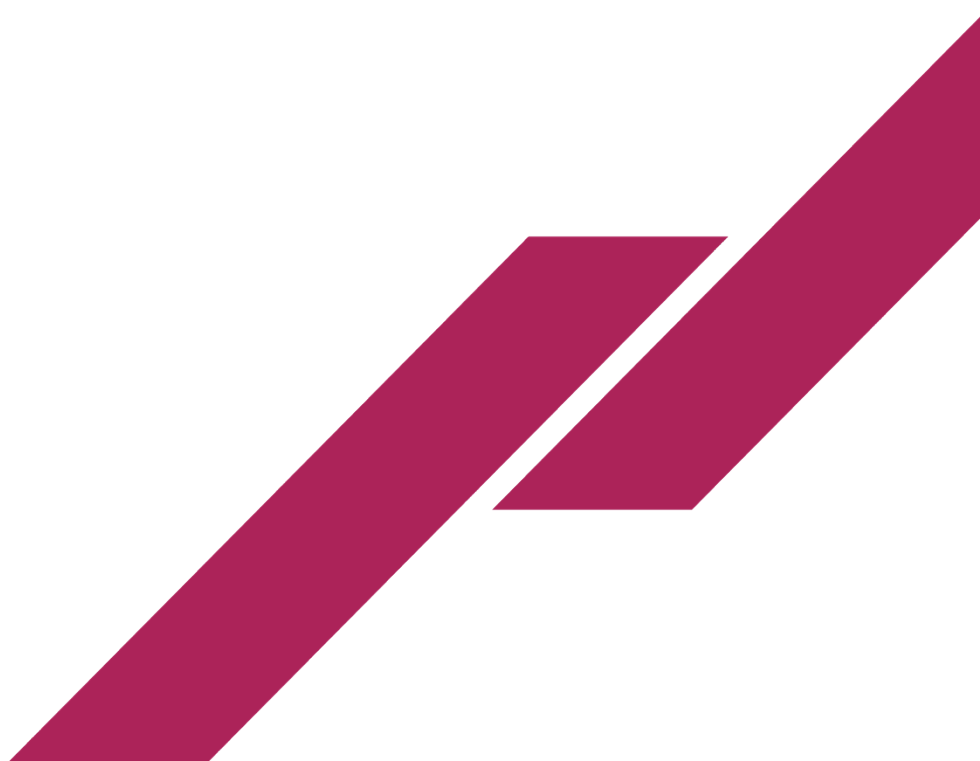


**Annual Financial Statements of
PENDER MUTUAL FUNDS**

And Independent Auditor's Report thereon
Year ended December 31, 2023



MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Pender Mutual Funds (the “Funds”) are the responsibility of management. They have been prepared in accordance with IFRS Accounting Standards.

PenderFund Capital Management Ltd. (the “Manager”) has developed and maintains a system of internal controls to provide reasonable assurance that all assets are safeguarded and to produce relevant, reliable and timely financial information, including the accompanying financial statements.

The Board of Directors of the Manager is responsible for reviewing and approving the financial statements and for overseeing the Manager’s performance of its financial reporting responsibilities. The Board of Directors has approved the accompanying financial statements of the Funds.

These financial statements have been audited by KPMG LLP, Chartered Professional Accountants, on behalf of the unitholders. The auditor’s report outlines the scope of their audit and their opinion on the financial statements.

March 28, 2024

(signed) "David Barr"

David Barr
Chief Executive Officer
PenderFund Capital Management Ltd.

(signed) "Gina Jones"

Gina Jones
Chief Financial Officer
PenderFund Capital Management Ltd.



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of the Pender Mutual Funds

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 (formerly Pender Enhanced Income Fund)
Pender Value Fund
(collectively, the "Funds")

Opinion

We have audited the financial statements of the Funds, which comprise:

- the statements of financial position as at December 31, 2023 and December 31, 2022
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2023 and December 31, 2022, and their financial performance and their cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Funds in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Information

The Manager is responsible for the other information. Other information comprise the information included in the Annual Management Report of Fund Performance for each of the Funds filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Annual Management Report of Fund Performance for each of the Funds filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of the Manager and Those Charged with Governance for the Financial Statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Funds' ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada

March 28, 2024

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Pender Bond Universe Fund

Statements of Financial Position

December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Assets		
Cash	530,290	15,756,144
Receivable for investments sold	-	50,088
Subscriptions receivable	2,297	312,163
Interest receivable	442,655	429,870
Other receivable	-	6,113
Derivative assets	342,384	30,113
Investments	60,010,414	86,276,200
	61,328,040	102,860,691
Liabilities		
Management and administration fees payable (note 4)	34,517	45,941
Payable for investments purchased	-	10,637,298
Redemptions payable to holders of redeemable units	70,475	26,104
Accrued expenses	170	131
	105,162	10,709,474
Net assets attributable to holders of redeemable units	61,222,878	92,151,217
Net assets attributable to holders of redeemable units per class:		
Class A	3,207,340	3,398,434
Class A (USD)	-	6,726
Class E	400,722	334,259
Class F	55,439,149	86,293,682
Class F (USD)	105,963	184,669
Class O	2,069,704	1,933,447
	61,222,878	92,151,217
Net assets attributable to holders of redeemable units per unit:		
Class A	9.48	9.18
Class A (USD)	-	13.27
Class E	9.48	9.18
Class F	9.47	9.17
Class F (USD)	13.52	13.28
Class O	9.48	9.18

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

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Bond Universe Fund

Statements of Comprehensive Income

Years ended December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Revenue		
Distributions from underlying funds	869,918	1,113,984
Interest for distribution purposes	2,056,060	1,821,735
Securities lending income (note 5)	3,502	525
Foreign exchange gain (loss)	(4,406)	12,250
Changes in fair value of investments:		
Net realized gain (loss)	(2,985,637)	(3,728,041)
Net change in unrealized appreciation (depreciation)	5,137,858	(4,298,404)
Total revenue	5,077,295	(5,077,951)
Expenses		
Administration fees (note 4)	383,035	409,542
Management fees (note 4)	85,506	89,252
Transaction costs	2,423	5,043
Independent review committee fees	1,288	2,420
Total expenses	472,252	506,257
Less: Expenses absorbed by the Manager (note 4)	(1,288)	(2,420)
Net expenses	470,964	503,837
Increase (decrease) in net assets attributable to holders of redeemable units	4,606,331	(5,581,788)
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	198,281	(256,762)
Class A (USD)	112	290
Class D	-	(287)
Class E	24,823	(19,597)
Class F	4,225,760	(5,233,126)
Class F (USD)	7,098	(233)
Class N	-	(322)
Class O	150,257	(71,751)
	4,606,331	(5,581,788)
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	0.55	(0.69)
Class A (USD)	0.22	0.58
Class D	-	(0.54)
Class E	0.64	(0.59)
Class F	0.59	(0.72)
Class F (USD)	0.81	(0.03)
Class N	-	(0.59)
Class O	0.63	(0.40)

Pender Bond Universe Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2023 and 2022

Class A	2023 (\$)	2022 (\$)
Balance, beginning of year	3,398,434	3,793,867
Increase (decrease) in net assets attributable to holders of redeemable units	198,281	(256,762)
Unit transactions:		
Proceeds from issue of redeemable units	380,604	559,191
Issued on reinvestment of distributions	65,314	67,116
Amounts paid on redemption of redeemable units	(737,882)	(664,562)
	(291,964)	(38,255)
Distributions paid from:		
Net investment income	(97,411)	(100,416)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(97,411)	(100,416)
Balance, end of year	3,207,340	3,398,434

Class A (USD)	2023 (\$)	2022 (\$)
Balance, beginning of year	6,726	-
Increase (decrease) in net assets attributable to holders of redeemable units	112	290
Unit transactions:		
Proceeds from issue of redeemable units	-	6,454
Issued on reinvestment of distributions	65	73
Amounts paid on redemption of redeemable units	(6,838)	-
	(6,773)	6,527
Distributions paid from:		
Net investment income	(65)	(91)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(65)	(91)
Balance, end of year	-	6,726

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

Pender Bond Universe Fund

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

Years ended December 31, 2023 and 2022

Class E	2023 (\$)	2022 (\$)
Balance, beginning of year	334,259	312,952
Increase (decrease) in net assets attributable to holders of redeemable units	24,823	(19,597)
Unit transactions:		
Proceeds from issue of redeemable units	41,640	40,904
Issued on reinvestment of distributions	12,956	11,375
Amounts paid on redemption of redeemable units	-	-
	54,596	52,279
Distributions paid from:		
Net investment income	(12,956)	(11,375)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(12,956)	(11,375)
Balance, end of year	400,722	334,259

Class F	2023 (\$)	2022 (\$)
Balance, beginning of year	86,293,682	79,955,190
Increase (decrease) in net assets attributable to holders of redeemable units	4,225,760	(5,233,126)
Unit transactions:		
Proceeds from issue of redeemable units	27,522,171	89,348,315
Issued on reinvestment of distributions	1,270,496	1,167,519
Amounts paid on redemption of redeemable units	(61,604,261)	(76,725,825)
	(32,811,594)	13,790,009
Distributions paid from:		
Net investment income	(2,268,699)	(2,218,391)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(2,268,699)	(2,218,391)
Balance, end of year	55,439,149	86,293,682

Class F (USD)	2023 (\$)	2022 (\$)
Balance, beginning of year	184,669	-
Increase (decrease) in net assets attributable to holders of redeemable units	7,098	(233)
Unit transactions:		
Proceeds from issue of redeemable units	-	191,667
Issued on reinvestment of distributions	241	1,435
Amounts paid on redemption of redeemable units	(81,869)	(6,722)
	(81,628)	186,380
Distributions paid from:		
Net investment income	(4,176)	(1,478)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(4,176)	(1,478)
Balance, end of year	105,963	184,669

Pender Bond Universe Fund

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

Years ended December 31, 2023 and 2022

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

Class O	2023 (\$)	2022 (\$)
Balance, beginning of year	1,933,447	1,071,423
Increase (decrease) in net assets attributable to holders of redeemable units	150,257	(71,751)
Unit transactions:		
Proceeds from issue of redeemable units	385,000	1,248,930
Issued on reinvestment of distributions	91,173	71,252
Amounts paid on redemption of redeemable units	(399,000)	(315,155)
	77,173	1,005,027
Distributions paid from:		
Net investment income	(91,173)	(71,252)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(91,173)	(71,252)
Balance, end of year	2,069,704	1,933,447

Total Fund	2023 (\$)	2022 (\$)
Balance, beginning of year	92,151,217	85,144,293
Increase (decrease) in net assets attributable to holders of redeemable units	4,606,331	(5,581,788)
Unit transactions:		
Proceeds from issue of redeemable units	28,329,415	91,395,461
Issued on reinvestment of distributions	1,440,245	1,318,869
Amounts paid on redemption of redeemable units	(62,829,850)	(77,722,516)
	(33,060,190)	14,991,814
Distributions paid from:		
Net investment income	(2,474,480)	(2,403,102)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(2,474,480)	(2,403,102)
Balance, end of year	61,222,878	92,151,217

Pender Bond Universe Fund

Statements of Cash Flows

Years ended December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	4,606,331	(5,581,788)
Adjustments for:		
Distributions from underlying funds	(869,918)	(1,113,984)
Interest for distribution purposes	(2,056,060)	(1,821,735)
Foreign exchange (gain) loss	4,406	(12,250)
Net realized (gain) loss on sale of investments	2,880,616	3,481,336
Net change in unrealized (appreciation) depreciation of investments	(4,825,587)	4,328,517
Other receivable	6,113	(3,243)
Derivative assets and liabilities	(312,271)	(30,113)
Management and administration fees payable	(11,424)	(3,541)
Accrued expenses	39	(72)
	(577,755)	(756,873)
Proceeds on disposal of investments	48,759,758	58,834,555
Amounts paid on purchase of investments	(31,136,319)	(59,190,423)
Distributions received from underlying funds	869,918	1,113,984
Interest received	2,043,383	1,813,461
	19,958,985	1,814,704
Financing:		
Proceeds from issue of redeemable units	28,532,991	91,240,550
Amounts paid on redemption of redeemable units	(62,679,189)	(77,641,794)
Distributions paid to unitholders	(1,034,235)	(1,084,233)
	(35,180,433)	12,514,523
Net increase (decrease) in cash	(15,221,448)	14,329,227
Cash (Bank overdraft), beginning of year	15,756,144	1,414,667
Effect of exchange rate fluctuations on cash	(4,406)	12,250
Cash (Bank overdraft), end of year	530,290	15,756,144

Pender Bond Universe Fund

Schedule of Investment Portfolio

December 31, 2023

	Issue currency	Number of units / Face value (\$)	Cost (\$)	Fair value (\$)
Mutual funds:				
Pender Corporate Bond Fund, Class 'O'	CAD	1,266,059	13,789,882	13,219,179
Total mutual funds (21.5%)			13,789,882	13,219,179
Corporate bonds:				
Canada (35.3%):				
Bell Canada, Inc., Callable, 3.00%, 2031/03/17	CAD	1,400,000	1,356,605	1,271,042
Brookfield Renewable Partners L.P., Callable, 4.25%, 2029/01/15	CAD	3,050,000	3,057,510	3,006,351
Cameco Corporation, Callable, 2.95%, 2027/10/21	CAD	2,650,000	2,514,057	2,500,518
Canadian National Railway Company, Callable, 3.20%, 2028/07/31	CAD	2,000,000	1,899,600	1,932,339
Canadian Pacific Railway Company, Callable, 3.15%, 2029/03/13	CAD	1,100,000	1,178,033	1,045,509
Choice Properties Real Estate Investment Trust, Callable, 2.85%, 2027/05/21	CAD	1,100,000	1,139,660	1,039,739
Choice Properties Real Estate Investment Trust, Callable, 2.98%, 2030/03/04	CAD	455,000	435,226	411,974
Fairfax Financial Holdings Limited, Callable, 4.70%, 2026/12/16	CAD	2,200,000	2,440,282	2,201,238
Fairfax Financial Holdings Limited, Callable, 3.95%, 2031/03/03	CAD	2,000,000	1,769,436	1,883,901
Loblaw Companies Limited, Callable, 4.49%, 2028/12/11	CAD	2,000,000	1,982,987	2,023,780
Loblaw Companies Limited, Callable, 2.28%, 2030/05/07	CAD	1,000,000	837,700	889,170
Ontario Power Generation Inc., Callable, 2.89%, 2025/04/08	CAD	1,100,000	1,127,148	1,074,875
Waste Management of Canada Corporation, Callable, 2.60%, 2026/09/23	CAD	2,500,000	2,278,375	2,395,160
			22,016,619	21,675,596
United States (20.5%):				
Apple Inc., Callable, 2.51%, 2024/08/19	CAD	1,000,000	970,500	982,772
McDonald's Corporation, Callable, 3.13%, 2025/03/04	CAD	2,440,816	2,514,982	2,394,863
Occidental Petroleum Corporation, Callable, 4.10%, 2047/02/15	USD	1,000,000	886,357	958,409
PepsiCo, Inc., Callable, 2.15%, 2024/05/06	CAD	1,953,316	1,947,147	1,933,447
United Parcel Service, Inc., Callable, 2.13%, 2024/05/21	CAD	1,363,816	1,389,596	1,348,215
Verisign, Inc., Callable, 4.75%, 2027/07/15	USD	2,000,000	2,551,428	2,631,391
WarnerMedia Holdings, Inc., Callable, 5.39%, 2062/03/15	USD	2,000,000	2,098,237	2,285,930
			12,358,247	12,535,027
Foreign (2.6%):				
Petróleos Mexicanos, Callable, 6.75%, 2047/09/21	USD	1,800,000	1,494,760	1,565,867
			1,494,760	1,565,867
Total corporate bonds (58.4%)			35,869,626	35,776,490

