global Depository Receipt, or an "EDR" -- European Depository Receipt). A depository receipt is issued by a bank or trust company to evidence its ownership of securities of a non-local corporation. The currency of a depository receipt may be different than the currency of the non-local corporation to which it relates. The value of a depository receipt will not be equal to the value of the underlying non-local securities to which the depository receipt relates as a result of a number of factors. These factors include the fees and expenses associated with holding a depository receipt, the currency exchange relating to the conversion of foreign dividends and other foreign cash distributions into local currencies, and tax considerations such as withholding tax and different tax rates between the jurisdictions. In addition, the rights of a mutual fund, as a holder of a depository receipt, may be different than the rights of holders of the underlying securities to which the depository receipt relates, and the market for a depository receipt may be less liquid than that of the underlying securities. The foreign exchange risk will also affect the value of the depository receipt and, as a consequence, the performance of a mutual fund holding the depository receipt. As the terms and timing with respect to the depository for a depository receipt are not within the control of a mutual fund or its portfolio manager and if the portfolio manager chooses only to hold depository receipts rather than the underlying security, a mutual fund may be forced to dispose of the depository receipt, thereby eliminating its exposure to the non-local corporation, at a time not selected by the portfolio manager, which may result in losses to the mutual fund or the recognition of gain at a time which is not opportune for the mutual fund.

Dependence on market growth risk

There can be no assurance that the market for a technology company's existing software or product line will continue to grow, that customers will continue to adopt a private technology company's software or that a technology company will be successful in establishing markets for their new products. If the various markets in which a technology company's products are offered fail to grow, or grow more slowly than they currently anticipate, or if a technology company is unable to establish markets for their new products, their businesses, operating results and financial condition could be materially adversely affected.

Derivative risk

A derivative is a contract or security whose value and cash flow pattern is derived from another underlying security, such as a stock or bond, or from an economic indicator such as an interest rate or stock market index. For example, two of the most common derivatives are forward contracts and options, which are described below.

A forward contract is an agreement to buy and sell currency, commodities or securities at an agreed price for future delivery.

An option gives the buyer the right, but not the obligation, to buy or sell the currency, commodities or securities at an agreed price within a certain period of time.

Mutual funds may use derivatives to limit potential losses associated with currencies, stock markets and interest rates. This process is called hedging. Mutual funds may also use derivatives for non-hedging purposes – to reduce transaction costs, achieve greater liquidity, create effective exposure to international financial markets or increase speed and flexibility in making portfolio changes. Although derivatives are often used by funds to reduce risk, they have their own kinds of risk including the following:

- The use of derivatives for hedging may not be effective;
- Some derivatives, such as call options, may limit a mutual fund's potential for gain;
- Options and futures contracts may be more volatile and result in higher costs than an investment in the underlying security and may involve an initial investment that is small relative to the risk involved.
- The cost of entering into and maintaining derivative contracts may reduce a mutual fund's total return to investors;
- The price of a derivative may not accurately reflect the value of the underlying currency or security;
- There is no guarantee that a market will exist when a mutual fund wants to buy or sell the derivative contract. This could prevent the fund from realizing a profit or limiting its losses;
- If the other party (the counterparty) to a derivative contract is unable to meet its obligations, a fund may not realize the benefit intended to be secured by the investment and the fund may experience a loss; and
- Stock exchanges may set daily trading limits on derivatives. This could prevent a mutual fund from closing a contract.

As alternative mutual funds, the Funds are permitted under NI 81-102 to use cleared specified derivatives without limit and with zero cash required.

Derivative agreement risk - Regulatory changes or market conditions may, in the future, limit a mutual fund's ability to increase its exposure through existing derivative agreements or to enter into new derivative agreements, and may require that a mutual fund reduce or eliminate its existing exposure, possibly to an extent that is prohibitively expensive, in which case the mutual fund may determine that it is in the best interest of the mutual fund to terminate the derivative agreement. There is no assurance that a mutual fund will be able to maintain or increase its exposure under derivative agreements on acceptable terms with a counterparty or any other substitute counterparty.

Derivative counterparty risk - A mutual fund may pledge cash up to the value of the amount payable by the fund under a derivative agreement as security in order to secure its obligations under each of the derivative agreements that a mutual fund is a party to. The counterparty will pledge securities to the mutual fund (which may include units of a reference fund) or enter into another collateral arrangement to fully secure its obligations to the fund under derivative agreements.

The possibility exists that the counterparty will default on its obligations under a derivative agreement in which case a mutual fund will not receive delivery of units of the reference fund or the return of collateral pledged as security.

Due diligence risk

The due diligence process that the Company undertakes in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Company conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process to varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Company relies on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that the Company will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Early termination risk

In the event of the early termination of a fund, the fund would distribute to the unitholders *pro rata* their interest in the assets of the fund available for such distribution, subject to the rights of the fund trustee or the fund manager to retain monies for costs and expenses. Certain assets held by the fund may be illiquid and might have little or no marketable value. In addition, the securities held by the fund would have to be sold by the fund or distributed in kind to the unitholders. It is possible that at the time of such sale or distribution certain securities held by the fund would be worth less than the initial cost of such securities, resulting in a loss to the unitholders.

Emerging market risk

In emerging market countries, securities markets may be smaller than in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. The value of mutual funds that buy these investments may rise and fall substantially and fluctuate greatly from time to time.

Emerging technology risk

The Company invests primarily in emerging technology companies. The prospects for success of emerging technology companies depend critically on a number of factors which, given the limited operating histories of some of them, may be difficult to evaluate. Investments in emerging technology companies are inherently risky, and in the case of failed businesses, may result in the total loss of capital invested in a Portfolio Company by the Company. The technology companies in which the Company invests will typically require additional capital, which the Company may not be able to provide or which may not be available from other sources.

Enforcement of rights risk

The Company's assets may be held in accounts by custodians or pledged to creditors of the Company as per applicable law in jurisdictions outside of Canada so that there can be no assurance that judgments obtained in Canadian courts will be enforceable in any of those jurisdictions. It is possible that events such as the expropriation, confiscatory taxation or nationalization of foreign bank deposits or other assets may occur, which may result in the Company being unable to enforce its legal rights or protect its investments.

Legal principles relating to corporate affairs and the validity of corporate procedures, directors' fiduciary duties and liabilities and shareholders' rights may differ from those that may apply in other jurisdictions. Shareholders' rights under foreign law may not be as extensive as those that exist under the laws of Canada. The Company may therefore have more difficulty asserting its rights as a shareholder of a foreign company in which it invests than it would as a shareholder of a comparable Canadian company.

Equity risk

Companies issue equities, or stocks, to help finance their operations and future growth. Mutual funds that purchase equities become part owners in these companies. The price of a stock is influenced by the company's performance outlook, market activity and the larger economic picture. When the economy is expanding, the outlook for many companies will generally be good and the value of their stocks should rise. The opposite may also be true. Usually, the greater the potential reward, the greater the risk.

For small companies, start-ups, resource companies and companies in emerging sectors, the risks and potential rewards are usually greater. The share price of such companies is often more volatile than the share price of larger, more established companies. Some of the products and services offered by technology companies, for example, can become obsolete as science and technology advance. Certain convertible securities may also be subject to interest rate risk. See "*Interest rate risk*".

European market risk

Investing in European countries may expose a fund to the economic and political risks associated with Europe in general and the specific European countries in which it invests. The economies and markets of European countries are often closely connected and interdependent, and events in one country in Europe can have an adverse impact on other European countries. A fund may make direct or indirect investments in securities of issuers that are domiciled in, or have significant operations in, member countries of the European Union. The European Union requires compliance by member countries with restrictions on inflation rates, deficits, interest rates and debt levels, as well as fiscal and monetary controls, each of which may significantly affect every country in Europe, including those countries that are not members of the European Union. Changes in imports or exports, changes in governmental or European Union regulations on trade, changes in the exchange rate of the euro (the common currency of certain European Union countries), the default or threat of default by a European Union member country on its sovereign debt, and/or an economic recession in a European Union member country may have a significant adverse effect on the economies of European Union member countries and their trading partners. The European financial markets have experienced volatility and adverse trends in recent years due to concerns about economic downturns or rising government debt levels in several European countries, including, but not limited to, Greece, Ireland, Italy, Portugal, Spain and Ukraine. These events have adversely affected the exchange rate of the euro and may continue to significantly affect other European countries. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not produce the desired results, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and other entities of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. In addition, one or more countries may abandon the euro and/or withdraw from the European Union. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far reaching, including in the United Kingdom, which is a significant market in the global economy. In a referendum held on June 23, 2016, the United Kingdom resolved to leave the European Union. The referendum may introduce significant new uncertainties and instability in the financial markets as the United Kingdom negotiates its exit from the European Union. Finally, the occurrence of terrorist incidents throughout Europe also could impact financial markets. The impact of these events is not clear but could be significant and far-reaching and adversely affect the value of a fund. The investments of a fund could be negatively impacted by any economic or political instability in any European country.

ESG investment strategies or objectives risk

Some Funds may have fundamental investment objectives based on certain environmental, social and governance ("ESG") criteria. Other Funds may employ ESG analysis as a component of their investment strategies. ESG criteria, like any other metric through which investments in securities may be measured, are subject to uncertainty, limitations, and discretion. ESG methodologies and strategies may limit the types and number of investment opportunities available to a Fund and, as a result, a Fund may deviate from a benchmark or the performance of comparable funds that do not have an ESG focus.

Further, a Fund that utilizes an Index to achieve an ESG based investment objective or strategy will generally not be able to eliminate the possibility of an Index having exposure to companies that exhibit negative ESG characteristics and/or companies that are involved in severe controversies or materially involved in specified business activities that some may consider to be inconsistent with a restrictive ESG-oriented investment approach. Subject to applicable securities law, the methodology of the Indices may also change from time to time for any reason, including as a result of changes to ESG principles generally.

ETF industry sector risk

A mutual fund may invest in ETFs that provide exposure to securities involving industry sector risks. Investing in one specific sector of the stock market entails greater risk (and potential reward) than investing in all sectors of the stock market. If a sector declines or falls out of favour, the share values of most or all of the companies in that sector will generally fall faster than the market as a whole. The opposite is also true. An industry can be significantly affected by, amongst other things, supply and demand, speculation, events relating to international political and economic developments, energy conservation, environmental issues, increased competition from other providers of services, commodity prices, regulation by various government authorities, government regulation of rates charged to customers, service interruption due to environmental, operational or other mishaps, the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards, and general changes in market sentiment. Moreover, it is possible that other developments, such as increasingly strict environmental and safety laws and regulations and enforcement policies thereunder and claims for damages to property or persons resulting from operations, could result in substantial costs and liabilities, delays or an inability to complete projects or the abandonment of projects. Exposure to equity securities that have exposure to commodity markets may entail greater volatility than traditional securities. The value of securities exposed to commodity markets may be affected by commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes and tariffs. The extent of these factors cannot be accurately predicted and will change from time to time, but a combination of these factors may result in issuers not receiving an adequate return on invested capital. Many industries are very competitive and involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome.

Expenses ultimately borne by the Shareholders risk

Fees and expenses borne by the Company will directly or indirectly impact the Net Assets per Share of the Class C Shares.

Fixed income risk

Fixed income securities are subject to risks resulting from changes in interest rates and from credit risk. See "*Interest rate risk"* and "*Credit risk"*.

Floating rate instruments risk

A floating rate instrument is one whose terms provide for the adjustment of its interest rate whenever a specified benchmark changes. Floating rate instruments are frequently not rated by credit rating agencies. There may be no active secondary market with respect to a particular floating rate instrument purchased by a fund. The absence of such an active secondary market could make it difficult for a fund to dispose of the floating rate instrument involved in the event the issuer of the instrument defaulted on its payment obligations, and the fund could, for this or other reasons, suffer a loss in the event of a default by the issuer. Floating rate instruments may be secured by assets of the issuer, bank letters of credit or other assets. To the extent that a fund holds floating rate instruments, the fund's yield may decline, and it may forego the opportunity for capital appreciation during periods when interest rates decline; however, during periods when interest rates increase, a fund's yield may increase, and the fund may have reduced risk of capital depreciation. Please see "*Interest rate risk*" for additional risks related to investing in floating rate instruments.

Foreign market risk

The value of foreign investments may be affected by factors not typically associated with investments in Canada. For example, there may be less information about foreign companies, lower standards of government supervision and regulation, and different accounting and financial reporting standards in foreign financial markets. In addition, foreign investments sometimes cannot be sold as quickly or as easily as similar investments in Canada. Political, social and economic developments can also negatively affect the value of foreign investments. Investments in foreign markets may be subject to changes in currency exchange rates or exchange restrictions, the imposition of taxes or the expropriation of assets, all of which can affect the value of these investments.

Fund-on-fund risk

Some funds invest in other mutual funds (called "Underlying Funds"). Upon making such an investment, the Fund becomes subject to the risk of the Underlying Fund. A change in the investment objective strategy or holdings in one mutual fund may have an impact on the performance or management of the other fund. For example, if the top fund makes a significant investment or divestment in an Underlying Fund, the underlying fund may have to alter its portfolio significantly which may affect the net asset value, performance or diversification of the Underlying Fund. Although a fund-on-fund strategy may appear as a more passive investment strategy for a top fund, a change in the investment objective, strategy or holdings in an Underlying Fund may necessitate that an investment fund manager of the top fund engages- in a rebalancing or reallocation of that fund, which could have an effect on its performance, or diversification, or give rise to a taxable gain or loss. If the Underlying Funds do not perform as expected, a loss may be incurred by the top fund. If an Underlying Fund suspends redemptions, the Fund may be unable to value part of its portfolio and may be unable to redeem its units of the Underlying Fund which may have an adverse impact on the Fund.

Future dilution risk

Where, in the opinion of the Board and the Manager, additional capital is necessary or desirable to carry on the investment activities of the Company, the Company may create and issue additional Shares at a price and otherwise on terms and conditions determined by the Board and the Manager as provided for in the constating documents of the Company. Depending on the price at which such additional securities of the Company are offered for sale, the issuance of such additional securities could result in a dilution to existing Shareholders. In creating and issuing additional securities of the Company, the Board and the Manager will comply with the requirements of applicable securities legislation and will act in the best interests of the Company and its Shareholders.

Global pandemic risk

Business, operations, and the financial condition of the issuers of securities that a mutual fund invests in could be materially adversely affected by the outbreak of epidemics, pandemics or other health crises, such as the novel coronavirus COVID-19 that started in 2019. The international response to the spread of COVID-19 has resulted in the implementation of measures to contain the virus including quarantines, travel restrictions, and restrictions on the operation of stores and facilities in most of the world, including temporary closures in respect thereof. The negative economic impact of these measures together with the uncertainty of the situation led to significant volatility in equity markets, increasing the exposure of a fund, to risk, particularly liquidity risk, market risk and investment risk. While governmental initiatives to reduce the economic impact, ongoing research and development of vaccines, and the progress of vaccine rollouts may mitigate volatility, exposure to investment risk and financial results will depend, to a large extent, on future developments and new information that may emerge regarding COVID-19, including in respect of any variants of COVID-19, which factors are beyond a mutual fund's control. Given the extent of and the evolving nature of the crisis, it is difficult to estimate the ultimate impact or duration of the situation on a mutual fund or the entities in which it invests.

Gold and silver ETFs risk

A mutual fund may invest in ETFs that invest directly in gold or silver. There is a risk that part or all of the ETF's gold or silver could be lost, damaged or stolen, notwithstanding the handling of deliveries of the commodity by and storage of the commodity in the vaults of the custodian or sub custodian of the ETF. The custodian of the ETF does not typically inspect the fineness or quality of the gold or silver that is delivered to it and there can be no assurance as to the fineness or quality of the gold or silver delivered.