Pender Bond Universe Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2023

	Issue currency	Number of units / Face value (\$)	Cost (\$)	Fair value (\$)
Government bonds:				
Government of Canada, 2.25%, 2029/06/01	CAD	3,500,000	3,354,155	3,359,482
Government of Canada, 2.75%, 2033/06/01	CAD	2,300,000	2,154,027	2,235,376
Government of Canada, Real Return, 4.25%, 2026/12/01	CAD	300,000	661,170	587,544
Government of Canada, Real Return, 4.00%, 2031/12/01	CAD	1,000,000	2,183,758	2,081,038
United States Treasury, 3.50%, 2033/02/15	USD	1,000,000	1,277,296	1,287,705
United States Treasury, Inflation Indexed, 0.13%, 2052/02/15	USD	1,547,392	1,167,860	1,267,683
Total government bonds (17.7%)			10,798,266	10,818,828
Preferred shares:				
Great-West Lifeco Inc., Series 'H', 6.43%	CAD	10,700	191,549	195,917
Total preferred shares (0.3%)			191,549	195,917
Less: Transaction costs included in cost of investments			(898)	
Total investments (97.9%)			60,648,425	60,010,414
	Contract rate	Pay	Receive	Unrealized gain (loss)
Derivative assets:				
BNY Mellon, Foreign Currency Forward, settlement 2024/01/17	1.37	USD 7,053,338	CAD 9,686,500	342,384
Total derivative assets (0.6%)				342,384
Cash (Bank overdraft) (0.9%)				530,290
Other assets less liabilities (0.6%)				339,790
Total net assets attributable to holders of redeemable units (100.0%)				61,222,878

Pender Corporate Bond Fund

Statements of Financial Position

December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Assets		
Cash	22,695,534	54,963,185
Receivable for investments sold	7,000,074	2,717,244
Subscriptions receivable	1,717,869	3,968,612
Dividends receivable	578,199	592,458
Interest receivable	16,070,951	17,746,072
Derivative assets	13,708,936	-
Investments	1,399,039,669	1,392,079,716
	1,460,811,232	1,472,067,287
Liabilities		
Management and administration fees payable (note 4)	1,418,050	1,406,010
Payable for investments purchased	2,078,988	36,416,684
Redemptions payable to holders of redeemable units	1,456,411	560,791
Distributions payable to holders of redeemable units	-	1,066
Accrued expenses	1,325	1,537
Derivative liabilities	1,237,791	11,537,851
	6,192,565	49,923,939
Net assets attributable to holders of redeemable units	1,454,618,667	1,422,143,348
Net assets attributable to holders of redeemable units per class:		
Class A	93,692,444	95,980,339
Class A (USD)	2,093,801	2,773,052
Class E	3,797,313	3,542,731
Class F	412,033,652	402,879,884
Class F (USD)	19,577,114	20,874,417
Class H	86,140,063	88,359,819
Class H (USD)	6,641,091	7,373,484
Class I	768,652,426	708,267,345
Class I (USD)	27,301,931	36,726,047
Class N	-	4,660
Class N (USD)	7,071	2,443,641
Class O	31,323,227	43,579,903
Class U	3,358,534	9,338,026
	1,454,618,667	1,422,143,348

Pender Corporate Bond Fund

Statements of Financial Position

December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Net assets attributable to holders of redeemable units per unit:		
Class A	11.89	11.58
Class A (USD)	14.22	14.04
Class E	9.54	9.30
Class F	11.91	11.60
Class F (USD)	14.03	13.85
Class H	10.58	10.30
Class H (USD)	13.47	13.30
Class I	10.29	10.03
Class I (USD)	13.51	13.34
Class N	-	8.97
Class N (USD)	13.54	13.36
Class O	10.44	10.20
Class U	10.08	9.89

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

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Corporate Bond Fund

Statements of Comprehensive Income

Years ended December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Revenue		
Interest for distribution purposes	77,949,453	76,527,653
Dividend income	7,811,205	5,326,029
Securities lending income	-	4
Other Income	235	-
Foreign exchange gain (loss)	(7,604)	(331,624)
Changes in fair value of investments and derivatives:		
Net realized gain (loss)	(11,770,552)	(55,618,700)
Net change in unrealized appreciation (depreciation)	47,803,109	(87,735,280)
Total revenue	121,785,846	(61,831,918)
Expenses		
Management fees (note 4)	8,604,903	8,375,839
Administration fees (note 4)	8,434,728	8,012,712
Transaction costs	500,716	386,658
Withholding taxes (note 6)	486,139	40,273
Independent review committee fees	29,160	37,224
Total expenses	18,055,646	16,852,706
Less: Expenses absorbed by the Manager (note 4)	(29,160)	(37,224)
Net expenses	18,026,486	16,815,482
Increase (decrease) in net assets attributable to holders of redeemable units	103,759,360	(78,647,400)
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	6,009,148	(6,919,914)
Class A (USD)	118,338	(33,473)
Class D	-	(276,324)
Class E	289,689	(190,244)
Class F	29,902,418	(24,517,921)
Class F (USD)	1,158,378	96,803
Class H	5,902,319	(6,479,430)
Class H (USD)	397,265	(70,663)
Class I	54,908,572	(37,687,352)
Class I (USD)	1,836,638	242,532
Class N	35	(81,802)
Class N (USD)	130,562	6,893
Class O	2,811,869	(2,551,452)
Class U	294,129	(185,053)
	103,759,360	(78,647,400)

Pender Corporate Bond Fund

Statements of Comprehensive Income (cont'd)

Years ended December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	0.74	(0.85)
Class A (USD)	0.67	(0.14)
Class D	-	(0.35)
Class E	0.74	(0.49)
Class F	0.84	(0.71)
Class F (USD)	0.78	0.07
Class H	0.67	(0.73)
Class H (USD)	0.69	(0.12)
Class I	0.73	(0.59)
Class I (USD)	0.80	0.09
Class N	0.07	(0.85)
Class N (USD)	0.82	0.05
Class O	0.85	(0.57)
Class U	0.87	(0.21)

Pender Corporate Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2023 and 2022

Class A	2023 (\$)	2022 (\$)
Balance, beginning of year	95,980,339	110,719,585
Increase (decrease) in net assets attributable to holders of redeemable units	6,009,148	(6,919,914)
Unit transactions:		
Proceeds from issue of redeemable units	17,577,511	18,743,653
Issued on reinvestment of distributions	2,844,601	2,920,486
Amounts paid on redemption of redeemable units	(25,129,130)	(25,825,001)
	(4,707,018)	(4,160,862)
Distributions paid from:		
Net investment income	(3,590,025)	(3,658,470)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(3,590,025)	(3,658,470)
Balance, end of year	93,692,444	95,980,339

Class A (USD)	2023 (\$)	2022 (\$)
Balance, beginning of year	2,773,052	2,979,068
Increase (decrease) in net assets attributable to holders of redeemable units	118,338	(33,473)
Unit transactions:		
Proceeds from issue of redeemable units	652,525	1,805,906
Issued on reinvestment of distributions	66,660	87,964
Amounts paid on redemption of redeemable units	(1,423,081)	(1,948,084)
	(703,896)	(54,214)
Distributions paid from:		
Net investment income	(93,693)	(118,329)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(93,693)	(118,329)
Balance, end of year	2,093,801	2,773,052

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

Pender Corporate Bond Fund

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

Years ended December 31, 2023 and 2022

Class E	2023 (\$)	2022 (\$)
Balance, beginning of year	3,542,731	4,131,543
Increase (decrease) in net assets attributable to holders of redeemable units	289,689	(190,244)
Unit transactions:		
Proceeds from issue of redeemable units	235,941	70,702
Issued on reinvestment of distributions	194,644	193,048
Amounts paid on redemption of redeemable units	(271,048)	(469,270)
	159,537	(205,520)
Distributions paid from:		
Net investment income	(194,644)	(193,048)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(194,644)	(193,048)
Balance, end of year	3,797,313	3,542,731

Class F	2023 (\$)	2022 (\$)
Balance, beginning of year	402,879,884	422,354,678
Increase (decrease) in net assets attributable to holders of redeemable units	29,902,418	(24,517,921)
Unit transactions:		
Proceeds from issue of redeemable units	179,926,520	229,469,737
Issued on reinvestment of distributions	11,545,109	11,434,939
Amounts paid on redemption of redeemable units	(192,731,330)	(216,911,843)
	(1,259,701)	23,992,833
Distributions paid from:		
Net investment income	(19,488,949)	(18,949,706)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(19,488,949)	(18,949,706)
Balance, end of year	412,033,652	402,879,884

Class F (USD)	2023 (\$)	2022 (\$)
Balance, beginning of year	20,874,417	15,841,960
Increase (decrease) in net assets attributable to holders of redeemable units	1,158,378	96,803
Unit transactions:		
Proceeds from issue of redeemable units	5,375,999	12,316,612
Issued on reinvestment of distributions	757,092	563,629
Amounts paid on redemption of redeemable units	(7,629,155)	(7,104,116)
	(1,496,064)	5,776,125
Distributions paid from:		
Net investment income	(959,617)	(840,471)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(959,617)	(840,471)
Balance, end of year	19,577,114	20,874,417

Pender Corporate Bond Fund

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

Years ended December 31, 2023 and 2022

Class H	2023 (\$)	2022 (\$)
Balance, beginning of year	88,359,819	103,092,302
Increase (decrease) in net assets attributable to holders of redeemable units	5,902,319	(6,479,430)
Unit transactions:		
Proceeds from issue of redeemable units	12,549,352	12,849,798
Issued on reinvestment of distributions	3,118,760	3,220,077
Amounts paid on redemption of redeemable units	(20,051,511)	(20,512,353)
	(4,383,399)	(4,442,478)
Distributions paid from:		
Net investment income	(3,738,676)	(3,810,575)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(3,738,676)	(3,810,575)
Balance, end of year	86,140,063	88,359,819

Class H (USD)	2023 (\$)	2022 (\$)
Balance, beginning of year	7,373,484	8,224,340
Increase (decrease) in net assets attributable to holders of redeemable units	397,265	(70,663)
Unit transactions:		
Proceeds from issue of redeemable units	1,066,045	1,105,023
Issued on reinvestment of distributions	294,107	287,893
Amounts paid on redemption of redeemable units	(2,174,795)	(1,870,690)
	(814,643)	(477,774)
Distributions paid from:		
Net investment income	(315,015)	(302,419)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(315,015)	(302,419)
Balance, end of year	6,641,091	7,373,484

Class I	2023 (\$)	2022 (\$)
Balance, beginning of year	708,267,345	602,870,521
Increase (decrease) in net assets attributable to holders of redeemable units	54,908,572	(37,687,352)
Unit transactions:		
Proceeds from issue of redeemable units	268,075,568	332,930,135
Issued on reinvestment of distributions	19,880,248	19,972,908
Amounts paid on redemption of redeemable units	(246,045,365)	(177,878,376)
	41,910,451	175,024,667
Distributions paid from:		
Net investment income	(36,433,942)	(31,940,491)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(36,433,942)	(31,940,491)
Balance, end of year	768,652,426	708,267,345

Pender Corporate Bond Fund

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

Years ended December 31, 2023 and 2022

Class I (USD)	2023 (\$)	2022 (\$)
Balance, beginning of year	36,726,047	35,289,952
Increase (decrease) in net assets attributable to holders of redeemable units	1,836,638	242,532
Unit transactions:		
Proceeds from issue of redeemable units	7,878,955	13,328,437
Issued on reinvestment of distributions	892,285	961,456
Amounts paid on redemption of redeemable units	(18,560,868)	(11,453,083)
	(9,789,628)	2,836,810
Distributions paid from:		
Net investment income	(1,471,126)	(1,643,247)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(1,471,126)	(1,643,247)
Balance, end of year	27,301,931	36,726,047

Class N	2023 (\$)	2022 (\$)
Balance, beginning of year	4,660	2,694,955
Increase (decrease) in net assets attributable to holders of redeemable units	35	(81,802)
Unit transactions:		
Proceeds from issue of redeemable units	-	4,699
Issued on reinvestment of distributions	84	34,427
Amounts paid on redemption of redeemable units	(4,695)	(2,605,233)
	(4,611)	(2,566,107)
Distributions paid from:		
Net investment income	(84)	(42,386)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(84)	(42,386)
Balance, end of year	-	4,660

Class N (USD)	2023 (\$)	2022 (\$)
Balance, beginning of year	2,443,641	2,663,887
Increase (decrease) in net assets attributable to holders of redeemable units	130,562	6,893
Unit transactions:		
Proceeds from issue of redeemable units	6,678	6,841
Issued on reinvestment of distributions	286	89
Amounts paid on redemption of redeemable units	(2,466,443)	(106,733)
	(2,459,479)	(99,803)
Distributions paid from:		
Net investment income	(107,653)	(127,336)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(107,653)	(127,336)
Balance, end of year	7,071	2,443,641

Pender Corporate Bond Fund

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

Years ended December 31, 2023 and 2022

Class O	2023 (\$)	2022 (\$)
Balance, beginning of year	43,579,903	58,561,873
Increase (decrease) in net assets attributable to holders of redeemable units	2,811,869	(2,551,452)
Unit transactions:		
Proceeds from issue of redeemable units	2,108,401	21,725,902
Issued on reinvestment of distributions	1,962,096	2,677,826
Amounts paid on redemption of redeemable units	(17,176,946)	(34,156,420)
	(13,106,449)	(9,752,692)
Distributions paid from:		
Net investment income	(1,962,096)	(2,677,826)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(1,962,096)	(2,677,826)
Balance, end of year	31,323,227	43,579,903

Class U	2023 (\$)	2022 (\$)
Balance, beginning of year	9,338,026	11,425,497
Increase (decrease) in net assets attributable to holders of redeemable units	294,129	(185,053)
Unit transactions:		
Proceeds from issue of redeemable units	2,202,231	2,424,240
Issued on reinvestment of distributions	96,598	9,141
Amounts paid on redemption of redeemable units	(8,433,637)	(3,942,614)
	(6,134,808)	(1,509,233)
Distributions paid from:		
Net investment income	(138,813)	(393,185)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(138,813)	(393,185)
Balance, end of year	3,358,534	9,338,026

Total Fund	2023 (\$)	2022 (\$)
Balance, beginning of year	1,422,143,348	1,389,779,981
Increase (decrease) in net assets attributable to holders of redeemable units	103,759,360	(78,647,400)
Unit transactions:		
Proceeds from issue of redeemable units	497,655,726	647,861,651
Issued on reinvestment of distributions	41,652,570	42,446,632
Amounts paid on redemption of redeemable units	(542,098,004)	(514,510,578)
	(2,789,708)	175,797,705
Distributions paid from:		
Net investment income	(68,494,333)	(64,786,938)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(68,494,333)	(64,786,938)
Balance, end of year	1,454,618,667	1,422,143,348