High yield securities risk

A mutual fund may invest in high yield securities that are, at the time of purchase, rated below investment grade. High yield securities risk is the risk that securities rated below investment grade by a rating agency and/or determined by an investment fund manager may be more volatile than higher-quality securities of similar maturity. High yield securities may also be subject to greater levels of credit or default risk and may be traded on markets that are less liquid as compared to higher-quality securities. The value of high yield securities may be adversely affected by overall economic conditions such as an economic downturn or a period of rising interest rates, and high yield securities may be less liquid and more difficult to sell at an advantageous time or price, and more difficult to value than higher-rated securities. In particular, high yield securities are often issued by smaller, less creditworthy companies, or by highly leveraged (indebted) firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal. High yield securities may also be issued by sovereign governments of countries with economies, political systems, and/or financial markets that are not well developed

Income trust and REIT risk

An income trust generally holds debt and/or equity securities of an underlying active business or is entitled to receive a royalty on revenues generated by such business. Distributions and returns on income trusts are neither fixed nor guaranteed. In addition, mutual funds that invest in income trusts such as oil, gas and other commodity-based royalty trusts, real estate investment trusts ("REITs") and pipeline and power trusts will have other varying degrees of risk depending on the sector and the underlying asset or business. These may include business developments such as a decision to expand into a new type of business, the entering into of an unfavourable supply contract, the cancellation by a major customer of its contract or significant litigation.

Many income trusts, including REITs are governed by laws of a province of Canada or of a state of the United States that limit the liability of unitholders of the income trust from a particular date. A mutual fund may also invest in income trusts, including REITs, in Canada, the US and other countries that are not governed by similar laws. There is a risk that unitholders of an income trust, which may include a mutual fund, could be held liable for any claims against the income trust that are not covered under these laws. This could reduce the value of a mutual fund. Income trusts generally try to minimize this risk by including provisions in their agreements that their obligations will not be personally binding on unitholders. However, the income trust still has exposure to damage claims not arising from contracts, such as personal injury and environmental claims in the case of REITs

Intellectual property risk

The industry in which the Company currently primarily invests has many participants that own, or claim to own, proprietary intellectual property. Some of the issuers that the Company invests in may become subject to claims from third parties claiming that the issuers have infringed on intellectual property rights. Determination of the rights to intellectual property is very complex, and costly litigation may be required to establish if an issuer has violated the intellectual property rights of others. As a result of such claims, some of the Company's investments could be subject to losses arising from issuers being subject to product injunctions, awards for damages and third party litigation costs, requirements to license intellectual property, legal expenses, diversion of managements' time and attention, and other costs.

Interest rate risk

The values of fixed income securities, such as bonds, debentures or mortgages, are affected by interest rates. When interest rates fall, bond prices rise. That is because existing bonds pay higher rates than newly issued ones, and so are worth more. When interest rates rise, bond prices fall, and so will the unit value of mutual funds that hold them. In addition, if interest rates are relatively low, an issuer of a fixed income security may decide to prepay principal and the funds may have to reinvest this money in securities that have lower interest rates. The income earned by a mutual fund and the income paid by mutual funds to unitholders may also be affected by changes in interest rates. The value of equities is also influenced by interest rates in a similar manner as fixed income securities, but for different reasons. As interest rates fall the lower available return on fixed income securities tends to cause investors to migrate to equity securities. Reduced interest rates also allow companies to obtain financing at a lower cost, which can positively impact earnings. The opposite consequences tend to occur as interest rates rise.

Investment risk

An investment in the Fund may be deemed speculative and is not intended as a complete investment program. A subscription for units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Fund. Investors should review closely the investment objective and strategies to be utilized by the Fund as outlined herein.

Investments in Private Issuers risk

Portfolio Companies whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. The Company's portfolio consists of securities issued by privately held Portfolio Companies. There is generally little or no publicly available information about such companies and the Company must rely on the diligence of the Manager to obtain the information necessary for its decision to invest in them. There can be no assurance that the diligence efforts of the Manager will uncover all material information about the privately held business necessary for the Company to make a fully informed investment decision.

Issuance of Preferred Shares risk

The Company's authorized share structure consists of Class C Shares and Preferred Shares (of which none have been issued). The special rights and restrictions of the Preferred Shares empower the Board to fix the number of shares in each series of each class of Preferred Shares and to fix the preferences, special rights and restrictions, privileges, conditions and limitations attaching to the shares of that series, before the issuance of shares of any particular series. The Board has the power to fix, among other things, the number of shares constituting any series, the voting powers, designation, preferences and relative participation, optional or other special rights and dividend rate, terms of redemption (including sinking fund provisions), redemption price or prices, conversion rights and liquidation preferences of the shares constituting any series. The issuance of Preferred Shares could affect the rights of the holders of Class C Shares.

Lack of investment diversification risk

The Company does not have any specific limits on holdings in Portfolio Companies in any one industry or investee entity size and is currently focused on emerging technology companies. Accordingly, the Company's portfolio may be more susceptible to fluctuations in value resulting from adverse economic conditions affecting this industry than would be the case if the Company were required to maintain wide diversification

Lack of separate counsel risk

Counsel for a fund in connection with its offering may also be counsel to the investment fund manager. The Unitholders, as a group, may not have been represented by separate counsel and counsel for the mutual fund and the investment fund manager would not purport to have acted for the Unitholders or to have conducted any investigation or review on their behalf.

Large transaction risk

Any large transaction made by an institutional or individual investor could significantly impact a mutual fund's cash flow. If the investor buys large amounts of units of a particular mutual fund, the mutual fund could temporarily have a high cash balance. Conversely, if the investor redeems large amounts of units of a particular mutual fund, the mutual fund may be required to fund the redemption by selling securities at an inopportune time. These liquidations may cause the mutual fund to incur losses if the mutual fund is required to sell investments at unfavourable prices and could substantially reduce the value of the fund if numerous redemptions are made at the same time. Such asset liquidation may also trigger tax consequences, such as the characterization of certain profits as ordinary income or losses rather than as capital gains or capital losses.

Leverage risk

As alternative mutual funds, the Funds are permitted under NI 81-102 to leverage their assets through borrowing, short sales and/or specified derivatives. Investment decisions may be made for the assets of the Funds that exceed the net asset value of the Funds. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a Fund's turnover, transaction and market impact costs, interest and other costs and expenses.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, each Fund's aggregate gross exposure, calculated as the sum of the following, must not exceed three times the Fund's net asset value: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. If the Fund's aggregate gross exposure exceeds three times the Fund's net asset value, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the Fund's net asset value or less.

Liability of unitholders risk

A fund is a unit trust and, as such, the unitholders do not receive the protection of statutorily mandated limited liability as in the case of shareholders of most Canadian corporations. There is no guarantee therefore, that unitholders could not be made party to legal actions in connection with a fund. However, generally a trust agreement provides that no unitholder, in its capacity as such, will be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with a fund's property or the obligations or the affairs of the fund and all such persons shall look solely to the fund's property for satisfaction of claims of any nature arising out of or in connection therewith and the fund's property only shall be subject to levy or execution. Pursuant to a trust agreement, a fund will indemnify and hold harmless out of the its assets each unitholder from any costs, damages, liabilities, expenses, charges and losses suffered by a unitholder resulting from or arising out of such unitholder not having limited liability.

In any event, it is considered that the risk of any personal liability of unitholders is minimal and remote in the circumstances, in view of the anticipated equity of a fund, and the nature of their activities, and a fund manager intends to conduct a fund's operations in such a way to minimize any such risk. In the event that a unitholder should be required to satisfy any obligation of a fund, such unitholder will be entitled to reimbursement from any available assets of the fund.

Liquidity risk

Liquidity risk is the possibility that investments in a mutual fund cannot be readily converted into cash when required. An investment fund manager may invest in small and medium-sized companies whose securities typically trade in much lower volumes than larger companies. In such cases, if an investment fund manager needs or wants to sell such securities promptly, they may not be able to on a timely basis. As a result, in order to sell this type of holding, a mutual fund may need to discount the securities from recent prices or dispose of the securities over a long period of time. Accordingly, the value of such securities is subject to greater fluctuation since they may not trade on a regular basis.

Liquidity risk for Class C Shares

The Class C Shares are not redeemable. The Net Assets per Share of the Class C Shares fluctuates with the value of the Company's Net Assets, which could adversely affect the ability of a holder of the Class C Shares to dispose of them. While the Class C Shares trade on the TSXV, an active trading market for the Class C Shares may not be available and will significantly impact the liquidity of such shares. Even if an active trading market for the Class C Shares is available, the market price of such shares may not enable shareholders to dispose of their shares at a reasonable price relative to the Net Assets per Share.

Liquidity risk for Investments

The Company's investments include Portfolio Companies whose securities which are not publicly traded. Consequently, it may be relatively difficult for the Company to dispose of its investment in a Portfolio Company rapidly at favourable prices in connection with adverse market developments or other factors. The sale of such investments may also be subject to delays and additional costs and may only be possible at substantial discounts.

Market risk

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, and other political and economic developments.

Need for future financings risk

Technology companies' capital requirements will depend on many factors. If they experience unanticipated cash requirements they may need to seek additional sources of financing, which may not be available on favorable terms, if at all. Future financings could dilute the Company's interests in these Portfolio Companies. In the event a private does not succeed in raising additional funds on acceptable terms, it may be forced to discontinue product development and/or commercialization, reduce or forego sales and marketing efforts, forego attractive business opportunities or discontinue operations.

Net asset value risk

The net asset value of each class of units that comprise a mutual fund may fluctuate with changes in the market value of the investments attributable to that class. Such changes in market value may occur as a result of various factors, including those factors identified above with respect to international investments and emerging market securities and material changes in the intrinsic value of an issuer whose securities are held by the mutual fund.

Niche markets risk

A p technology company's services are attempting to create a niche in the industry and may not achieve or sustain market acceptance. To address these risks, a private technology company must, among other things, appeal to consumers; implement and successfully execute its business and marketing strategy; implement and upgrade the technology and systems that it uses to serve its information and subscriber bases and process client and customer transactions and payments; respond to competitive developments; and attract, retain, and motivate qualified personnel. The Company cannot assure that a technology company will successfully address these risks, and failure to do so could have a negative impact on their business, operating results and financial condition.

No assurance of objective or return risk

Although a fund manager will use its best efforts to achieve superior rates of return for a mutual fund, no assurance can be given in this regard. An investment in units should be considered speculative and investors must be able to bear the risk of a complete loss of their investment.

No dividends risk

The Class C Shares are entitled to receive dividends at the discretion of the Board. However, the Company does not anticipate declaring any dividends on the Class C Shares for the foreseeable future. The Board may consider paying dividends on the Class C Shares in the future when operational circumstances, including earnings, cash flow, financial and legal requirements and business considerations, permit.

Non-controlling interests risk

The Company's investments includes debt instruments and equity securities of Portfolio Companies that it does not control. These instruments and securities may be acquired in the secondary market or through purchases of securities from the issuer. These investments are subject to the risk that the Portfolio Company may make business, financial or management decisions with which the Company does not agree, or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of the Company's respective investments could decrease and its financial condition, results of operations and cash flow could suffer as a result.

Not a Mutual Fund or Investment Fund risk

The Company is not a mutual fund or an investment fund. The rules designed to protect investors who purchase securities of mutual funds or investment funds do not apply to the Company, and the Company is not subject to the mutual fund or investment fund investment restrictions.

Operating history and illiquidity of units risk

An investment in a fund entails a degree of risk and investments in a fund provide limited liquidity. There is not now, and there is not likely to develop, any market for the resale of the units. Approval of the transfer by the fund manager and satisfaction of certain requirements specified in the Trust Agreement would be required before any transfer may occur.

In addition, the units are subject to indefinite resale restrictions under applicable securities laws. The units are offered pursuant to prospectus and registration exemptions and, accordingly may not be transferred unless appropriate exemptions are available.

The units are subject to limited redemption rights which may be suspended or postponed in certain circumstances.

Performance fee risk

The investment fund manager of a mutual fund and/or certain Underlying Funds may receive a performance fee in respect of certain units of the mutual fund. Theoretically, the performance fee may create an incentive for the investment fund manager to make investments that are riskier than would be the case if such fee did not exist. In addition, if the performance fee is calculated on a basis that includes unrealized appreciation of a mutual fund's assets, it may be greater than if such compensation were based solely on realized gains.

Personnel risk

Technology companies' ability to recruit and retain personnel is often crucial to its ability to develop market, sell and support its products and services and they depend on the services of their key technical, sales, marketing and management personnel. The loss of any of these key persons could have a material adverse effect on a technology company's results of operations and financial condition. In addition, their success is also highly dependent on their continuing ability to identify, hire, train, motivate and retain highly qualified technical, sales, marketing and management personnel. Competition for such personnel can be intense, and the Company cannot provide assurance that these companies will be able to attract or retain highly qualified technical, sales, marketing and management personnel in the future. A company's inability to attract and retain the necessary technical, sales, marketing and management personnel may have a material adverse effect on its future growth and profitability. It may be necessary for technology companies to increase the level of compensation paid to existing or new employees and contractors to a degree that its operating expenses could be materially increased.

Portfolio manager risk

All mutual funds are dependent on their portfolio management team to select individual securities and are therefore subject to the risk that poor security selection will cause a fund to underperform relative to other funds with similar investment objectives.

Portfolio turnover risk

The operation of a mutual fund may result in a high annual portfolio turnover rate. A mutual fund may not place any limit on the rate of portfolio turnover and portfolio securities may be sold without regard to the time they have been held when, in the opinion of the investment fund manager, investment considerations warrant such action. A high rate of portfolio turnover generally results in correspondingly greater expenses than a lower rate (e.g., greater transaction costs such as brokerage fees). The higher a mutual fund's portfolio turnover rate in a year, the greater the chance that a distribution from the mutual fund must be included in computing your income tax for tax purposes for that year.

Potential conflicts of interest risk

A mutual fund may be subject to various conflicts of interest due to the fact that an investment fund manager is engaged in a wide variety of management, advisory and other business activities. An investment fund manager's investment decisions for each mutual fund will be made independently of those made for the other funds managed by an investment fund manager and other clients of an investment fund manager and independently of its own investments. However, on occasion, an investment fund manager may make the same investment for a mutual fund and one or more of the other funds managed by an investment fund manager or its other clients. Where the particular mutual fund and one or more of the other funds managed by an investment fund manager or clients of an investment fund manager are engaged in the purchase or sale of the same security, the transaction will be effected on an equitable basis. An investment fund manager will allocate opportunities to make and dispose of investments equitably among clients with similar investment objectives having regard to whether the security is currently held in any of the relevant investment portfolios, the relative size and rate of growth of the particular mutual fund and the other funds managed by an investment fund manager or clients under common management and such other factors as an investment fund manager considers relevant in the circumstances.

Prepayment risk

Many types of debt securities, including some mortgage backed securities and floating rate debt instruments, allow the issuer to prepay the principal prior to maturity. Debt securities subject to prepayment risk can offer less income and/or potential for capital gains.

Prime broker risk

Because a Fund may borrow cash for investment purposes, sell securities short and post margin as collateral for specified derivatives transactions, some of its assets may be held in one or more margin accounts from time to time. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. As a result, the assets of a Fund could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if a prime broker experiences financial difficulty. In such case, a Fund may experience losses due to insufficient assets of the prime broker to satisfy the claims of its creditors. In addition, the possibility of adverse market movements while its positions cannot be traded could adversely affect the total return to a Fund.

Private company risk

There are risks associated with investing in private company securities. There is typically much less available information concerning private companies than for public companies. The valuation of private company securities is also more subjective and such securities are very illiquid as there are no established markets for the securities of these companies. As a result, in order to sell this type of holding, a fund may need to discount the securities from recent prices or dispose of the securities over a relatively long period of time.

Rebalancing risk

Rebalancing risk arises when the weights of two or more components of an overall portfolio are to be kept in a specific ratio, but the independent movement of each in the market demands that some of the components be bought or sold in order to restore the ratio back to its desired level. The greater the volatility of the components the greater the potential rebalancing required, and this leads to performance degradation over time.

Redemption risk

If unitholders of a fund redeem units representing a large portion of the outstanding units of the fund, the fund may be required to sell significant investments from the fund's investment portfolio earlier than it might otherwise choose. These liquidations may cause the fund to incur losses if the fund is required to sell investments at unfavourable prices and could substantially reduce the value of the fund if numerous redemptions are made at the same time. Such asset liquidation may also trigger tax consequences, such as the characterization of certain profits as ordinary income or losses rather than as capital gains or capital losses.

Regulatory risk

Some industries, such as financial services, health care, telecommunications and resources, are heavily regulated and may receive government funding. Investments in these sectors may be substantially affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding. The value of a mutual fund that buys these investments may rise and fall substantially due to changes in these factors.