Pender Corporate Bond Fund

Statements of Cash Flows

Years ended December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	103,759,360	(78,647,400)
Adjustments for:		
Interest for distribution purposes	(77,949,453)	(76,527,653)
Dividend income	(7,811,205)	(5,326,029)
Foreign exchange (gain) loss	7,604	331,624
Net realized (gain) loss on sale of investments	1,094,432	1,343,140
Net change in unrealized (appreciation) depreciation of investments	(23,790,825)	83,795,800
Derivative assets and liabilities	(24,008,996)	3,939,480
Management and administration fees payable	12,040	25,272
Accrued expenses	(212)	175
	(28,687,255)	(71,065,591)
Proceeds on disposal of investments	869,179,364	851,719,477
Amounts paid on purchase of investments	(892,065,071)	(987,780,272)
Dividends received	7,825,464	4,906,595
Interest received	79,626,195	70,604,870
	35,878,697	(131,614,921)
Financing:		
Proceeds from issue of redeemable units	463,939,428	597,851,623
Amounts paid on redemption of redeemable units	(505,235,343)	(460,742,457)
Distributions paid to unitholders	(26,842,829)	(22,340,365)
	(68,138,744)	114,768,801
Net increase (decrease) in cash	(32,260,047)	(16,846,120)
Cash (Bank overdraft), beginning of year	54,963,185	72,140,929
Effect of exchange rate fluctuations on cash	(7,604)	(331,624)
Cash (Bank overdraft), end of year	22,695,534	54,963,185

Pender Corporate Bond Fund

Schedule of Investment Portfolio

December 31, 2023

	Issue currency	Face value (\$) / Number of shares / units	Cost (\$)	Fair value (\$)
Corporate bonds and loans:				
Canada (20.0%):				
Air Canada 2013-1 Pass Through Trusts A, 4.13%, 2026/11/15	USD	1,569,170	1,893,090	2,004,117
Air Canada 2015-1 Pass Through Trusts A, Sinkable, 3.60%, 2028/09/15	USD	576,435	695,758	719,471
Air Canada 2015-2 Pass Through Trusts A, Sinkable, 4.13%, 2029/06/15	USD	3,064,023	3,567,739	3,729,998
Baytex Energy Corp., Callable, 8.75%, 2027/04/01	USD	8,291,000	11,562,302	11,405,270
Baytex Energy Corp., Callable, 8.80%, 2030/04/30	USD	700,000	923,507	960,435
Cameco Corporation, Callable, 2.95%, 2027/10/21	CAD	19,972,000	19,589,888	18,845,413
Canadian Pacific Railway Company, Callable, 3.15%, 2029/03/13	CAD	7,400,000	7,915,318	7,033,422
Canopy Growth Corporation, Term Loan, 14.18%, 2026/03/18	USD	6,105,059	7,951,589	6,714,292
Chemtrade Logistics Income Fund, Callable, 6.50%, 2026/10/31	CAD	1,520,000	1,180,325	1,497,200
Chemtrade Logistics Income Fund, Convertible, Callable, 6.25%, 2027/08/31	CAD	1,970,000	2,103,252	1,989,602
Chemtrade Logistics Income Fund, Convertible, Callable, 7.00%, 2028/06/30	CAD	10,000,000	10,000,000	9,755,000
Choice Properties Real Estate Investment Trust, Callable, 3.53%, 2029/06/11	CAD	5,800,000	6,240,580	5,478,494
Choice Properties Real Estate Investment Trust, Callable, 2.98%, 2030/03/04	CAD	1,545,000	1,530,314	1,398,902
Cineplex Inc., Callable, 5.75%, 2025/09/30	CAD	17,690,000	17,882,525	17,690,000
Equinox Gold Corp., Convertible, Callable, 4.75%, 2028/10/15	USD	14,500,000	19,562,675	20,672,854
Fairfax Financial Holdings Limited, Callable, 4.23%, 2029/06/14	CAD	3,000,000	2,806,500	2,932,683
Fairfax Financial Holdings Limited, Callable, 3.95%, 2031/03/03	CAD	21,400,000	20,684,244	20,157,745
Fairfax India Holdings Corporation, Callable, 5.00%, 2028/02/26	USD	10,000,000	12,331,398	12,308,721
First Majestic Silver Corp., Callable, 0.38%, 2027/01/15	USD	23,050,000	25,810,201	23,920,809
IAMGOLD Corporation, Callable, 5.75%, 2028/10/15	USD	11,497,000	12,456,737	13,246,733
Loblaw Companies Limited, Callable, 3.92%, 2024/06/10	CAD	15,000,000	15,881,900	14,910,036
Methanex Corporation, Callable, 5.65%, 2044/12/01	USD	2,096,000	2,012,708	2,407,076
NFI Group Inc., Convertible, Callable, 5.00%, 2027/01/15	CAD	12,392,000	10,252,839	10,510,027
Northriver Midstream Finance LP, Callable, 5.63%, 2026/02/15	USD	7,000,000	9,140,670	9,077,368
Obsidian Energy Ltd., Callable, 11.95%, 2027/07/27	CAD	4,665,000	4,618,350	4,739,348
Ontario Power Generation Inc., Callable, 3.22%, 2030/04/08	CAD	8,000,000	8,601,850	7,556,746
SSR Mining Inc., Callable, 2.50%, 2039/04/01	USD	14,675,000	21,046,999	18,720,390
Surge Energy Inc., Convertible, Callable, 8.50%, 2028/12/31	CAD	5,423,000	5,423,000	5,526,037
Tamarack Valley Energy Ltd., Callable, 7.25%, 2027/05/10	CAD	8,350,000	7,916,625	8,212,573
Waste Management of Canada Corporation, Callable, 2.60%, 2026/09/23	CAD	27,791,000	25,645,808	26,625,556
			297,228,691	290,746,318

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2023

	Issue currency	Face value (\$) / Number of shares / units	Cost (\$)	Fair value (\$)
United States (42.6%):				
Accelerate Diagnostics Inc., 5.00%, 2026/12/15	USD	1,995,263	1,950,175	1,751,533
Accelerate Diagnostics, Inc., Convertible, 5.00%, 2026/12/15	USD	4,000,000	5,287,200	3,511,383
American Tire Distributors, Inc., Term Loan, 2028/10/23	USD	8,272,753	10,249,063	9,227,105
Bandwidth Inc., Convertible, Callable, 0.50%, 2028/04/01	USD	21,000,000	17,815,766	17,711,281
Block Financial LLC, Callable, 2.50%, 2028/07/15	USD	755,000	873,435	893,874
Burford Capital Finance LLC, 6.13%, 2025/08/12	USD	9,000,000	11,469,376	11,670,186
Cineworld Group plc, Term Loan, 14.38%, 2028/7/31	USD	14,911,723	18,825,380	19,956,367
Coeur Mining Inc., Callable, 5.13%, 2029/02/15	USD	5,517,000	6,370,559	6,742,839
CrowdStrike Holdings, Inc., Callable, 3.00%, 2029/02/15	USD	5,000,000	5,746,959	5,997,571
Delek Logistics Partners, LP, Callable, 7.13%, 2028/06/01	USD	2,385,000	3,000,990	2,980,296
DISH DBS Corporation, Callable, 5.25%, 2026/12/01	USD	8,000,000	8,035,922	9,101,768
DISH DBS Corporation, Callable, 5.75%, 2028/12/01	USD	5,500,000	5,279,496	5,826,394
Emergent BioSolutions Inc., Callable, 3.88%, 2028/08/15	USD	37,195,000	26,099,535	20,217,543
Esperion Therapeutics, Inc., Callable, 4.00%, 2025/11/15	USD	40,279,000	29,910,202	31,663,193
FirstEnergy Corp., Series 'B', Callable, 3.90%, 2027/07/15	USD	2,210,000	2,894,078	2,818,811
FirstEnergy Transmission, LLC, Callable, 2.87%, 2028/09/15	USD	5,000,000	6,082,850	6,017,098
Gartner, Inc., Callable, 4.50%, 2028/07/01	USD	12,000,000	15,472,792	15,084,160
Gartner, Inc., Callable, 3.75%, 2030/10/01	USD	9,316,000	11,601,120	10,925,337
Great Lakes Dredge & Dock Corporation, Callable, 5.25%, 2029/06/01	USD	20,715,000	22,434,545	23,365,211
GTT Communications, Inc., Term Loan, 14.34%, 2028/06/30	USD	1,889,645	2,496,612	1,602,479
GTT RemainCo, LLC, Term Loan, 12.43%, 2027/12/30	USD	2,377,328	4,470,810	2,724,818
Hecla Mining Co., Callable, 7.25%, 2028/02/15	USD	12,045,000	16,437,507	16,088,030
Hologic Inc., Callable, 4.63%, 2028/02/01	USD	5,000,000	6,364,702	6,364,896
Hologic Inc., Callable, 3.25%, 2029/02/15	USD	8,000,000	9,271,177	9,620,691
Jervois Mining USA Ltd., Callable, 12.50%, 2026/07/20	USD	7,553,000	9,644,624	9,587,062
Liberty TripAdvisor Holdings Inc., Convertible, Puttable, 0.50%, 2051/06/30	USD	24,700,000	24,458,331	28,762,011
Lucid Group, Inc., 1.25%, 2026/12/15	USD	13,750,000	12,078,906	9,531,499
Lumen Technologies Inc., Callable, 4.00%, 2027/02/15	USD	7,500,000	8,319,155	6,422,948
Magnite, Inc., Convertible, 0.25%, 2026/03/15	USD	2,000,000	2,276,988	2,283,061
McDonald's Corporation, Callable, 3.13%, 2025/03/04	CAD	24,559,184	24,843,260	24,096,807
Mednax, Inc., Callable, 5.38%, 2030/02/15	USD	5,750,000	6,844,294	6,791,705
Morgan Stanley, 5.88%, 2049/12/31	USD	1,000,000	1,382,025	1,270,877
MPH Acquisition Holdings LLC, 5.50%, 2028/09/01	USD	2,000,000	2,236,800	2,375,960
MSCI Inc., Callable, 4.00%, 2029/11/15	USD	6,000,000	7,130,497	7,480,903
MSCI Inc., Callable, 3.63%, 2030/09/01	USD	4,983,000	6,337,704	5,968,218
Novavax, Inc., Convertible, Callable, 5.00%, 2027/12/15	USD	3,650,000	2,915,247	2,793,040
Occidental Petroleum Corporation, Callable, 4.10%, 2047/02/15	USD	4,818,000	4,270,468	4,617,613
OPKO Health, Inc., Callable, 4.50%, 2025/02/15	USD	14,000,000	20,409,522	18,214,932
PepsiCo, Inc., Callable, 2.15%, 2024/05/06	CAD	20,160,684	19,829,716	19,955,610
PetSmart Inc., Callable, 4.75%, 2028/02/15	USD	3,000,000	3,633,016	3,753,255
Rackspace Technology Global, Inc., Term Loan, 8.23%, 2028/02/15	USD	4,974,490	2,604,421	2,918,363
Science Applications International Corp., Callable, 4.88%, 2028/04/01	USD	13,988,000	17,536,181	17,728,165
SS&C Technologies, Inc., Callable, 5.50%, 2027/09/30	USD	13,365,000	17,912,090	17,461,654

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

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2023

	Issue currency	Face value (\$) / Number of shares / units	Cost (\$)	Fair value (\$)
United States (42.6%): (cont'd)				
Stem, Inc., Convertible, 0.50%, 2028/12/01	USD	19,355,000	12,808,822	13,154,267
Stillwater Mining Company, Callable, 4.50%, 2029/11/16	USD	1,000,000	1,058,280	1,052,308
Talos Production Inc., Callable, 12.00%, 2026/01/15	USD	750,000	910,611	1,022,980
Topaz Solar Farms LLC, Callable, 5.75%, 2039/09/30	USD	10,814,080	15,826,758	14,266,721
TreeHouse Foods Inc., Callable, 4.00%, 2028/09/01	USD	10,720,000	11,387,729	12,591,602
Trulieve Cannabis Corp., Callable, 8.00%, 2026/10/06	USD	11,791,000	14,376,511	13,215,355
Tutor Perini Corporation, Term Loan, 2027/08/18	USD	6,714	8,532	8,716
Unisys Corporation, Callable, 6.88%, 2027/11/01	USD	13,000,000	14,079,308	15,526,598
Varex Imaging Corporation, Callable, 7.88%, 2027/10/15	USD	17,023,000	21,942,116	22,787,200
Verisign, Inc., Callable, 5.25%, 2025/04/01	USD	8,300,000	11,224,050	11,010,622
Verisign, Inc., Callable, 4.75%, 2027/07/15	USD	27,062,000	35,378,358	35,605,357
Viacom Inc., Callable, 5.85%, 2043/09/01	USD	5,000,000	5,733,288	5,995,750
Victoria's Secret & Co., Callable, 4.63%, 2029/07/15	USD	5,750,000	5,737,032	6,372,937
WarnerMedia Holdings, Inc., Callable, 5.39%, 2062/03/15	USD	10,600,000	10,795,553	12,115,428
WDB Holding PA, Inc., Term Loan, 12.88%, 2024/12/18	USD	5,291,066	7,196,922	5,643,797
Windstream Escrow Finance Corp., Callable, 7.75%, 2028/08/15	USD	13,857,000	17,717,095	16,105,614
			629,284,461	620,351,799
Foreign (9.0%):				
Cimpress plc, 7.00%, 2026/06/15	USD	6,000,000	7,506,068	7,776,904
Ferroglobe PLC, Callable, 9.38%, 2025/12/31	USD	4,976,880	6,501,173	6,739,894
Grupo FAMSA, S.A.B de C.V., Callable, 9.75%, 2024/12/15	USD	5,887,000	7,128,006	673,774
Hon Hai Precision Industry Co., Ltd., 0.00%, Convertible, Callable, 2026/08/05	USD	5,000,000	6,130,344	5,985,913
McDermott International, Ltd., Term Loan, 8.23%, 2028/02/15	USD	28,909,469	24,212,005	16,311,002
Petróleos Mexicanos, Callable, 6.50%, 2027/03/13	USD	5,000,000	6,167,074	6,178,488
Petróleos Mexicanos, Callable, 6.75%, 2047/09/21	USD	18,800,000	15,775,955	16,354,615
Petróleos Mexicanos, Callable, 6.35%, 2048/02/12	USD	6,500,000	5,236,099	5,467,546
Petróleos Mexicanos, Sinkable, Callable, 6.70%, 2032/02/16	USD	11,680,000	11,823,795	12,862,844
Petroleum Geo-Services AS, Callable, 13.50%, 2027/03/31	USD	3,200,000	4,304,896	4,669,476
Seaspan Corp., Callable, 5.50%, 2029/08/01	USD	12,667,000	14,058,509	14,056,094
SFL Corporation Ltd., Callable, 7.25%, 2026/05/12	USD	4,000,000	4,911,000	5,183,039
SFL Corporation Ltd., Callable, 8.88%, 2027/02/01	USD	4,000,000	5,363,180	5,387,653
StoneCo Ltd., Callable, 3.95%, 2028/06/16	USD	20,000,000	19,293,655	22,873,296
			138,411,759	130,520,538
Total corporate bonds and loans (71.6%)			1,064,924,911	1,041,618,655