Reliance on key personnel risk

The Company and the Manager depend, to a great extent, on the services of a limited number of individuals in connection with the services provided to the Company. The loss of such services or the loss of some key individuals could impair the ability of the Company and/or the Manager to perform its management and administrative activities on behalf of the Company.

Reliance on the Manager risk

The Company relies upon the good faith and expertise of the Manager in providing investment advice and other services. If for any reason the Manager is unable or unwilling to provide investment advice to the Company, there could be significant adverse consequences to the Company.

The Company relies on the ability of the Manager to actively manage the Company's assets pursuant to the Management Agreement. The Manager will make the investment decisions in respect of the portfolio upon which the success of the Company will depend significantly. No assurance can be given that the approach utilized by the Manager in respect of the portfolio will prove successful.

Repurchase and reverse repurchase transactions risk

An Underlying Fund may enter into what are called repurchase transactions and reverse repurchase transactions. In a repurchase transaction, a fund sells a security at one price to a third party for cash and agrees to buy the same security back from the same party for cash at a set price at a set future date. It is a way for a fund to borrow short-term cash and earn fees. In a reverse repurchase transaction, a fund buys a security at one price from a third party and agrees to sell the same security back to the same party at a higher price later on. It is a way for a fund to earn a profit (or interest) and for the other party to borrow some short-term cash.

The risks with these types of transactions are that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, a fund may be left holding the security and may not be able to sell it at the same price it paid for it, plus interest, if the market value of the security has dropped. In the case of a repurchase transaction, a fund could incur a loss if the value of the security sold or loaned has increased more than the value of the cash or collateral held.

Securities lending risk

Mutual funds may engage in securities lending transactions in order to earn additional income. Securities lending involves lending securities held by a mutual fund to qualified borrowers who have posted collateral. In lending its securities, a mutual fund is subject to the risk that the borrower may not fulfill its obligations, leaving the mutual fund holding collateral worth less than the securities it has lent, resulting in a loss to the mutual fund.

For any mutual fund that engages in securities lending transactions, the investment manager of the fund reduces the risk to the funds by requiring the other party to put up collateral with a value of at least 102% of the market value of the security loaned. The value of the collateral is checked and reset daily. A mutual fund cannot lend more than 50% of the total value of its assets through securities lending.

Securities regulatory risk

The investment decisions for a fund may, at times, be restricted as a result of aggregation limits. For example, corporate and/or regulatory requirements with respect to certain industries and markets may limit the aggregate amount of investment in certain issuers by a funds and other funds or client accounts managed by the fund manager. Exceeding these limits without reporting or the grant of a license, exemption or other corporate or regulatory consent may result in fines or other adverse consequences to the fund manager and/or the fund. As a consequence of these limits, the ability of a fund to meet its investment objectives may be affected. In order to avoid exceeding these limits, the fund manager may, among other actions, limit purchases, sell existing investments and/or transfer, outsource or limit voting rights in the securities held by a fund.

Shareholder activism

From time to time, the Company invests in issuers with features that the Manager believes depress the fundamental value of the issuer and its securities. In those circumstances, the Company will take a position in that issuer, sometimes a material position, and may initiate or work with other key shareholders in initiating corporate change. Although the Manager will act prudently and in accordance with applicable laws, such shareholder activism opens the Manager, and possibly the Company and other funds and managed accounts on whose behalf it is acting, to certain risks, including the risk of litigation by existing management or other shareholders, the risk that trading in such issuers' securities may become suspended, and the risk that the Company's investment in such issuers will be treated as part of a larger control block and subject to statutory restrictions on liquidity.

Short selling risk

A short sale by a mutual fund involves securities that it borrows from a lender that are then sold by the mutual fund in the open market. At a future date, the securities are repurchased by the mutual fund and returned to the lender. While the securities are borrowed, the proceeds from the sale are deposited with the lender and the mutual fund pays interest to the lender. If the value of the securities declines between the time that the mutual fund borrows the securities and the time it repurchases and returns the securities to the lender, the mutual fund realizes a profit on the difference (less any interest the mutual fund is required to pay to the lender). Short selling involves risk. There is no assurance that securities will decline in value during the period of the short sale and result in a profit for a mutual fund. Securities sold short may instead appreciate in value, resulting in a loss for a mutual fund. Unlike a purchase of a share where the maximum amount of the loss is the amount invested, the size of the loss in respect of a short sale is unlimited as there is no limit on the amount a security sold short may increase in value. A mutual fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender may also recall borrowed securities at any time. The lender from whom a mutual fund has borrowed securities may go bankrupt and a mutual fund may lose the collateral it has deposited with the lender. As an alternative mutual fund, the Funds are permitted under NI 81-102 to sell securities short (provided that, among other things, the aggregate market value of the securities of the issuer of the securities sold short, other than government securities, does not exceed 10% of its NAV and the aggregate market value of the securities sold short does not exceed 50% of its NAV). See "*Short Selling Risk Management*" in Part B of this document.

Small company risk

The investment risk associated with small companies may be higher than that associated with larger, more established companies due to various factors, which may include the greater business risks associated with the small size of the company, relative inexperience of the company, limited product lines, distribution channels, financial or managerial resources. Further, there is typically less publicly available information concerning smaller companies than for larger, more established companies. The securities of small companies are often traded on junior markets such as the TSX Venture Exchange or over-the-counter markets and may not be traded in the volumes typical of trading on a major stock exchange and therefore there is greater liquidity risk – see "*Liquidity risk*" above. The prices of this type of security may be more volatile than those of larger companies.

Specialization risk

Some mutual funds specialize in a particular industry, or in a single country or region of the world. This allows them to focus on the potential of that industry or geographic area, but it also means they may be more volatile than more broadly diversified funds because prices of securities in the same industry or region may tend to move up and down together. These specialty funds must continue to invest in a particular industry or geographic area, even if it is performing poorly.

Special-purpose acquisition company risk

A mutual fund may invest a portion of its assets in the stock, warrants, and other securities of SPACs or similar special purpose entities that raise funds for the sole purpose of seeking potential acquisition opportunities. All assets (net of operating expenses) of the SPAC are invested in U.S. Government securities, money market fund securities and/or cash until an acquisition transaction is completed. Once the SPAC identifies a transaction, common holders have the right to vote on the transaction and also to decide whether to roll their equity in the transaction or redeem shares for their pro rata share of the escrow account holdings. Should the SPAC be unable to complete an acquisition that meets its defined requirements within a pre-established period of time, the invested funds are returned to the entity's shareholders. SPACs may have specific risks, including increased volatility, associated with the regions or industries for which they pursue an acquisition. Since a SPAC is a new entity created for the purpose of acquiring another company or entity, it may have limited or no business operating history; this makes the pricing and liquidity of the security dependent on management's ability to source and complete a profitable acquisition. Furthermore, these securities may trade in the over-the-counter market which may have associated issues with price sourcing and illiquidity.

Stock connect risk

A mutual fund may invest in eligible China A-shares ("Stock Connect Securities") listed and traded on the Shanghai Stock Exchange ("SSE") through the Shanghai-Hong Kong Stock Connect program or listed and traded on the Shenzhen Stock Exchange ("SZSE") through the Shenzhen-Hong Kong Stock Connect program. The Shanghai-Hong Kong Stock Connect program is a securities trading and clearing program developed by Hong Kong Exchanges and Clearing Limited, SSE and China Securities Depository and Clearing Corporation Limited ("CSDC") for the establishment of mutual market access between The Stock Exchange of Hong Kong Limited ("SEHK") and SSE. Similarly, the Shenzhen-Hong Kong Stock Connect program is a securities trading and clearing program developed by the SEHK, SZSE, Hong Kong Securities Clearing Company Limited, and CSDC for the establishment of mutual market access between SEHK and SZSE. Each of Shanghai-Hong Kong Stock Connect program and Shenzhen-Hong Kong Stock Connect program are hereafter referred to as a "Stock Connect Program" and collectively, the "Stock Connect Programs". Stock Connect Securities generally may not be sold, purchased or transferred other than through a Stock Connect Program in accordance with its rules and regulations. While a Stock Connect Program is not subject to individual investment quotas, there are daily and aggregate investment quotas imposed by Chinese regulations that apply to all Stock Connect Program participants. These quotas may restrict or preclude a mutual fund's ability to invest in Stock Connect Securities at the Fund's preferred time.

Style risk

Each mutual fund is managed in accordance with a particular investment style. Focusing primarily on one particular investment style (e.g., value-oriented) to the exclusion of others may create risk in certain circumstances.

Tax loss restriction event risk

If a mutual fund experiences a "loss restriction event", (i) the fund will be deemed to have a year-end for tax purposes (which could result in the fund being subject to tax unless it distributes its income and capital gains prior to such year-end), and (ii) the fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, a fund will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the fund, as those terms are defined in the affiliated persons rules contained in the Income Tax Act (Canada) (the "Tax Act"), with appropriate modifications. Generally, a majority-interest beneficiary of a fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a beneficial interest in the fund that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the fund. Generally, a person is deemed not to become a majority-interest beneficiary, and a group of persons is deemed not to be a majority-interest group of beneficiaries of a fund as the result of an acquisition or disposition of units of the fund if the fund qualifies as an "investment fund" under the rules, including that the fund meets certain investment requirements.

Taxation policy risk

The value of investments and the proceeds from investments are affected significantly by the taxation laws and policies applicable to the investment. Taxation laws are set by government and are subject to change from time to time without notice and such changes are beyond the control of an investment fund manager.

Tax treatment of derivative agreement risk

A fund may utilize an investment strategy whereby it will enter into a derivative agreement pursuant to which it will agree to acquire units of an underlying fund from the relevant counterparty at a specified future date at a price equal to the price of such units at the date the derivative is entered into (**the "Forward Agreement").**

In determining its income for tax purposes, the fund may not treat the acquisition of such units as a taxable event and may treat the cost of those units as being the portion of the purchase price payable under the Forward Agreement attributable to such units.

Depending on the value of the units at the time they are acquired, such units may therefore have an accrued gain or loss. The fund may redeem such units and realize such accrued gain or, subject to the suspended loss rules, accrued loss, which the fund would treat as a capital gain or a capital loss.

The "suspended loss" rules in the Tax Act would prevent the fund from recognizing capital losses on the disposition of such units in certain circumstances.

In such cases, the denied capital losses would not be available to offset taxable capital gains of the fund until a later date, if at all, which could increase the amount of net realized capital gains to be distributed to unitholders.

Legislative proposals released by the Minister of Finance (Canada) on July 30, 2019 proposed amendments to the Tax Act that are meant to address certain "character conversion" transactions that were utilizing the purchase agreement exception to the "derivative forward agreement" **("DFA")** rules to avoid their application. In general, such proposed amendments will apply if a Canadian security is being purchased, the purchase agreement is an agreement to acquire property from a tax-indifferent investor or a financial institution (as defined in subsection 142.2(1) of the Tax Act), and it can reasonably be considered that one of the main purposes of the series of transactions or events, or any transaction or event in the series, of which the purchase agreement is part, is for all or any portion of the capital gain on the disposition of the Canadian security to be attributable to amounts of interest, dividends, or trust income paid or payable on the Canadian security by the issuer during the term of the agreement. Under the Forward Agreement, the units to be purchased would be Canadian securities and the counterparty would be a financial institution. However, the manager may advise that none of the purposes for entering into the Forward Agreement was for such purpose. If enacted as proposed, this proposed amendment will be deemed to have come into force on March 19, 2019.

If the Forward Agreement were considered to give rise to a DFA under the Tax Act, including as a result

of the proposed amendments, on delivery of the units under the Forward Agreement by the counterparty, the fund would be required to include (deduct) in computing income the amount by which the fair market value of such units at such time exceeded (was exceeded by) the purchase price of the units except (subject to the July 30, 2019 proposed amendments, if enacted) to the extent attributable to revenue, income or cash flow in respect of the units over the term of the agreement or changes in the fair market value of the fund. In such circumstances, the cost of the units would be increased (decreased) by the amount included (deductible) in computing income and any capital gain or loss on the redemption of the units would be determined with respect to such cost.

No advance income tax ruling would necessarily have been requested or obtained from the Canada Revenue Agency ("**CRA**") regarding the timing or characterization of the fund's income, gains or losses in this situation. If the fund were not a "mutual fund trust" within the meaning of the Tax Act and were found to be a "trader or dealer in securities", or if the fund were not a "mutual fund trust" within the meaning of the Tax Act, or if, whether through the application of the general anti-avoidance rule or otherwise, or as a result of a change of law, the acquisition of such units by the fund under the Forward Agreement were a taxable event, the character or timing of any gain on the redemption of such units acquired by the fund under the Forward Agreement were other than a capital gain on the redemption of such units, or the Forward Agreement were a DFA, the after-tax return of unitholders could be reduced and the fund could be subject to non-refundable income tax which would reduce the value of its unitholders' investments.

If the counterparty under the Forward Agreement and the underlying fund were not considered to deal at arm's length for purposes of the Tax Act when the counterparty delivers the units of the underlying fund to the fund and the units would otherwise have a cost greater than the fair market value of such units, the cost of such units would be deemed to be such fair market value and any capital losses of the underlying fund that would otherwise result from the subsequent redemption of such units would be denied. Any such denied capital losses would not be available to offset taxable capital gains of the underlying fund, which could as a result potentially be subject to non-refundable income tax.

Taxation policy risk

The value of investments and the proceeds from investments are affected significantly by the taxation laws and policies applicable to the investment. Taxation laws are set by government and are subject to change from time to time without notice and such changes are beyond the control of an investment fund manager.

Trading price of the Shares relative to the Value of Net Assets risk

Securities of certain exchange listed companies in Canada have traded at a discount from their values of their net assets. This risk associated with securities of a listed corporation is a risk separate and distinct from the risk that the value of the Company's Net Assets may decrease. The Company cannot predict whether the Shares will trade at a discount from, a premium to, or at the value of the Company's Net Assets.

The market price of the Shares will likely be affected by macroeconomic developments around the world and market perceptions of the attractiveness of various economies, industries or companies.

The market price of the Shares at any given point in time may not accurately reflect the Company's long-term value. The market price of the Shares is determined by, among other things, the relative demand and supply of the Shares in the market, the Company's investment performance and investor perception of the Company's overall attractiveness as an investment as compared with other investment alternatives.

U.S. regulation and tax risk

If the offering and sale of units of a mutual fund have not been registered under the U.S. Securities Act or any similar United States state law, in reliance upon various exemptions therefrom and a fund may not be required to be registered under the United States Investment Company Act of 1940, as amended (the "U.S. Investment Company Act"). Accordingly, unitholders would not have the benefits afforded generally by the provisions of the U.S. Investment Company Act (which, among other matters, require investment companies to have a majority of disinterested directors, require securities held in custody at all times to be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company). A fund manager may be exempt from registration with the United States Securities and Exchange Commission pursuant to the United States Investment Advisers Act of 1940, as amended, and would therefore not be subject to the recordkeeping and other requirements thereunder.

An investment in a mutual fund by a person subject to taxation under the United States Internal Revenue Code of 1986, as amended, may have United States tax consequences. Such taxpayers should consult their tax advisors about the income tax consequences of acquiring or holding units.

Valuation of the Company's investments risk

The Net Asset Value per Share will vary directly with the market value and return of the investment portfolio of the Company. The Company's valuation of its investment portfolio may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the value of the Company's Net Assets and its shares could be adversely affected. Independent pricing information may not at times be available regarding certain of the Company's investments, particularly where securities are not publicly traded. Valuation determinations will be made in good faith in accordance with the valuation principles established by the Company from time to time.

The Company may from time to time hold Portfolio Company investments that by their very nature may be difficult to value accurately. To the extent that the value assigned by the Company to any such investment differs from the actual value, the Net Assets per Share may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that if an investor sells all or part of its Shares while the Company holds such investments, it may realize an amount less than it might have if the actual value of such investments was higher than the value designated by the Company. Further, there is risk that a new shareholder (or an existing shareholder who makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Company.

Volatility risk

The value of securities in a Fund's portfolio may fluctuate, sometimes rapidly and unpredictably. The value of a security may fluctuate due to factors affecting markets generally or certain industries in particular. This volatility may impact a Fund's net asset value and the market price of the units of a Fund. Securities in a Fund's portfolio may be subject to price volatility and the prices may be more volatile than the market as a whole. Events or financial circumstances affecting individual securities or sectors may increase the volatility of a Fund.