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2023

	Issue currency	Face value (\$) / Number of shares / units	Cost (\$)	Fair value (\$)
Closed end funds:				
Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.	USD	987,746	5,918,260	6,099,068
Nuveen AMT-Free Municipal Credit Income Fund	USD	500,000	7,050,413	7,831,046
Nuveen AMT-Free Quality Municipal Income Fund	USD	880,000	11,711,641	12,826,484
Nuveen Municipal Credit Income Fund	USD	715,500	11,114,513	11,206,226
Nuveen Quality Municipal Income Fund	USD	810,000	11,612,226	12,289,176
Western Asset / Claymore Inflation-Linked Opportunities & Income Fund	USD	368,833	4,998,411	4,237,221
Western Asset Emerging Markets Debt Fund Inc.	USD	415,334	4,945,552	5,068,616
Western Asset Inflation - Linked Income Fund	USD	132	1,546	1,420
Total closed end funds (4.1%)			57,352,562	59,559,257
Common shares:				
ATD New Holdings Inc.	USD	85,552	4,962,152	3,514,181
Cineworld Group plc	USD	630,820	19,140,592	14,836,658
Copper Property CTL Pass Through Trust	USD	500,000	6,782,286	6,691,503
Forum Energy Technologies, Inc.	USD	199,122	6,639,000	5,849,479
GTT Communications, Inc.	USD	44,891	1,247,084	743,535
McDermott International, Ltd.	USD	16,313,911	16,867,991	2,016,842
PHI Group Inc.	USD	180,299	1,878,398	5,671,609
Total common shares (2.7%)			57,517,503	39,323,807
Government bonds:				
Government of Canada, 1.25%, 2030/06/01	CAD	7,000,000	6,055,597	6,255,172
Government of Canada, 2.75%, 2033/06/01	CAD	8,000,000	7,503,200	7,775,220
Government of Canada, Real Return, 1.50%, 2044/12/01	CAD	9,000,000	12,268,080	12,224,522
Government of Canada, Real Return, 2.00%, 2041/12/01	CAD	8,540,000	13,017,557	12,952,975
Government of Canada, Real Return, 4.00%, 2031/12/01	CAD	7,500,000	17,659,853	15,607,789
United States Treasury, 1.75%, 2028/01/15	USD	16,889,820	23,933,021	22,273,095
United States Treasury, 4.00%, 2028/02/29	USD	5,000,000	6,948,011	6,653,200
United States Treasury, 2.88%, 2028/08/15	USD	1,000,000	1,285,993	1,269,512
United States Treasury, 2.88%, 2029/04/30	USD	10,000,000	13,102,555	12,637,731
United States Treasury, Inflation Indexed, 3.38%, 2032/04/15	USD	12,567,295	19,147,127	18,701,193
United States Treasury, Inflation Indexed, 0.13%, 2052/02/15	USD	28,847,808	21,873,192	23,633,239
United States Treasury, 3.50%, 2033/02/15	USD	12,500,000	16,409,737	16,096,317
Total government bonds (10.7%)			159,203,923	156,079,965
Preferred shares:				
BCE Inc., Series 'AB', 9.61%, Convertible	CAD	48,400	796,652	890,560
BCE Inc., Series 'AC', 7.28%, Convertible	CAD	255,900	3,919,012	4,347,741
BCE Inc., Series 'AD', 9.68%, Convertible	CAD	50,000	913,493	912,500
BCE Inc., Series 'AF', 5.92%, Convertible	CAD	100,000	1,305,797	1,595,000
BCE Inc., Series 'AG', 5.45%, Convertible	CAD	58,200	821,556	873,000
BCE Inc., Series 'AH', 9.58%, Convertible	CAD	50,000	915,819	924,000
BCE Inc., Series 'AJ', 9.83%, Convertible	CAD	100,000	1,975,035	1,822,000
BCE Inc., Series 'AQ', 7.29%, Convertible	CAD	54,500	1,052,806	1,227,340
Canadian Utilities Ltd., Series 'AA', 6.25%	CAD	22,100	398,463	415,259
Canadian Utilities Ltd., Series 'BB', 6.17%	CAD	2,700	49,313	49,977
Canadian Utilities Ltd., Series 'CC', 6.33%	CAD	68,000	1,250,521	1,184,900
Canadian Utilities Ltd., Series 'DD', 6.22%	CAD	194,800	3,506,642	3,401,208

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

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2023

	Issue currency	Face value (\$) / Number of shares / units	Cost (\$)	Fair value (\$)
Preferred shares: (cont'd)				
Canadian Utilities Ltd., Series 'HH', 6.45%	CAD	304,000	5,429,455	5,468,960
Canadian Utilities Ltd., Series 'Y', 6.69%	CAD	216,500	4,440,106	4,042,055
Capstone Infrastructure Corporation, Series 'A', 7.01%, Callable	CAD	31,900	399,088	390,456
Cenovus Energy Inc., Series '3', 5.26%	CAD	178,650	2,928,846	3,967,817
Cenovus Energy Inc., Series '5', 4.96%	CAD	220,400	3,782,899	5,007,488
Enbridge Inc., Series 'B', 7.95%	CAD	266,200	5,160,393	4,275,172
Enbridge Inc., Series 'P', 6.19%	CAD	234,500	3,791,865	3,927,875
Enbridge Inc., Series '7', 6.28%	CAD	58,500	943,436	982,215
Enbridge Inc., Series '13', 4.88%	CAD	200,000	2,812,551	2,936,000
Enbridge Inc., Series '15', 4.78%	CAD	52,500	746,587	760,725
Equitrans Midstream Corporation, Series 'A', 8.76%	USD	225,000	6,635,723	6,633,532
Fairfax Financial Holdings Limited, Series 'C', 5.80%	CAD	131,200	2,017,971	2,580,704
Fairfax Financial Holdings Limited, Series 'E', 4.93%	CAD	139,000	1,960,731	2,087,780
Fairfax Financial Holdings Limited, Series 'I', 4.89%	CAD	196,450	3,071,513	3,213,922
Fairfax Financial Holdings Limited, Series 'M', 5.40%	CAD	132,300	2,747,373	2,903,985
Federal National Mortgage Association, Series 'M', 4.75%	USD	101,000	515,677	604,912
Federal National Mortgage Association, Series 'R', 7.63%	USD	126,465	270,430	427,310
Federal National Mortgage Association, Series 'S', 8.25%	USD	3,091,723	11,974,979	13,191,334
Federal Home Loan Mortgage Corporation, Series 'K', 5.79%	USD	199,898	995,909	1,160,152
Federal Home Loan Mortgage Corporation, Series 'Z', Variable	USD	1,149,201	3,270,159	4,415,971
George Weston Limited, Series 'III', 6.39%	CAD	148,300	3,598,496	2,906,680
George Weston Limited, Series 'IV', 6.40%	CAD	98,100	2,346,198	1,912,950
George Weston Limited, Series 'V', 6.39%	CAD	131,500	3,035,109	2,328,865
Great-West Lifeco Inc., Series 'L', 6.52%	CAD	17,200	358,019	368,080
Great-West Lifeco Inc., Series 'S', 6.42%	CAD	73,000	1,381,106	1,440,290
Power Corporation of Canada, Series 'A', 6.43%	CAD	50,000	1,036,000	1,030,000
Power Corporation of Canada, Series 'G', 6.54%	CAD	75,000	1,506,000	1,540,500
Thomson Reuters Corporation, Series '11', 9.59%	CAD	326,422	3,226,390	4,308,770
Total preferred shares (7.0%)			97,288,118	102,457,985
Warrants:				
Acreage Holdings Inc., Class D, strike price \$3.01, expiry 2024/11/02	USD	249,169	-	-
Acreage Holdings Inc., Class E, strike price \$3.15, expiry 2024/11/02	USD	556,048	-	-
McDermott International Ltd., Tranche A, strike price \$12.33, expiry 2024/01/05	USD	173,860	-	-
McDermott International Ltd., Tranche B, strike price \$15.98, expiry 2025/02/05	USD	193,177	-	-
Total warrants (0.0%)			-	-
Less: Transaction costs included in cost of investments			(327,872)	
Total investments (96.1%)			1,435,959,145	1,399,039,669

Pender Corporate Bond Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2023

	Contract rate	Pay	Receive	Unrealized gain (loss)
Derivative assets:				
BNY Mellon, Foreign Currency Forward, settlement 2024/01/17	1.32	USD 314,213,304	CAD 415,025,500	(1,237,791)
BNY Mellon, Foreign Currency Forward, settlement 2024/04/10	1.37	USD 298,979,960	CAD 409,356,200	13,708,936
Total derivative assets (0.9%)				12,471,145
Cash (Bank overdraft) (1.6%)				22,695,534
Other assets less liabilities (1.4%)				20,412,319
Total net assets attributable to holders of redeemable units (100.0%)				1,454,618,667

Pender Small Cap Opportunities Fund

Statements of Financial Position

December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Assets		
Cash	-	7,243,534
Subscriptions receivable	1,097,632	345,506
Dividends receivable	57,511	382,439
Investments	248,119,626	231,247,249
	249,274,769	239,218,728
Liabilities		
Bank overdraft	2,193,565	-
Management and administration fees payable (note 4)	324,066	277,276
Redemptions payable to holders of redeemable units	483,031	97,855
Distributions payable to holders of redeemable units	-	35,510
Accrued expenses	1,002	731
	3,001,664	411,372
Net assets attributable to holders of redeemable units	246,273,105	238,807,356
Net assets attributable to holders of redeemable units per class:		
Class A	17,505,732	20,765,490
Class B	10,305,797	14,495,892
Class E	3,037,528	2,660,006
Class F	68,427,394	70,142,699
Class G	105,875,924	93,761,733
Class I	16,816,766	16,871,593
Class M	14,112,904	10,185,835
Class N	20,065	95,583
Class O	10,170,995	9,828,525
	246,273,105	238,807,356
Net assets attributable to holders of redeemable units per unit:		
Class A	25.46	24.24
Class B	9.39	8.94
Class E	11.08	10.50
Class F	26.45	25.08
Class G	9.65	9.15
Class I	12.44	11.79
Class M	5.75	5.47
Class N	15.09	14.14
Class O	27.12	25.68

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

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Small Cap Opportunities Fund

Statements of Comprehensive Income

Years ended December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Revenue		
Interest for distribution purposes	231,206	1,412
Dividend income	5,743,739	3,251,603
Foreign exchange gain (loss)	22,693	62,294
Changes in fair value of investments:		
Net realized gain (loss)	(19,799,580)	(4,676,017)
Net change in unrealized appreciation (depreciation)	31,963,009	(89,837,899)
Total revenue	18,161,067	(91,198,607)
Expenses		
Management fees (note 4)	2,249,352	2,522,944
Administration fees (note 4)	1,468,243	1,538,305
Transaction costs	455,162	355,484
Independent review committee fees	4,832	6,251
Withholding taxes (note 6)	-	2,183
Other taxes (recovery)	(193)	(100,830)
Total expenses	4,177,396	4,324,337
Less: Expenses absorbed by the Manager (note 4)	(4,832)	(6,251)
Net expenses	4,172,564	4,318,086
Increase (decrease) in net assets attributable to holders of redeemable units	13,988,503	(95,516,693)
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	860,902	(9,670,629)
Class B	453,850	(7,804,117)
Class E	177,905	(972,017)
Class F	4,179,693	(28,322,381)
Class G	5,552,726	(31,318,549)
Class I	1,048,372	(6,606,229)
Class M	950,705	(2,782,532)
Class N	4,942	(176,060)
Class O	759,408	(7,864,179)
	13,988,503	(95,516,693)
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	1.06	(10.28)
Class B	0.40	(3.90)
Class E	0.63	(3.97)
Class F	1.56	(10.03)
Class G	0.50	(3.41)
Class I	0.76	(4.81)
Class M	0.51	(1.82)
Class N	1.44	(8.62)
Class O	2.01	(10.44)

Pender Small Cap Opportunities Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2023 and 2022

Class A	2023 (\$)	2022 (\$)
Balance, beginning of year	20,765,490	37,415,911
Increase (decrease) in net assets attributable to holders of redeemable units	860,902	(9,670,629)
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(4,120,660)	(6,979,792)
	(4,120,660)	(6,979,792)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	17,505,732	20,765,490
Class B	2023 (\$)	2022 (\$)
Balance, beginning of year	14,495,892	26,051,170
Increase (decrease) in net assets attributable to holders of redeemable units	453,850	(7,804,117)
Unit transactions:		
Proceeds from issue of redeemable units	1,987,436	3,068,086
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(6,631,381)	(6,819,247)
	(4,643,945)	(3,751,161)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	10,305,797	14,495,892
Class E	2023 (\$)	2022 (\$)
Balance, beginning of year	2,660,006	3,513,165
Increase (decrease) in net assets attributable to holders of redeemable units	177,905	(972,017)
Unit transactions:		
Proceeds from issue of redeemable units	621,402	371,516
Issued on reinvestment of distributions	48,590	-
Amounts paid on redemption of redeemable units	(421,785)	(252,658)
	248,207	118,858
Distributions paid from:		
Net investment income	(48,590)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	(48,590)	-
Balance, end of year	3,037,528	2,660,006

Pender Small Cap Opportunities Fund

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

Years ended December 31, 2023 and 2022

Class F	2023 (\$)	2022 (\$)
Balance, beginning of year	70,142,699	97,457,101
Increase (decrease) in net assets attributable to holders of redeemable units	4,179,693	(28,322,381)
Unit transactions:		
Proceeds from issue of redeemable units	20,250,522	5,449,607
Issued on reinvestment of distributions	553,002	168,277
Amounts paid on redemption of redeemable units	(26,112,863)	(4,458,217)
	(5,309,339)	1,159,667
Distributions paid from:		
Net investment income	(585,659)	(151,688)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(585,659)	(151,688)
Balance, end of year	68,427,394	70,142,699

Class G	2023 (\$)	2022 (\$)
Balance, beginning of year	93,761,733	99,606,986
Increase (decrease) in net assets attributable to holders of redeemable units	5,552,726	(31,318,549)
Unit transactions:		
Proceeds from issue of redeemable units	27,949,725	45,356,082
Issued on reinvestment of distributions	593,600	-
Amounts paid on redemption of redeemable units	(21,260,175)	(19,882,786)
	7,283,150	25,473,296
Distributions paid from:		
Net investment income	(721,685)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	(721,685)	-
Balance, end of year	105,875,924	93,761,733

Class I	2023 (\$)	2022 (\$)
Balance, beginning of year	16,871,593	23,048,374
Increase (decrease) in net assets attributable to holders of redeemable units	1,048,372	(6,606,229)
Unit transactions:		
Proceeds from issue of redeemable units	17,468	3,934,440
Issued on reinvestment of distributions	142,571	8,770
Amounts paid on redemption of redeemable units	(1,120,667)	(3,505,823)
	(960,628)	437,387
Distributions paid from:		
Net investment income	(142,571)	(7,939)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(142,571)	(7,939)
Balance, end of year	16,816,766	16,871,593