Appendix B – Related Parties
RELATED PARTIES

Investment funds managed by Pender

Pender Bond Universe Fund
Pender Corporate Bond Fund
Pender Small Cap Opportunities Fund
Pender Small/Mid Cap Dividend Fund
Pender Strategic Growth and Income Fund*
Pender Value Fund**
Pender Alternative Absolute Return Fund
Pender Alternative Arbitrage Fund
Pender Alternative Arbitrage Plus Fund
Pender Alternative Multi-Strategy Income Fund
Pender Alternative Special Situations Fund
Pender Income Advantage Fund
Pender Partners Fund
Pender Growth Fund Inc.
Pender Credit Opportunities Fund Limited Partnership
Pender Technology Inflection Fund I Limited Partnership
Pender Technology Inflection Fund II Limited Partnership

* Effective June 23, 2023, the Pender Strategic Growth and Income Fund merged with the Pender Enhanced Income Fund.

** Effective June 23, 2023, the Pender Global Focused Fund was merged with the Pender Value Fund.

Entities with common management

Pender Private Debt Management Inc.
Pender Credit Opportunities Distributions I LP
PPEM Master Management Corp.
Pender Private Equity Fund Management Inc.
Pender Private Equity Fund Management II Inc.
PenderFund Carry Limited Partnership
PTIF II GP Facility LP
Pender Carry II LP
Pender Technology Inflection (VCC) Inc.

Other Related and/or Connected Entities

1162347 B.C. Ltd.
Clarius Mobile Health Corp.
Copperleaf Technologies Inc.
Evidence Partners Inc.
Southern Silver Exploration
Spark Re Technologies Inc.
Sylogist Ltd
Tantalus Sys Hold Inc
Traction Complete Technologies Inc.
Traction Rec Technologies Inc.
Truecontext Corp (Formerly Prontoforms)

Beneficial Holders of >10% of Pender Shares

408198 BC Ltd*
Arbutus Family Holdings Ltd**
Felix Narhi
Garibaldi Venture Partners Ltd***

* A British Columbia company which is 100% owned by William Rand
** A British Columbia company which is 100% owned by Kelly Edmison
*** A British Columbia company which is 100% owned by David Barr

Appendix C - Conflicts of Interest Disclosure

Overview of Client Focused Reforms and Conflicts of Interest Disclosures

The Canadian securities regulators have enhanced their rules to better support your interests as a client. These enhanced rules are based on the fundamental concept that your interests must always come first. At PenderFund Capital Management Ltd. ('Pender') our goal is to be acting in our clients' best interests at all times and these rules require us to provide enhanced disclosure so that you have greater visibility of our efforts to always act in your best interests.

About Pender

Pender is registered as an Adviser (in the category of Portfolio Manager), Investment Fund Manager ("IFM") and Exempt Market Dealer ("EMD") with the British Columbia Securities Commission and the Ontario Securities Commission, as an IFM and EMD with the Autorité des marchés financiers (Quebec), and as an IFM with the Government of Newfoundland and Labrador, and as an EMD with the Alberta Securities Commission and the Manitoba Securities Commission.

In its capacity as an EMD, Pender distributes units of its investment funds (each a 'Fund'), which are detailed in Pender's Relationship Disclosure Brochure, to which this Conflicts of Interest Disclosure is attached. We review each purchase to ensure it is suitable for our private clients, and puts our private clients' interests first. Pender generally distributes exclusively units of its Funds, and only distributes third party funds on an exception basis.

In its capacity as a PM, Pender offers discretionary management services to clients on a separately managed account ("SMA Clients") basis in which Pender will assess whether a purchase or sale of a security in a SMA Client account is suitable for the Client, and which places the Client's interest first prior to executing a transaction on the SMA Client's behalf. SMA Clients will establish an account with a third party custodian that will allow Pender to purchase individual securities within your account.

Conflicts of Interest

A conflict of interest means that there is an influence which may affect the decision we would make in our dealings with you, or conversely it may affect the decision that you, as the client, would make regarding your account with us.

How We Manage of Conflicts of Interest

In general, we deal with and manage relevant conflicts as follows:

Avoid: In situations where conflicts cannot be effectively addressed or where conflicts are prohibited by law, we will avoid them.

Control: We will establish policies and procedures to provide procedures and guidelines on managing certain conflicts.

Disclose: We will provide you with information about certain conflicts so that you are able to evaluate their significance prior to you making decisions concerning your investments with us.

This disclosure will assist you in helping to understand the nature of your relationship with Pender.

Specific Material Conflicts of Interest

Our existing or reasonably foreseeable material conflicts of interest are described below. We are also disclosing those potential conflicts that we avoid, in order to better explain how we put the best interests of our clients first.

Potential Conflict of Interest ("COI")	How Pender Addresses the Conflict
Conflicts arising from proprietary products and related and connected investment fund issuers	Pender is the investment fund manager and portfolio manager for the Funds, and for the majority of our Funds, is also the trustee of the Funds. Pender manages the conflict by disclosing the nature of these relationships to you in our Relationship Disclosure Brochure and this Conflicts of Interest Disclosure Statement and we have you complete documentation which also discloses the nature of the relationship. Pender satisfies its suitability obligation to ensure that the purchase of the applicable Fund is suitable for you as our client, and puts your interests first. Since we only distribute proprietary products (other than on an exceptional basis) the suitability determination that we conduct may not consider the larger market of non-proprietary products or whether those non-proprietary products would be better, worse or equal in meeting your investment needs and objectives.
Related Parties and Issuers	There is the potential for conflicts between our related parties and related issuers. Pender has policies in place to minimize conflicts of interest and provide disclosures to clients to assist in addressing conflicts of interest. Our related parties and registrants and issuers are disclosed to clients at time of account opening and clients are updated when there are material changes to this information.
Principal Holders of Securities and Specific Ownership of Investment Funds	Specific information relating to each Fund can be found in the Annual Information Form for each of Pender's Mutual Funds at https://sedar.com/ or each Fund's related offering documents.
Third- party compensation	Pender avoids this conflict by not distributing third party product. In an instance where Pender may receive a trailer or third-party compensation for client purchases of funds from another manager (i.e. Picton Mahoney) this COI is addressed as investments are required to be assessed for suitability for the end client (control in place).
Internal compensation arrangements and incentive practices	The revenue of Pender is determined by its fees charged within the Funds. There are different components of this COI: 1. Compensation to PM - Pender discloses in the applicable Funds' governing documents (Simplified Prospectus, Offering Memorandum, LPA etc.) and RDD that incentive/performance fees may be charged within the Funds. The performance fee is not related to selling or distribution of the Fund(s) to clients, the nature of compensation related to performance fees is aligned with the interest of unitholders (outperformance by the fund = better returns for unitholders, thus compensation to the PM). The performance of the Fund is controlled within the mandate of the Fund, its risk assessment is within its investment objectives. There is no compensation paid to PMs for referrals made to direct clients. 2. Compensation to Retail Sales Team - A component of the Retail Sales' team's compensation is commissions related to sales of the Funds. However the team is selling to registrants and end firms and not to direct clients, no compensation is tied to direct clients. 3. Compensation to Direct Client Team - A component of the Direct Client Team's compensation is commissions related to gaining and retention of