Pender Small Cap Opportunities Fund

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

Years ended December 31, 2023 and 2022

Class M	2023 (\$)	2022 (\$)
Balance, beginning of year	10,185,835	9,642,849
Increase (decrease) in net assets attributable to holders of redeemable units	950,705	(2,782,532)
Unit transactions:		
Proceeds from issue of redeemable units	4,050,492	4,028,972
Issued on reinvestment of distributions	177,089	-
Amounts paid on redemption of redeemable units	(1,074,128)	(703,454)
	3,153,453	3,325,518
Distributions paid from:		
Net investment income	(177,089)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	(177,089)	-
Balance, end of year	14,112,904	10,185,835

Class N	2023 (\$)	2022 (\$)
Balance, beginning of year	95,583	613,334
Increase (decrease) in net assets attributable to holders of redeemable units	4,942	(176,060)
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(80,460)	(341,691)
	(80,460)	(341,691)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	20,065	95,583

Class O	2023 (\$)	2022 (\$)
Balance, beginning of year	9,828,525	27,607,800
Increase (decrease) in net assets attributable to holders of redeemable units	759,408	(7,864,179)
Unit transactions:		
Proceeds from issue of redeemable units	-	2,712,297
Issued on reinvestment of distributions	211,549	-
Amounts paid on redemption of redeemable units	(416,938)	(12,627,393)
	(205,389)	(9,915,096)
Distributions paid from:		
Net investment income	(211,549)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	(211,549)	-
Balance, end of year	10,170,995	9,828,525

Pender Small Cap Opportunities Fund

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

Years ended December 31, 2023 and 2022

Total Fund	2023 (\$)	2022 (\$)
Balance, beginning of year	238,807,356	324,956,690
Increase (decrease) in net assets attributable to holders of redeemable units	13,988,503	(95,516,693)
Unit transactions:		
Proceeds from issue of redeemable units	54,877,045	64,921,000
Issued on reinvestment of distributions	1,726,401	177,047
Amounts paid on redemption of redeemable units	(61,239,057)	(55,571,061)
	(4,635,611)	9,526,986
Distributions paid from:		
Net investment income	(1,887,143)	(159,627)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(1,887,143)	(159,627)
Balance, end of year	246,273,105	238,807,356

Pender Small Cap Opportunities Fund

Statements of Cash Flows

Years ended December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	13,988,503	(95,516,693)
Adjustments for:		
Interest for distribution purposes	(231,206)	(1,412)
Dividend income	(5,743,739)	(3,251,603)
Foreign exchange (gain) loss	(22,693)	(62,294)
Net realized (gain) loss on sale of investments	19,799,580	4,676,017
Net change in unrealized (appreciation) depreciation of investments	(31,963,009)	89,837,899
Management and administration fees payable	46,790	138,455
Accrued expenses	271	(366)
	(4,125,503)	(4,179,997)
Proceeds on disposal of investments	55,858,569	102,186,228
Amounts paid on purchase of investments	(60,567,517)	(119,866,244)
Dividends received	6,068,667	2,946,956
Interest received	231,206	1,412
	(2,534,578)	(18,911,645)
Financing:		
Proceeds from issue of redeemable units	51,749,297	63,763,285
Amounts paid on redemption of redeemable units	(58,478,259)	(54,361,820)
Distributions paid to unitholders	(196,252)	-
	(6,925,214)	9,401,465
Net increase (decrease) in cash	(9,459,792)	(9,510,180)
Cash (Bank overdraft), beginning of year	7,243,534	16,691,420
Effect of exchange rate fluctuations on cash	22,693	62,294
Cash (Bank overdraft), end of year	(2,193,565)	7,243,534

Pender Small Cap Opportunities Fund

Schedule of Investment Portfolio

December 31, 2023

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Equities:				
Consumer discretionary (8.6%)				
Aritzia Inc.		181,180	4,444,245	4,982,450
ATD New Holdings Inc.		85,551	4,959,524	3,514,140
D2L Inc.		868,022	8,102,459	9,296,516
Nova Cannabis Inc.		1,264,441	2,386,029	1,125,352
Unisync Corp.		1,557,675	3,753,997	2,328,724
			23,646,254	21,247,182
Energy (7.9%)				
McDermott International, Ltd.		5,559,379	3,457,284	687,290
Saturn Oil & Gas Inc.		2,920,252	8,030,693	6,424,554
TerraVest Industries Inc.		276,900	1,877,810	12,252,825
			13,365,787	19,364,669
Financial services (5.2%)				
Burford Capital Limited		403,370	7,209,964	8,337,973
Chesswood Group Limited		536,700	6,075,471	4,390,206
Deans Knight Income Corporation		3,000	1,200	1,200
			13,286,635	12,729,379
Health care (7.8%)				
Clarius Mobile Health Corp., Preferred, Series '1'		1,123,596	1,000,000	1,536,518
dentalcorp Holdings Ltd.		855,607	7,669,898	5,955,025
HEALWELL AI Inc.		2,293,095	1,550,857	1,719,821
HEALWELL AI Inc., Restricted		770,905	462,543	578,179
Vitalhub Corp.		1,131,900	3,541,017	4,618,152
Well Health Technologies Corp.		1,276,070	5,109,904	4,912,870
			19,334,219	19,320,565
Industrials (10.7%)				
Blackline Safety Corp.		2,678,130	12,790,149	9,507,362
GH Group, Inc., Preferred, Series 'C', 20.00%		2,880	3,932,208	3,816,144
NFI Group Inc.		672,250	5,843,369	9,203,103
Savaria Corp.		245,000	4,791,761	3,716,650
			27,357,487	26,243,259
Information technology (49.5%)				
Aviat Networks, Inc.		129,524	1,447,588	5,605,298
Copperleaf Technologies Inc.		2,331,138	13,150,278	14,080,073
Docebo Inc.		117,820	5,141,316	7,539,302
Dye & Durham Limited		1,157,817	14,325,248	16,626,251
Kinaxis Inc.		32,400	4,778,146	4,818,204
Kraken Robotics Inc.		9,565,000	4,973,800	6,217,250
Optiva Inc.		299,822	6,969,103	989,413
PAR Technology Corp.		206,251	10,748,318	11,899,172
Quorum Information Technologies Inc.		4,993,619	3,744,851	3,096,044
Sangoma Technologies Corp.		1,952,922	17,743,926	8,280,389
Sylogist Ltd.		1,881,620	17,142,116	14,036,884
Tantalus Systems Holding Inc.		2,871,939	6,153,217	2,326,271
Thinkific Labs Inc.		4,122,988	14,640,670	13,276,021
Tiny Ltd., Class 'A'		1,916,224	16,720,578	4,234,855
TrueContext Corporation		11,545,106	5,946,639	8,081,574
Wishpond Technologies Ltd.		2,705,400	3,695,913	1,055,106
			147,321,707	122,162,107

Pender Small Cap Opportunities Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2023

	Issue currency	Number of shares / units / Face value (\$)	Cost (\$)	Fair value (\$)
Materials (1.0%)				
5N Plus Inc.		672,860	2,465,605	2,543,411
			2,465,605	2,543,411
Real estate (2.2%)				
Dream Unlimited Corp., Class 'A'		235,809	5,114,757	5,341,074
			5,114,757	5,341,074
Utilities (7.8%)				
Altius Renewable Royalties Corp.		1,099,177	11,136,885	8,661,515
Maxim Power Corp.		1,315,400	3,522,062	5,892,992
Polaris Renewable Energy Inc.		348,713	4,590,465	4,613,473
			19,249,412	19,167,980
Total equities (100.7%)			271,141,863	248,119,626
Warrants:				
BeWhere Holdings Inc., strike price \$0.35, expiry 2024/02/08	CAD	15,500	388	-
Glass House Brands Inc., strike price \$5.00, expiry 2027/08/31	USD	576,000	-	-
HEALWELL AI Inc., strike price \$1.20, expiry 2026/12/23	CAD	437,500	-	-
INX Ltd., strike price \$1.88, expiry 2024/01/10	CAD	1,200,000	-	-
NEXE Innovations Inc., strike price \$0.65, expiry 2024/04/09	CAD	87,500	-	-
Sphere 3D Corp., strike price \$66.50, expiry 2026/09/08	USD	42,015	-	-
Total warrants (0.0%)			388	-
Less: Transaction costs included in cost of investments			(1,216,732)	
Total investments (100.7%)			269,925,519	248,119,626
Cash (Bank overdraft) (-0.9%)				(2,193,565)
Other assets less liabilities (0.2%)				347,044
Total net assets attributable to holders of redeemable units (100.0%)				246,273,105

Pender Small/Mid Cap Dividend Fund

Statements of Financial Position

December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Assets		
Cash	615,486	-
Receivable for investments sold	-	185,827
Subscriptions receivable	500	1,250
Dividends receivable	67,982	96,712
Investments	20,474,785	24,517,969
	21,158,753	24,801,758
Liabilities		
Bank overdraft	-	184,097
Management and administration fees payable (note 4)	22,690	34,025
Payable for investments purchased	50,620	-
Redemptions payable to holders of redeemable units	30,617	-
Accrued expenses	869	583
	104,796	218,705
Net assets attributable to holders of redeemable units	21,053,957	24,583,053
Net assets attributable to holders of redeemable units per class:		
Class A	1,167,968	2,203,529
Class E	1,005,383	870,084
Class F	5,258,633	6,205,275
Class H	2,424,442	3,322,160
Class I	7,272,933	8,731,866
Class N	-	8,252
Class O	3,924,598	3,241,887
	21,053,957	24,583,053
Net assets attributable to holders of redeemable units per unit:		
Class A	13.59	13.48
Class E	15.02	14.62
Class F	13.85	13.59
Class H	13.65	13.49
Class I	13.83	13.55
Class N	-	13.57
Class O	15.30	14.90

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

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Small/Mid Cap Dividend Fund

Statements of Comprehensive Income

Years ended December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Revenue		
Interest for distribution purposes	12,425	-
Dividend income	843,654	640,891
Securities lending income (note 5)	-	19,466
Foreign exchange gain (loss)	526	215
Changes in fair value of investments:		
Net realized gain (loss)	(398,169)	141,288
Net change in unrealized appreciation (depreciation)	972,712	(3,207,078)
Total revenue	1,431,148	(2,405,218)
Expenses		
Management fees (note 4)	193,602	228,893
Administration fees (note 4)	110,384	130,950
Transaction costs	33,658	32,722
Independent review committee fees	422	643
Other taxes (recovery)	(4,077)	(8,441)
Withholding taxes (note 6)	-	21
Total expenses	333,989	384,788
Less: Expenses absorbed by the Manager (note 4)	(422)	(643)
Net expenses	333,567	384,145
Increase (decrease) in net assets attributable to holders of redeemable units	1,097,581	(2,789,363)
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	55,116	(195,669)
Class D	-	(75,381)
Class E	54,391	(94,921)
Class F	281,310	(666,945)
Class H	110,287	(378,303)
Class I	373,877	(1,146,282)
Class N	(111)	(985)
Class O	222,711	(230,877)
	1,097,581	(2,789,363)
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	0.47	(1.58)
Class D	-	(0.76)
Class E	0.82	(1.69)
Class F	0.68	(1.70)
Class H	0.53	(1.74)
Class I	0.65	(1.52)
Class N	(0.18)	(1.65)
Class O	0.85	(1.46)

Pender Small/Mid Cap Dividend Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2023 and 2022

Class A	2023 (\$)	2022 (\$)
Balance, beginning of year	2,203,529	945,087
Increase (decrease) in net assets attributable to holders of redeemable units	55,116	(195,669)
Unit transactions:		
Proceeds from issue of redeemable units	133,682	2,760,765
Issued on reinvestment of distributions	39,536	50,407
Amounts paid on redemption of redeemable units	(1,219,384)	(1,303,544)
	(1,046,166)	1,507,628
Distributions paid from:		
Net investment income	(15,019)	(150)
Realized gains on sale of investments	-	(18,660)
Return of capital	(29,492)	(34,707)
	(44,511)	(53,517)
	1,167,968	2,203,529

Class D	2023 (\$)	2022 (\$)
Balance, beginning of year	-	1,302,816
Increase (decrease) in net assets attributable to holders of redeemable units	-	(75,381)
Unit transactions:		
Proceeds from issue of redeemable units	-	664,536
Issued on reinvestment of distributions	-	13,723
Amounts paid on redemption of redeemable units	-	(1,891,176)
	-	(1,212,917)
Distributions paid from:		
Net investment income	-	(246)
Realized gains on sale of investments	-	(4,990)
Return of capital	-	(9,282)
	-	(14,518)
Balance, end of year	-	-

Class E	2023 (\$)	2022 (\$)
Balance, beginning of year	870,084	895,306
Increase (decrease) in net assets attributable to holders of redeemable units	54,391	(94,921)
Unit transactions:		
Proceeds from issue of redeemable units	122,025	135,570
Issued on reinvestment of distributions	31,104	25,519
Amounts paid on redemption of redeemable units	(41,117)	(65,871)
	112,012	95,218
Distributions paid from:		
Net investment income	(31,104)	(10,104)
Realized gains on sale of investments	-	(5,390)
Return of capital	-	(10,025)
	(31,104)	(25,519)
Balance, end of year	1,005,383	870,084

Pender Small/Mid Cap Dividend Fund

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

Years ended December 31, 2023 and 2022

Class F	2023 (\$)	2022 (\$)
Balance, beginning of year	6,205,275	5,001,533
Increase (decrease) in net assets attributable to holders of redeemable units	281,310	(666,945)
Unit transactions:		
Proceeds from issue of redeemable units	1,038,506	3,773,206
Issued on reinvestment of distributions	135,629	138,044
Amounts paid on redemption of redeemable units	(2,237,786)	(1,875,546)
	(1,063,651)	2,035,704
Distributions paid from:		
Net investment income	(113,136)	(23,421)
Realized gains on sale of investments	-	(49,509)
Return of capital	(51,165)	(92,087)
	(164,301)	(165,017)
Balance, end of year	5,258,633	6,205,275

Class H	2023 (\$)	2022 (\$)
Balance, beginning of year	3,322,160	2,800,564
Increase (decrease) in net assets attributable to holders of redeemable units	110,287	(378,303)
Unit transactions:		
Proceeds from issue of redeemable units	296,099	1,207,311
Issued on reinvestment of distributions	76,564	90,821
Amounts paid on redemption of redeemable units	(1,300,217)	(304,184)
	(927,554)	993,948
Distributions paid from:		
Net investment income	(37,805)	(1,872)
Realized gains on sale of investments	-	(32,230)
Return of capital	(42,646)	(59,947)
	(80,451)	(94,049)
Balance, end of year	2,424,442	3,322,160

Class I	2023 (\$)	2022 (\$)
Balance, beginning of year	8,731,866	11,315,293
Increase (decrease) in net assets attributable to holders of redeemable units	373,877	(1,146,282)
Unit transactions:		
Proceeds from issue of redeemable units	929,709	8,152,502
Issued on reinvestment of distributions	225,505	325,999
Amounts paid on redemption of redeemable units	(2,760,607)	(9,587,668)
	(1,605,393)	(1,109,167)
Distributions paid from:		
Net investment income	(170,060)	(56,622)
Realized gains on sale of investments	-	(94,880)
Return of capital	(57,357)	(176,476)
	(227,417)	(327,978)
Balance, end of year	7,272,933	8,731,866

Pender Small/Mid Cap Dividend Fund

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

Years ended December 31, 2023 and 2022

Class N	2023 (\$)	2022 (\$)
Balance, beginning of year	8,252	9,226
Increase (decrease) in net assets attributable to holders of redeemable units	(111)	(985)
Unit transactions:		
Proceeds from issue of redeemable units	-	11
Issued on reinvestment of distributions	70	251
Amounts paid on redemption of redeemable units	(8,141)	-
	(8,071)	262
Distributions paid from:		
Net investment income	(43)	(66)
Realized gains on sale of investments	-	(65)
Return of capital	(27)	(120)
	(70)	(251)
Balance, end of year	-	8,252

Class O	2023 (\$)	2022 (\$)
Balance, beginning of year	3,241,887	2,204,569
Increase (decrease) in net assets attributable to holders of redeemable units	222,711	(230,877)
Unit transactions:		
Proceeds from issue of redeemable units	680,000	1,268,195
Issued on reinvestment of distributions	145,006	75,057
Amounts paid on redemption of redeemable units	(220,000)	-
	605,006	1,343,252
Distributions paid from:		
Net investment income	(145,006)	(41,849)
Realized gains on sale of investments	-	(11,611)
Return of capital	-	(21,597)
	(145,006)	(75,057)
Balance, end of year	3,924,598	3,241,887

Total Fund	2023 (\$)	2022 (\$)
Balance, beginning of year	24,583,053	24,474,394
Increase (decrease) in net assets attributable to holders of redeemable units	1,097,581	(2,789,363)
Unit transactions:		
Proceeds from issue of redeemable units	3,200,021	17,962,096
Issued on reinvestment of distributions	653,414	719,821
Amounts paid on redemption of redeemable units	(7,787,252)	(15,027,989)
	(3,933,817)	3,653,928
Distributions paid from:		
Net investment income	(512,173)	(134,330)
Realized gains on sale of investments	-	(217,335)
Return of capital	(180,687)	(404,241)
	(692,860)	(755,906)
Balance, end of year	21,053,957	24,583,053

Pender Small/Mid Cap Dividend Fund

Statements of Cash Flows

Years ended December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	1,097,581	(2,789,363)
Adjustments for:		
Interest for distribution purposes	(12,425)	-
Dividend income	(843,654)	(640,891)
Foreign exchange (gain) loss	(526)	(215)
Net realized (gain) loss on sale of investments	398,169	(141,288)
Net change in unrealized (appreciation) depreciation of investments	(972,712)	3,207,078
Other receivable	-	569
Management and administration fees payable	(11,335)	6,947
Accrued expenses	286	98
	(344,616)	(357,065)
Proceeds on disposal of investments	13,560,889	9,524,109
Amounts paid on purchase of investments	(8,706,715)	(15,677,100)
Dividends received	872,384	574,662
Interest received	12,425	-
	5,394,367	(5,935,394)
Financing:		
Proceeds from issue of redeemable units	3,021,159	17,547,781
Amounts paid on redemption of redeemable units	(7,577,023)	(14,608,424)
Distributions paid to unitholders	(39,446)	(36,085)
	(4,595,310)	2,903,272
Net increase (decrease) in cash	799,057	(3,032,122)
Cash (Bank overdraft), beginning of year	(184,097)	2,847,810
Effect of exchange rate fluctuations on cash	526	215
Cash (Bank overdraft), end of year	615,486	(184,097)

Pender Small/Mid Cap Dividend Fund

Schedule of Investment Portfolio

December 31, 2023

	Number of shares/units	Cost (\$)	Fair value (\$)
Equities:			
Banks (3.2%):			
EQB Inc.	7,712	458,366	672,718
		458,366	672,718
Consumer discretionary (1.1%):			
Aritzia Inc.	7,500	210,939	206,250
Nova Cannabis Inc.	26,990	17,558	24,021
		228,497	230,271
Consumer staples (6.7%):			
Jamieson Wellness Inc.	21,600	624,957	685,368
Premium Brands Holdings Corporation	7,740	758,856	727,792
		1,383,813	1,413,160
Energy (7.7%):			
Canacol Energy Ltd.	36,300	387,243	252,648
North American Construction Group Ltd.	24,380	456,670	674,107
Total Energy Services Inc.	91,560	724,449	692,194
		1,568,362	1,618,949
Financial services (12.0%):			
Alaris Equity Partners Income Trust	42,514	646,309	692,553
Chesswood Group Limited	58,680	745,755	480,002
Guardian Capital Group Limited	14,760	561,022	653,278
Onex Corporation	7,570	504,558	700,452
		2,457,644	2,526,285
Industrials (24.6%):			
ADENTRA Inc.	25,863	769,225	826,840
Aecon Group Inc.	85,600	941,537	1,118,792
Ag Growth International Inc.	9,300	472,243	469,836
Exchange Income Corporation	13,284	548,557	599,108
Héroux-Devtek Inc.	63,010	1,021,238	957,752
NFI Group Inc.	87,358	791,526	1,195,931
		4,544,326	5,168,259
Information technology (17.8%):			
Computer Modelling Group Ltd.	120,760	657,037	1,223,299
Evertz Technologies Limited	57,800	740,815	805,154
Sylogist Ltd.	116,930	914,099	872,298
Vecima Networks Inc.	51,241	821,613	837,790
		3,133,564	3,738,541
Insurance (3.9%):			
Trisura Group Ltd.	24,400	842,481	829,600
		842,481	829,600
Materials (8.6%):			
Richards Packaging Income Fund	15,990	957,433	554,054
Stella-Jones Inc.	9,730	605,158	750,378
Winpak Ltd.	12,450	514,366	509,205
		2,076,957	1,813,637
Real estate (8.5%):			
Dream Unlimited Corp., Class 'A'	31,511	926,325	713,724
FirstService Corporation	2,720	498,904	583,848
Information Services Corporation, Class 'A'	22,640	412,114	502,155
		1,837,343	1,799,727

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

Pender Small/Mid Cap Dividend Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2023

	Number of shares/units	Cost (\$)	Fair value (\$)
Utilities (3.2%):			
Altius Renewable Royalties Corp.	84,218	807,933	663,638
		807,933	663,638
Total equities (97.3%)		19,339,286	20,474,785
Less: Transaction costs included in cost of investments		(13,774)	
Total investments (97.3%)		19,325,512	20,474,785
Cash (Bank overdraft) (2.9%)			615,486
Other assets less liabilities (-0.2%)			(36,314)
Total net assets attributable to holders of redeemable units (100.0%)			21,053,957

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

Statements of Financial Position

December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Assets		
Cash	221,469	88,465
Subscriptions Receivable	1,426	1,518
Dividends receivable	54,051	34,280
Other receivable	472	543
Investments	43,882,584	35,148,508
	44,160,002	35,273,314
Liabilities		
Management and administration fees payable (note 4)	55,720	41,994
Redemptions payable to holders of redeemable units	3,704	-
Accrued expenses	250	372
	59,674	42,366
Net assets attributable to holders of redeemable units	44,100,328	35,230,948
Net assets attributable to holders of redeemable units per class:		
Class A	11,120,797	6,535,315
Class E	424,542	25,393
Class F	9,626,602	7,117,599
Class H	1,942,707	-
Class I	20,968,761	21,540,750
Class N	-	5,869
Class O	16,919	6,022
	44,100,328	35,230,948
Net assets attributable to holders of redeemable units per unit:		
Class A	7.82	7.19
Class E	11.13	10.23
Class F	8.30	7.58
Class H	10.78	-
Class I	11.03	10.04
Class N	-	10.12
Class O	11.35	10.38

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

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

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

Statements of Comprehensive Income

Years ended December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Revenue		
Distributions from underlying funds	1,019,326	880,544
Interest for distribution purposes	976	1,728
Dividend income	421,480	505,219
Securities lending income (note 5)	4,144	6,836
Other income	414,872	-
Foreign exchange gain (loss)	(9,100)	(12,946)
Changes in fair value of investments:		
Net realized gain (loss)	2,006,159	343,371
Net change in unrealized appreciation (depreciation)	2,016,485	(4,234,623)
Total revenue	5,874,342	(2,509,871)
Expenses		
Management fees (note 4)	338,644	318,380
Administration fees (note 4)	231,229	227,713
Withholding taxes (note 6)	35,739	25,268
Transaction costs	17,256	9,252
Independent review committee fees	899	922
Total expenses	623,767	581,535
Less: Expenses absorbed by the Manager (note 4)	(899)	(922)
Net expenses	622,868	580,613
Increase (decrease) in net assets attributable to holders of redeemable units	5,251,474	(3,090,484)
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	1,223,226	(663,671)
Class A1	-	(30,564)
Class E	38,795	(557)
Class F	1,129,234	(422,181)
Class F1	-	(255,788)
Class H	138,344	-
Class I	2,719,832	(1,716,927)
Class N	139	(421)
Class O	1,904	(375)
	5,251,474	(3,090,484)
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	1.01	(0.64)
Class A1	-	(0.92)
Class E	1.91	(0.40)
Class F	1.06	(0.48)
Class F1	-	(1.38)
Class H	0.90	-
Class I	1.32	(0.76)
Class N	0.24	(0.75)
Class O	1.83	(0.67)

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

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2023 and 2022

Class A	2023 (\$)	2022 (\$)
Balance, beginning of year	6,535,315	10,215,166
Increase (decrease) in net assets attributable to holders of redeemable units	1,223,226	(663,671)
Unit transactions:		
Proceeds from issue of redeemable units	222,492	377,789
Amounts from issue of units on merger (note 4 (f))	7,006,608	-
Issued on reinvestment of distributions	202,703	350,867
Amounts paid on redemption of redeemable units	(3,841,499)	(3,355,193)
	3,590,304	(2,626,537)
Distributions paid from:		
Net investment income	(228,048)	(87,931)
Realized gains on sale of investments	-	-
Return of capital	-	(301,712)
	(228,048)	(389,643)
Balance, end of year	11,120,797	6,535,315

Class A1	2023 (\$)	2022 (\$)
Balance, beginning of year	-	433,685
Increase (decrease) in net assets attributable to holders of redeemable units	-	(30,564)
Unit transactions:		
Proceeds from issue of redeemable units	-	173
Issued on reinvestment of distributions	-	7,312
Amounts paid on redemption of redeemable units	-	(402,542)
	-	(395,057)
Distributions paid from:		
Net investment income	-	(1,112)
Realized gains on sale of investments	-	-
Return of capital	-	(6,952)
	-	(8,064)
Balance, end of year	-	-

Class E	2023 (\$)	2022 (\$)
Balance, beginning of year	25,393	6,335
Increase (decrease) in net assets attributable to holders of redeemable units	38,795	(557)
Unit transactions:		
Proceeds from issue of redeemable units	172,809	19,615
Amounts from issue of units on merger (note 4 (f))	196,159	-
Issued on reinvestment of distributions	11,320	720
Amounts paid on redemption of redeemable units	(8,614)	-
	371,674	20,335
Distributions paid from:		
Net investment income	(11,320)	(454)
Realized gains on sale of investments	-	-
Return of capital	-	(266)
	(11,320)	(720)
Balance, end of year	424,542	25,393

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

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

Years ended December 31, 2023 and 2022

Class F	2023 (\$)	2022 (\$)
Balance, beginning of year	7,117,599	6,569,596
Increase (decrease) in net assets attributable to holders of redeemable units	1,129,234	(422,181)
Unit transactions:		
Proceeds from issue of redeemable units	297,395	2,585,145
Amounts from issue of units on merger (note 4 (f))	2,962,486	-
Issued on reinvestment of distributions	259,112	321,195
Amounts paid on redemption of redeemable units	(1,854,694)	(1,588,751)
	1,664,299	1,317,589
Distributions paid from:		
Net investment income	(284,530)	(160,552)
Realized gains on sale of investments	-	-
Return of capital	-	(186,853)
	(284,530)	(347,405)
Balance, end of year	9,626,602	7,117,599

Class F1	2023 (\$)	2022 (\$)
Balance, beginning of year	-	1,316,783
Increase (decrease) in net assets attributable to holders of redeemable units	-	(255,788)
Unit transactions:		
Proceeds from issue of redeemable units	-	2,327,908
Issued on reinvestment of distributions	-	35,371
Amounts paid on redemption of redeemable units	-	(3,382,412)
	-	(1,019,133)
Distributions paid from:		
Net investment income	-	(16,570)
Realized gains on sale of investments	-	-
Return of capital	-	(25,292)
	-	(41,862)
Balance, end of year	-	-

Class H	2023 (\$)	2022 (\$)
Balance, beginning of year	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	138,344	-
Unit transactions:		
Proceeds from issue of redeemable units	1,843,119	-
Issued on reinvestment of distributions	32,609	-
Amounts paid on redemption of redeemable units	(32,144)	-
	1,843,584	-
Distributions paid from:		
Net investment income	(39,221)	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	(39,221)	-
Balance, end of year	1,942,707	-

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

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

Years ended December 31, 2023 and 2022

Class I	2023 (\$)	2022 (\$)
Balance, beginning of year	21,540,750	25,310,605
Increase (decrease) in net assets attributable to holders of redeemable units	2,719,832	(1,716,927)
Unit transactions:		
Proceeds from issue of redeemable units	60,209	2,098,326
Amounts from issue of units on merger (note 4 (f))	1,440,238	-
Issued on reinvestment of distributions	692,364	1,144,747
Amounts paid on redemption of redeemable units	(4,771,206)	(4,124,766)
	(2,578,395)	(881,693)
Distributions paid from:		
Net investment income	(713,426)	(558,815)
Realized gains on sale of investments	-	-
Return of capital	-	(612,420)
	(713,426)	(1,171,235)
Balance, end of year	20,968,761	21,540,750

Class N	2023 (\$)	2022 (\$)
Balance, beginning of year	5,869	6,290
Increase (decrease) in net assets attributable to holders of redeemable units	139	(421)
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	110	296
Amounts paid on redemption of redeemable units	(6,008)	-
	(5,898)	296
Distributions paid from:		
Net investment income	(57)	(156)
Realized gains on sale of investments	-	-
Return of capital	(53)	(140)
	(110)	(296)
Balance, end of year	-	5,869

Class O	2023 (\$)	2022 (\$)
Balance, beginning of year	6,022	6,397
Increase (decrease) in net assets attributable to holders of redeemable units	1,904	(375)
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Amounts from issue of units on merger (note 4 (f))	8,993	-
Issued on reinvestment of distributions	568	303
Amounts paid on redemption of redeemable units	-	-
	9,561	303
Distributions paid from:		
Net investment income	(568)	(211)
Realized gains on sale of investments	-	-
Return of capital	-	(92)
	(568)	(303)
Balance, end of year	16,919	6,022

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

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

Years ended December 31, 2023 and 2022

Total Fund	2023 (\$)	2022 (\$)
Balance, beginning of year	35,230,948	43,864,857
Increase (decrease) in net assets attributable to holders of redeemable units	5,251,474	(3,090,484)
Unit transactions:		
Proceeds from issue of redeemable units	2,596,024	7,408,956
Amounts from issue of units on merger (note 4 (f))	11,614,484	-
Issued on reinvestment of distributions	1,198,786	1,860,811
Amounts paid on redemption of redeemable units	(10,514,165)	(12,853,664)
	4,895,129	(3,583,897)
Distributions paid from:		
Net investment income	(1,277,170)	(825,801)
Realized gains on sale of investments	-	-
Return of capital	(53)	(1,133,727)
	(1,277,223)	(1,959,528)
Balance, end of year	44,100,328	35,230,948