	clients. This COI is addressed as investments are required to be assessed for suitability for the end client (control in place)."
Supervisory level	Pender avoids this conflict by refraining from compensating compliance or most supervisory staff based on sales or revenue generation. For supervisory staff in the Retail Sales or Direct Client Teams refer above as to how this COI is addressed.
Fee-based accounts	Pender manages the conflict by having policies and procedures in place. Currently, Pender does not currently manage any fee-based accounts.
Fee arrangements	Pender considers the following: 1. Different Classes (with varying fees) - disclosure is included in the Simplified Prospectus (or applicable governing documents) for the Funds and to direct clients in the RDI. Fees are generally reduced when our distribution and servicing costs are lower for that respective class. Class O units are only offered to institutional investors and other qualified investors (not publicly available) and fees are separately negotiated. Note that for certain classes within a fund there maybe a legacy fee arrangement (i.e. discounted fee for founder classes, classes which exclude performance fee); these classes would be offered to all investors during a certain period prior to closure of the class. If in the case the class is reopened the Manager would evaluate any conflicts of interest. 2. Management Fee Rebates - Additionally as noted in the governing documents from time to time, Pender may offer a reduced fee to select institutional investors. Pender negotiates a separate agreement with each institutional investor that sets out the basis (such as size of holdings or competitive rates charged in the industry) on which the fee reduction is calculated.
Conflicts of Interest between the Funds and Pender	Pender currently provides management services to other investment funds and the services of Pender are not exclusive to any specific Fund. Pender may provide similar services to other related parties, including venture capital funds, mutual funds or investment funds engaged in a similar business to a Fund you are invested in.
Fair Allocation of Investment Opportunities	Pender has adopted the following policy with respect to the allocation of investments between Funds that it manages. In the event that securities are purchased for the accounts of more than one Fund and an insufficient number of securities are available to satisfy the purchase order, the securities available will be allocated to the extent possible pro rata to the size of the Funds' accounts. There may be occasions, however, where strict application of this rule does not lead to a fair and reasonable allocation. In such circumstances, allocation by a method other than this rule will be permitted where such allocation produces a fairer and more reasonable result. Notwithstanding the above allocation policy, Pender will not allocate an investment to a Fund if: (a) the pro rata allocation gives an unreasonable result based on the Fund's cash position, the desired weight of the security in the Fund, the mandate of the Fund, the effect on risk and liquidity, and the general composition of the respective Fund; and (b) the allocation is unreasonable when measured against a particular Fund's asset size and target weighting for the security in question.
Investment in Related	As part of their respective investment strategies, the Funds may invest in units of other funds also managed by Pender. Pender manages this conflict by managing

Investment Funds	in accordance with applicable securities legislation.
Referral arrangements	Pender does not currently participate in any referral arrangements.
Purchasing assets from a client outside the normal course of business	Purchasing assets from a client outside the usual business practices may result in a material conflict of interest, and such transactions should be avoided. Directors, officers, and employees of the firm are expressly prohibited from buying or selling securities or any type of assets, including property, from clients outside the regular course of a registrant's business. Pender avoids this as it does not permit the purchasing of assets from a client outside the normal course of business.
Full control or authority over the financial affairs of a clients	Having complete control or authority over the financial affairs of a client, either through a power of attorney, or acting as executor for a client's estate, is an inherent conflict of interest. Pender avoids this conflict in most instances by declining the appointment, unless Pender can clearly demonstrate that the appointment is in the client's best interests. In exceptional circumstances, a registrant of Pender may be named as a trustee or executor (typically along with co-executor(s) or co-trustee(s) independent of Pender) and Pender manages this conflict by, as a matter of policy, waiving executor fees. Should executor fees be charged, Pender would obtain the client's consent. Pender provides the client with disclosure of all conflict related to the respective appointment. Pender avoids this conflict in most instances by declining the appointment. In exceptional circumstances, a registrant of Pender may be named as a trustee or executor (typically along with co-executor(s) or co-trustee(s) independent of Pender) and Pender manages this conflict by, as a matter of policy, waiving executor/trustee fees. Should fees be charged, Pender would obtain the client's consent. Pender provides the client with disclosure of all conflict related to the respective appointment.
Acting as a director of a reporting issuer	Where an employee of Pender is a director of a reporting issuer, Pender manages this conflict by having specific policies and procedures regarding trading in reporting issuer. Pender further manages this conflict by providing disclosure on the specific nature of the conflict and such issues as Pender not being able to make investment decisions regarding the reporting issuer due to information that the individual may have arising out of their directorship duties.
Outside Activities ("OA")	Employees may participate in OA such as serving on a board of directors, participating in community events or pursuing other business interests. There is the potential for these OA to cause them to put their interests ahead of clients. Pender reviews all proposed OAs and do not permit any OA where the conflict or perceived conflict cannot be managed or is otherwise prohibited by Securities Legislation. All OBAs of registered employees are required to be disclosed to our regulator.
Other Activities of Pender	Pender is of the view that other activities of Pender will not be considered to be a conflict of interest or breach of fiduciary duty with respect to the management of the Funds provided that Pender does not contravene the investment objectives or restrictions set out in a trust agreement and provided that the Funds' portfolio advisors fulfill their duties of care set out in their respective agreements. Matters giving rise to a conflict of interest involving a Fund that is a mutual fund and

	Pender are the responsibility of the Independent Review Committee.
Employee familial or other relationships who are in senior positions in issuers	Pender manages this conflict by having specific policies and procedures regarding trading in reporting issuer. Pender further manages this conflict by providing disclosure on the specific nature of the conflict and such issues as Pender not being able to make investment decisions regarding the reporting issuer due to information that the individual may have arising out of their directorship duties.
Allocating expenses amongst fund/in a fund	Pender has policies in place to manage this issue regarding internal processes and external review by an independent fund administrator. Note that most funds have a fixed administration fee (as disclosed in its Simplified Prospectus) and for funds which are charged direct expenses allowable expenses are clearly outlined in the governing document and fund is subject to an annual audit.
Large unitholders	Pender has contingency measures in place to deal with the rare occurrence of failing to be sufficiently liquid due to a large redemption. Fund liquidity is monitored on a monthly basis and net sales (inflows and outflows) are monitored on an intraday basis. Additionally this risk is outlined and disclosed to unitholders in the Funds' Simplified Prospectus.
Seeding a New Fund	Pender manages this by having related parties invest in the fund on the express understanding that the seeding funds are not needed until an exit will not affect existing unitholders or liquidity within the fund.
Trades alongside clients (exempt market dealer relationships)	Generally the offering is continuous and the underlying securities are liquid so there would not be a potential to freeze or limit redemptions. For private funds the COI is considered and addressed.
Best Execution	Pender makes decisions regarding the execution of portfolio transactions with respect to the cash and cash equivalent portions of the Funds, including, when applicable, the selection of markets and brokers and the negotiation of commissions. If and when effecting such portfolio transactions, the portfolio advisors place brokerage business with investment dealers and brokers on the basis of the best price and service. To the extent that the execution offered by more than one dealer or broker is comparable, the portfolio advisor may, in its discretion, determine to effect transactions with the dealers and brokers who provide research, statistical and other similar services to the Fund or to the portfolio advisor at transaction prices that reflect those services.
Soft Dollar Arrangements	Pender does not currently engage in any soft-dollar arrangements. However, should it do so in the future, it will follow industry practices and include those procedures in the policies and procedures manual
Cross-trades or inter-fund trades	Pender has policy in place for inter-fund or cross trades.
Trade and Pricing Errors	There is the potential for a pricing or trading error to occur in a Fund and that the error may not be resolved in a fair and reasonable manner. We have enacted policies to ensure that trade and pricing errors are handled in a fair, reasonable and consistent manner and in the best interest of the respective Fund.

Pricing Errors (NAV Adjustments)	Pender has enacted policies to ensure that NAV Adjustments are handled in a fair, reasonable and consistent manner and in the best interest of the respective Fund.
Valuation of Funds	Pender earns advisory fees based on the market value of each Fund. Pender has a very detailed valuation policy which determines the value of respective securities based upon the nature of the security involved. Generally speaking valuations are determined on public market and are determined through independent third parties. The value of any security or property to which, in the opinion Pender, its valuation policy cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in good faith in such manner as Pender from time to time adopts.
Personal Trading of Access Persons	Pender has personal trading policies and manages personal trading conflicts by having a personal trading policy, which provides that authorization is required prior to trading in securities.
Related offerings such as financial planning and insurance	Pender does not offer any related offerings.
Tied Selling	Pender expressly prohibits tied selling.
Employees or firm giving or receiving gifts and entertainment may create incentive to allocate trades or custody business of clients or improperly incentivize parties to refer clients to Pender	Pender manages any gifts and entertainment conflicts as it has a Gifts and Entertainment Policy which requires all gifts above $250 be formally approved. Pender has a comprehensive co-operative marketing policy and is governed under NI 81-105 Mutual Fund Sales Practices
Marketing with misleading or inaccurate performance.	Pender has policies for the review and approval of any marketing materials.
Proxy Voting	Pender has a Proxy Voting policy in place to vote in the interests of unitholders.
Complaints	Policies regarding reporting complaints are in place, along with a reporting requirement and an annual certification.