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

Statements of Cash Flows

Years ended December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	5,251,474	(3,090,484)
Adjustments for:		
Distributions from underlying funds	(1,019,326)	(880,544)
Interest for distribution purposes	(976)	(1,728)
Dividend income	(421,480)	(505,219)
Foreign exchange (gain) loss	9,100	12,946
Net realized (gain) loss on sale of investments	(2,006,159)	(343,371)
Net change in unrealized (appreciation) depreciation of investments	(2,016,485)	4,234,623
Other receivable	71	(257)
Management and administration fees payable	13,726	(10,960)
Accrued expenses	(122)	171
	(190,177)	(584,823)
Proceeds on disposal of investments	15,945,540	13,269,407
Amounts paid on purchase of investments	(9,042,831)	(8,935,506)
Dividends received	401,709	517,101
Distributions received from underlying funds	1,019,326	880,544
Interest received	976	1,728
	8,134,543	5,148,451
Financing:		
Proceeds from issue of redeemable units upon merger	1,960	-
Proceeds from issue of redeemable units	2,540,460	7,271,318
Cash (Bank overdraft) received on merger	(1,617)	-
Amounts paid on redemption of redeemable units	(10,454,805)	(12,729,140)
Distributions paid to unitholders	(78,437)	(98,717)
	(7,992,439)	(5,556,539)
Net increase (decrease) in cash	142,104	(408,088)
Cash (Bank overdraft), beginning of year	88,465	509,499
Effect of exchange rate fluctuations on cash	(9,100)	(12,946)
Cash (Bank overdraft), end of year	221,469	88,465

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

Schedule of Investment Portfolio

December 31, 2023

	Issue currency	Number of units / shares/ Face value (\$)	Cost (\$)	Fair value (\$)
Mutual funds:				
Pender Alternative Absolute Return Fund, Class 'O'		220,721	2,221,709	2,214,580
Pender Alternative Arbitrage Plus Fund, Class 'O'		89,898	908,269	923,949
Pender Corporate Bond Fund, Class 'O'		1,448,478	15,487,187	15,123,852
Pender Small Cap Opportunities Fund, Class 'O'		118,908	3,206,220	3,225,070
Total mutual funds (48.7%)			21,823,385	21,487,451
Equities:				
Communication services (1.8%):				
Baidu, Inc., ADR		4,900	836,103	773,221
KAB Distribution Inc.		1,508,544	-	-
			836,103	773,221
Consumer discretionary (1.5%):				
Starbucks Corporation		5,230	553,235	665,350
			553,235	665,350
Consumer staples (2.4%):				
Dollar General Corporation		2,260	325,852	407,118
Premium Brands Holdings Corporation		7,100	640,859	667,613
			966,711	1,074,731
Energy (3.3%):				
ARC Resources Ltd.		22,320	209,560	439,034
Artis Exploration Ltd.		183,200	503,800	569,752
Bukit Energy Inc.		800,000	-	-
Bukit Energy Inc., Preferred, Series 'A', Convertible		223,000	-	-
CBM Asia Development Corp.		4,166,667	417	417
Texas Pacific Land Corporation		207	314,712	431,300
			1,028,489	1,440,503
Financial services (19.7%):				
Brookfield Corp., Class 'A'		23,940	1,028,274	1,272,411
Burford Capital Limited		86,920	948,917	1,796,704
Community Vehicle Financing & Leasing Inc.		153	8	-
Community Vehicle Financing & Leasing Inc., Preferred, Series '1', 6.00%		23,400	2,049,148	-
Exor N.V.		14,530	1,270,746	1,923,516
Interactive Brokers Group, Inc., Class 'A'		6,200	662,260	681,049
Jack Cooper Enterprises, Inc.		1,410	18	-
KKR & Co. Inc.		13,780	630,051	1,512,774
Onex Corporation		11,840	856,142	1,095,555
Rubix Lending Co. Inc., Class 'B'		698	7	7
Starwood Property Trust, Inc.		16,700	345,655	465,138
			7,791,226	8,747,154
Health care (0.0%):				
MJardin Group, Inc.		52,215	10,182	-
MSI Methylation Sciences Inc.		175,000	-	-
MSI Methylation Sciences Inc., Preferred, Class 'A', Series '1'		423,572	-	-
			10,182	-
Industrials (9.7%):				
3M Company		3,140	448,048	454,843
ADENTRA Inc.		24,271	719,164	775,944
Aecon Group Inc.		74,760	810,624	977,113

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

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

Schedule of Investment Portfolio (cont'd)

December 31, 2023

	Issue currency	Number of units / shares/ Face value (\$)	Cost (\$)	Fair value (\$)
Industrials (9.7%): (cont'd)				
Exchange Income Corporation		13,848	597,311	624,545
Northrop Grumman Corporation		750	340,824	465,232
SS&C Technologies Holdings, Inc.		12,110	1,011,333	980,593
			3,927,304	4,278,270
Information technology (3.0%):				
Copperleaf Technologies Inc.		28,600	168,576	172,744
Microchip Technology, Inc.		7,160	666,067	855,570
PAR Technology Corporation		4,830	211,591	278,656
			1,046,234	1,306,970
Insurance (2.0%):				
Trisura Group Ltd.		25,460	902,014	865,640
			902,014	865,640
Materials (1.6%):				
CCL Industries Inc., Class 'B'		11,740	672,975	699,587
			672,975	699,587
Real estate (4.3%):				
Dream Unlimited Corp., Class 'A'		32,250	876,639	730,463
Kennedy-Wilson Holdings, Inc.		69,860	1,245,371	1,145,992
			2,122,010	1,876,455
Utilities (1.5%):				
Altius Renewable Royalties Corp.		84,004	766,713	661,952
Genalta Power Inc., Rights		1	-	-
			766,713	661,952
Total equities (50.8%)			20,623,196	22,389,833
Corporate bonds:				
Escrow Quicksilver Resources Inc., Callable, 11.00%, 2021/07/01	USD	2,000,000	2,294,008	5,300
Total corporate bonds (0.0%)			2,294,008	5,300
Warrants:				
Affinion Group Holdings, Inc., strike price \$67.12, expiry 2025/12/31	USD	1,858	551,891	-
Total warrants (0.0%)			551,891	-
Less: Transaction costs included in cost of investments			(7,155)	
Total investments (99.5%)			45,285,325	43,882,584
Cash (Bank overdraft) (0.5%)				221,469
Other assets less liabilities (0.0%)				(3,725)
Total net assets attributable to holders of redeemable units (100.0%)				44,100,328

Pender Value Fund

Statements of Financial Position

December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Assets		
Cash	238,164	423,730
Receivable for investments sold	-	181,435
Subscriptions receivable	13,837	11,249
Dividends receivable	64,414	42,910
Other receivable	337	-
Investments	99,386,259	120,670,864
	99,703,011	121,330,188
Liabilities		
Management and administration fees payable (note 4)	135,002	168,492
Redemptions payable to holders of redeemable units	61,902	30,535
Distributions payable to holders of redeemable units	-	801
Accrued expenses	1,090	738
	197,994	200,566
Net assets attributable to holders of redeemable units	99,505,017	121,129,622
Net assets attributable to holders of redeemable units per class:		
Class A	19,453,869	22,633,418
Class E	890,832	671,717
Class F	42,540,797	49,964,163
Class H	7,081,385	7,216,176
Class I	27,919,745	38,791,024
Class N	4,958	874,464
Class O	1,613,431	978,660
	99,505,017	121,129,622
Net assets attributable to holders of redeemable units per unit:		
Class A	15.55	14.60
Class E	9.48	8.73
Class F	16.30	15.14
Class H	11.28	10.56
Class I	11.94	11.07
Class N	8.59	7.93
Class O	13.54	12.85

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

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Value Fund

Statements of Comprehensive Income

Years ended December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Revenue		
Distributions from underlying funds	-	240,552
Interest for distribution purposes	70,153	22,834
Dividend income	1,074,941	1,244,784
Securities lending income (note 5)	337	-
Foreign exchange gain (loss)	123,342	350,329
Changes in fair value of investments:		
Net realized gain (loss)	(14,502,540)	(12,032,210)
Net change in unrealized appreciation (depreciation)	23,244,001	(60,542,020)
Total revenue	10,010,234	(70,715,731)
Expenses		
Management fees (note 4)	1,108,331	1,623,858
Administration fees (note 4)	655,672	978,149
Transaction costs	235,090	109,501
Withholding taxes (note 6)	26,233	81,546
Independent review committee fees	1,973	3,170
Other taxes (recovery)	-	(60,014)
Total expenses	2,027,299	2,736,210
Less: Expenses absorbed by the Manager (note 4)	(1,973)	(3,170)
Net expenses	2,025,326	2,733,040
Increase (decrease) in net assets attributable to holders of redeemable units	7,984,908	(73,448,771)
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	1,318,380	(12,744,311)
Class D	-	(370,126)
Class E	87,445	(288,354)
Class F	3,356,823	(26,519,090)
Class H	463,676	(4,041,978)
Class I	2,532,424	(24,526,643)
Class N	61,428	(547,795)
Class O	164,732	(4,410,474)
	7,984,908	(73,448,771)
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	0.93	(7.18)
Class D	-	(2.32)
Class E	0.97	(3.73)
Class F	1.15	(7.18)
Class H	0.71	(5.23)
Class I	0.90	(5.29)
Class N	1.01	(3.46)
Class O	2.28	(6.47)

Pender Value Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2023 and 2022

Class A	2023 (\$)	2022 (\$)
Balance, beginning of year	22,633,418	43,761,108
Increase (decrease) in net assets attributable to holders of redeemable units	1,318,380	(12,744,311)
Unit transactions:		
Proceeds from issue of redeemable units	476,928	2,243,866
Amounts from issue of units on merger (note 4 (f))	2,401,118	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(7,375,975)	(10,627,245)
	(4,497,929)	(8,383,379)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	19,453,869	22,633,418
Class D	2023 (\$)	2022 (\$)
Balance, beginning of year	-	2,202,286
Increase (decrease) in net assets attributable to holders of redeemable units	-	(370,126)
Unit transactions:		
Proceeds from issue of redeemable units	-	23,988
Amounts from issue of units on merger (note 4 (f))	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(1,856,148)
	-	(1,832,160)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	-	-
Class E	2023 (\$)	2022 (\$)
Balance, beginning of year	671,717	896,075
Increase (decrease) in net assets attributable to holders of redeemable units	87,445	(288,354)
Unit transactions:		
Proceeds from issue of redeemable units	-	101,689
Amounts from issue of units on merger (note 4 (f))	1,118,014	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(986,344)	(37,693)
	131,670	63,996
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	890,832	671,717

Pender Value Fund

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

Years ended December 31, 2023 and 2022

Class F	2023 (\$)	2022 (\$)
Balance, beginning of year	49,964,163	94,884,680
Increase (decrease) in net assets attributable to holders of redeemable units	3,356,823	(26,519,090)
Unit transactions:		
Proceeds from issue of redeemable units	3,170,581	12,028,919
Amounts from issue of units on merger (note 4 (f))	3,384,615	-
Issued on reinvestment of distributions	5,188	3,898
Amounts paid on redemption of redeemable units	(17,335,385)	(30,430,734)
	(10,775,001)	(18,397,917)
Distributions paid from:		
Net investment income	-	(3,510)
Realized gains on sale of investments	-	-
Return of capital	(5,188)	-
	(5,188)	(3,510)
Balance, end of year	42,540,797	49,964,163
Class H	2023 (\$)	2022 (\$)
Balance, beginning of year	7,216,176	13,547,045
Increase (decrease) in net assets attributable to holders of redeemable units	463,676	(4,041,978)
Unit transactions:		
Proceeds from issue of redeemable units	211,510	992,397
Amounts from issue of units on merger (note 4 (f))	177,322	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(987,299)	(3,281,288)
	(598,467)	(2,288,891)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	7,081,385	7,216,176
Class I	2023 (\$)	2022 (\$)
Balance, beginning of year	38,791,024	91,624,807
Increase (decrease) in net assets attributable to holders of redeemable units	2,532,424	(24,526,643)
Unit transactions:		
Proceeds from issue of redeemable units	2,552,151	9,980,403
Amounts from issue of units on merger (note 4 (f))	136,673	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(16,092,527)	(38,287,543)
	(13,403,703)	(28,307,140)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	27,919,745	38,791,024

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

Pender Value Fund

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

Years ended December 31, 2023 and 2022

Class N	2023 (\$)	2022 (\$)
Balance, beginning of year	874,464	1,564,976
Increase (decrease) in net assets attributable to holders of redeemable units	61,428	(547,795)
Unit transactions:		
Proceeds from issue of redeemable units	5,003	704,199
Amounts from issue of units on merger (note 4 (f))	11,325	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(947,262)	(846,916)
	(930,934)	(142,717)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	4,958	874,464
Class O	2023 (\$)	2022 (\$)
Balance, beginning of year	978,660	16,826,982
Increase (decrease) in net assets attributable to holders of redeemable units	164,732	(4,410,474)
Unit transactions:		
Proceeds from issue of redeemable units	5,200	361,336
Amounts from issue of units on merger (note 4 (f))	1,618,115	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(1,153,276)	(11,799,184)
	470,039	(11,437,848)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	1,613,431	978,660
Total Fund	2023 (\$)	2022 (\$)
Balance, beginning of year	121,129,622	265,307,959
Increase (decrease) in net assets attributable to holders of redeemable units	7,984,908	(73,448,771)
Unit transactions:		
Proceeds from issue of redeemable units	6,421,373	26,436,797
Amounts from issue of units on merger (note 4 (f))	8,847,182	-
Issued on reinvestment of distributions	5,188	3,898
Amounts paid on redemption of redeemable units	(44,878,068)	(97,166,751)
	(29,604,325)	(70,726,056)
Distributions paid from:		
Net investment income	-	(3,510)
Realized gains on sale of investments	-	-
Return of capital	(5,188)	-
	(5,188)	(3,510)
Balance, end of year	99,505,017	121,129,622

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

Pender Value Fund

Statements of Cash Flows

Years ended December 31, 2023 and 2022

	2023 (\$)	2022 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	7,984,908	(73,448,771)
Adjustments for:		
Distribution from underlying funds	-	(240,552)
Interest for distribution purposes	(70,153)	(22,834)
Dividend income	(1,074,941)	(1,244,784)
Foreign exchange (gain) loss	(123,342)	(350,329)
Net realized (gain) loss on sale of investments	14,502,540	12,032,210
Net change in unrealized (appreciation) depreciation of investments	(23,244,001)	60,542,020
Other receivable	(337)	-
Management and administration fees payable	(33,490)	(175,947)
Accrued expenses	352	(125)
	(2,058,464)	(2,909,112)
Proceeds on disposal of investments	67,836,534	97,307,211
Amounts paid on purchase of investments	(33,323,401)	(24,940,035)
Dividends received	1,053,437	1,349,617
Distributions received from underlying funds	-	240,552
Interest received	70,153	22,834
	33,578,259	71,071,067
Financing:		
Proceeds from issue of redeemable units upon merger	(235)	-
Proceeds from issue of redeemable units	5,971,848	21,169,505
Cash (Bank overdraft) received on merger	4,541,785	-
Amounts paid on redemption of redeemable units	(44,399,764)	(92,198,791)
Distributions paid to unitholders	(801)	-
	(33,887,167)	(71,029,286)
Net increase (decrease) in cash	(308,908)	41,781
Cash (Bank overdraft), beginning of year	423,730	31,620
Effect of exchange rate fluctuations on cash	123,342	350,329
Cash (Bank overdraft), end of year	238,164	423,730

Pender Value Fund

Schedule of Investment Portfolio

December 31, 2023

	Issue Currency	Number of shares / units	Cost (\$)	Fair value (\$)
Equities:				
Communication services (0.8%):				
TeraGo Inc.		538,302	3,627,447	818,219
			3,627,447	818,219
Consumer discretionary (6.9%):				
D2L Inc.		461,278	6,238,184	4,940,287
Peloton Interactive, Inc., Class 'A'		234,215	13,238,705	1,890,011
			19,476,889	6,830,298
Consumer staples (5.2%):				
CareRx Corporation		794,630	3,969,694	1,279,354
Premium Brands Holdings Corporation		41,580	3,719,071	3,909,767
			7,688,765	5,189,121
Energy (3.6%):				
McDermott International, Ltd.		331,336	148,017	40,962
Texas Pacific Land Corporation		1,700	2,908,416	3,542,077
			3,056,433	3,583,039
Financial services (17.4%):				
Burford Capital Limited		291,026	4,151,444	6,015,734
Exor N.V.		20,230	1,800,266	2,678,096
Federal National Mortgage Association, Preferred, Series 'S', 8.25%		80,000	243,968	341,333
Interactive Brokers Group, Inc., Class 'A'		31,938	2,255,269	3,508,282
KKR & Co. Inc.		43,240	1,803,535	4,746,904
			10,254,482	17,290,349
Health care (4.3%):				
dentalcorp Holdings Ltd.		389,168	3,498,535	2,708,609
kneat.com, inc.		200,000	642,000	610,000
VitalHub Corp.		229,100	927,468	934,728
			5,068,003	4,253,337
Industrials (6.6%):				
Aecon Group Inc.		175,120	1,967,756	2,288,818
Blackline Safety Corp.		446,900	1,653,730	1,586,495
SS&C Technologies Holdings, Inc.		33,630	2,483,410	2,723,149
			6,104,896	6,598,462
Information technology (47.7%):				
Computer Modelling Group Ltd.		34,300	248,775	347,459
Copperleaf Technologies Inc.		972,912	4,782,831	5,876,388
Dye & Durham Limited		455,587	6,704,133	6,542,230
eGain Corporation		231,617	2,774,474	2,556,511
Kinaxis Inc.		28,780	4,163,479	4,279,874
Kraken Robotics Inc.		3,869,000	2,011,880	2,514,850
Optiva Inc.		197,329	5,147,302	651,186
PAR Technology Corporation		80,458	3,705,807	4,641,837
Sangoma Technologies Corporation		815,368	7,578,416	3,457,160
Sylogist Ltd.		845,975	7,065,665	6,310,975
Tantalus Systems Holding Inc.		1,059,434	2,235,860	858,142
Thinkific Labs Inc.		1,010,840	2,029,871	3,254,905
Tiny Ltd., Class 'A'		471,851	2,317,078	1,042,791
TrueContext Corporation		7,456,950	3,007,397	5,219,865
			53,772,968	47,554,173

Pender Value Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2023

	Issue Currency	Number of shares / units	Cost (\$)	Fair value (\$)
Materials (4.2%):				
CCL Industries Inc., Class 'B'		69,405	4,106,494	4,135,844
			4,106,494	4,135,844
Real estate (3.1%):				
Zillow Group Inc., Class 'C'		40,757	2,998,331	3,124,733
			2,998,331	3,124,733
Total equities (99.8%)			116,154,708	99,377,575
Warrants:				
Cano Health Inc., strike price \$11.50, expiry 2026/06/03	USD	50,232	-	-
Taiga Motors Corporation, strike price \$17.25, expiry 2026/04/21	CAD	82,706	407,724	8,684
Total warrants (0.0%)			407,724	8,684
Less: Transaction costs included in cost of investments			(341,145)	
Total investments (99.8%)			116,221,287	99,386,259
Cash (Bank overdraft) (0.3%)				238,164
Other assets less liabilities (-0.1%)				(119,406)
Total net assets attributable to holders of redeemable units (100.0%)				99,505,017

PENDER MUTUAL FUNDS: Notes to Financial Statements

Year ended December 31, 2023

1. The Funds:

The Pender Mutual Funds (individually a “Fund” and collectively the “Funds”) include the following:

	Commencement of operations	Classes
Bond Universe Fund	January 31, 2020	A, E, F, F(USD), O
Corporate Bond Fund	June 1, 2009	A, A(USD), E, F, F(USD), H, H(USD), I, I(USD), N(USD), O, U
Small Cap Opportunities Fund	June 1, 2009	A, B, E, F, G, I, M, N, O
Small/Mid Cap Dividend Fund	January 31, 2020	A, E, F, H, I, O
Strategic Growth and Income Fund (formerly Enhanced Income Fund)	September 21, 2009	A, E, F, H, I, O
Value Fund	June 28, 2013	A, E, F, H, I, N, O

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

Effective April 22, 2022, Class D units were closed in all Funds that had Class D units. Effective May 18, 2022, Class N units of the Pender Bond Universe Fund were closed. Effective June 24, 2022, Class A1 and Class F1 units of the Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) were closed. Effective May 26, 2023, Class A (USD) units of the Pender Bond Universe Fund were closed. Effective May 26, 2023, Class N units were closed in the Pender Corporate Bond Fund, Pender Small/Mid Cap Dividend Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund).

Each of the Funds is an open-end investment trust governed under the laws of the Province of British Columbia pursuant to the Twentieth Amended and Restated Mutual Fund Trust Agreement dated June 16, 2023 (previously the Nineteenth Amended and Restated Mutual Fund Trust Agreement dated August 15, 2022).

The Funds’ registered office is located at 1830 - 1066 West Hastings Street, Vancouver, BC, V6E 3X2.

The Manager and Trustee of the Funds is PenderFund Capital Management Ltd. CIBC Mellon Trust Company is the custodian of the Funds.

2. Basis of preparation:

(a) Statement of compliance:

The financial statements of the Funds are prepared under IFRS Accounting Standards. These financial statements were authorized for issue by the Manager on March 28, 2024.

(b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments, investments sold short and derivatives, which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, the Funds’ functional currency.

(d) Use of estimates and judgment:

The preparation of these financial statements in conformity with IFRS Accounting Standards requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

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

Year ended December 31, 2023

The Funds may hold financial instruments that are not quoted in an active market, including derivatives.

The determination of the fair value of these investments is the area with the Manager's most significant accounting judgements and estimates in preparing these financial statements. Further discussion in connection with fair value investments is provided in Note 10.

3. Material accounting policy information:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments:

(i) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL for which transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the particular Fund becomes a party to the contractual provisions of the instrument. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position only when the Funds have a legal right to offset the amounts and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and/or interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is both to hold assets to collect contractual cash flows and to potentially sell financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and/or interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Funds may irrevocably elect to measure financial assets that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets are not reclassified subsequent to their initial recognition, unless the Funds change their business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Funds may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

(ii) Amortized cost:

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Funds classify cash, receivable for investments sold, subscriptions receivable, dividends receivable, interest receivable, other receivable, bank overdraft, management and administration fees payable, payable for investments purchased, redemptions payable to holders of redeemable units, distributions payable to holders of redeemable units, and accrued expenses as amortized cost.

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

Year ended December 31, 2023

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(iii) Derivative transactions:

The Funds may use derivative contracts to manage risks associated with the investments. The derivatives are classified as FVTPL and, as a result, the contracts are measured at fair value on the valuation date and the resulting gains and losses, both realized and unrealized, are recognized in the Statements of Comprehensive Income. Gains and losses arising from changes in fair value of derivatives are shown in the Statements of Comprehensive Income as "Net change in unrealized appreciation (depreciation)" and as "Net realized gain (loss)" when positions are closed out or have expired, where applicable.

(iv) Fair value through profit and loss:

Financial assets and liabilities classified as FVTPL are recognized initially at fair value at each reporting period with changes in fair value recognized in the Statements of Comprehensive Income in the period in which they occur. The Funds' derivative assets and derivative liabilities, investments in securities, and investments sold short are classified as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) is based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities. In circumstances where there is no closing price, the average of the closing bid and the closing ask price on the valuation date is used. The Funds each have a policy of recognizing transfers in and out of the fair value hierarchy levels described in Note 10(a) as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative instruments, is determined using valuation techniques. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and other methods commonly used by market participants that make the maximum use of observable inputs. Where the value of a financial asset or liability is not readily available or where the Manager is of the opinion that the value available is inaccurate or unreliable, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

(v) Fair Value through other comprehensive income:

The Funds have not classified any of their financial assets or liabilities as FVOCI.

(b) Redeemable units

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Funds have designated redeemable units as financial liabilities at FVTPL because they are managed and their performance is evaluated on a fair value basis. The redeemable units provide investors with the right to require redemptions for cash, subject to available liquidity at a unit price based on the Funds' valuation policies at each redemption date.

(c) Per unit amounts:

Net assets attributable to holders of redeemable units is calculated based on the number of units outstanding at the end of the period. The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the period.

(d) Securities lending transactions:

The Funds are permitted to enter into securities lending transactions as set out in the Funds' Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

Securities lending transactions are administered by Canadian Imperial Bank of Commerce and The Bank of New York Mellon (collectively the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statements of Comprehensive Income as securities lending income and recognized when earned.

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

Year ended December 31, 2023

(e) Foreign exchange:

The financial statements of the Funds are denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the Statements of Comprehensive Income.

(f) Income recognition:

Interest for distribution purposes shown on the Statements of Comprehensive Income is recognized on an accrual basis. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments.

(g) Income taxes:

The Funds qualify as unit trusts under the *Income Tax Act* (Canada). All of the Funds' net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Funds. As a result, the Funds do not record income taxes.

(h) New accounting standards:

Effective January 1, 2023, the Funds adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2). The amendments require the disclosure of "material", rather than "significant", accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in this note in certain instances.

4. Related party transactions:

(a) Management fees:

Each Fund pays management fees calculated as a percentage of the net asset value of each respective class. Management fees are subject to applicable taxes such as GST or HST. The fees are calculated at the close of business on each valuation day and are paid monthly. The management fees charged to the Fund by the Manager are intended to cover, among other things, investment management costs, including any portfolio advisory fees, as well as distribution, marketing and promotion of the Fund. The management fees for Class E and Class O units are negotiable and paid directly by the investors and not by the Funds. The annual management fee percentages before applicable taxes such as GST or HST of the remaining classes as at December 31, 2023 and 2022 are as follows:

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

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

Year ended December 31, 2023

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

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

2022 (cont'd)	Class I/ I (USD) (%)	Class N/ N (USD)/ M (%)	Class U (%)
Bond Universe Fund	-	-	-
Corporate Bond Fund	0.45	0.20	0.60
Small Cap Opportunities Fund	0.80	0.45	-
Small/Mid Cap Dividend Fund	0.80	0.45	-
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	0.55	0.30	-
Value Fund	0.70	0.30	-

The Management Expense Ratio ("MER") before applicable taxes such as GST or HST for each class does not exceed certain levels as set out in the Fund's offering documents. Please refer to the tables in note 4 (b) below.

(b) Administration fees and other expenses:

Each Fund pays an administration fee calculated as a percentage of the net asset value of each respective class equal to 0.50%. Administration fees are subject to applicable taxes such as GST or HST. The fees are calculated at the close of business on each valuation day and are paid monthly. In exchange for the fee, the Manager pays the operating costs of each Fund (including administrative and operating expenses, registrar and transfer agency fees, custody fees, unitholder servicing costs, costs of prospectus and reports, regulatory fees, and audit and legal fees for example) other than taxes, brokerage commissions, transaction costs and Independent Review Committee ("IRC") fees. The administration fees for Class O units are negotiable and paid directly by the investors and not by the Funds.

The Manager has agreed to cap the management fees, administration fees and other expenses before applicable taxes such as GST or HST charged to each Fund class so that the management expense ratio ("MER") before applicable taxes such as GST or HST as at December 31, 2023 and 2022 for each class does not exceed the percentage of average NAV set out in the Fund's offering documents, as follows:

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

Year ended December 31, 2023

	Class A/ A (USD)/ B (%)	Class E (%)	Class F/ F (USD)/ G (%)	Class H/ H (USD) (%)
2023				
Bond Universe Fund	1.10	0.50	0.60	-
Corporate Bond Fund	1.90	0.50	1.10	1.60
Small Cap Opportunities Fund	2.45	0.50	1.45	-
Small/Mid Cap Dividend Fund	2.45	0.50	1.45	2.15
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	2.20	0.50	1.20	1.90
Value Fund	2.35	0.50	1.35	2.05

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

	Class A/ A (USD)/ B (%)	Class E (%)	Class F/ F (USD)/ G (%)	Class H/ H (USD) (%)
2022				
Bond Universe Fund	1.10	0.50	0.60	-
Corporate Bond Fund	1.90	0.50	1.10	1.60
Small Cap Opportunities Fund	2.45	0.50	1.45	-
Small/Mid Cap Dividend Fund	2.45	0.50	1.45	2.15
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	2.20	0.50	1.20	-
Value Fund	2.35	0.50	1.35	2.05

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

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

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

Year ended December 31, 2023

(c) Performance fees:

The Manager is also entitled to a performance fee plus applicable taxes such as GST or HST in respect of Class B, Class G and Class M units of the Pender Small Cap Opportunities Fund. For Class O units, this fee is or will be charged directly to Unitholders, as applicable. The performance fee is equal to 20% of the amount by which the total return of the class of units exceeds the total percentage increase or decrease in the Fund's benchmark, for the period since the performance fee was last paid, subject to a relative high-water mark. Performance fees are subject to applicable taxes such as GST or HST. The performance fee is calculated and accrued weekly and the accrued fees are paid by the Fund at the end of each year. The Manager has reserved the right to change the period for which any performance fee may be paid by the Fund. The Manager may, at its discretion, reduce or waive performance fees.

As at December 31, 2023 and 2022, no performance fee was accrued for Class B, Class G or Class M.

The high-water mark ("HWM") of a class of units is the net asset value of the class as at the most recent determination date on which a performance fee was payable. The high-water marks for the Pender Small Cap Opportunities Fund were reset on December 31, 2020. The high-water mark for Class M remained at \$10.00 per unit since the class commenced operations on June 25, 2021. The HWM and the adjusted HWM, which reflects the distributions that were paid out to investors, for the Fund as at December 31, 2023 and 2022, are as follows:

	Class B (\$)	Class G (\$)	Class M (\$)
2023			
HWM	12.02	12.54	10.00
Adjusted HWM	9.83	9.72	7.62
2022			
HWM	12.02	12.54	10.00
Adjusted HWM	9.83	9.79	7.69

(d) Amounts payable to the Manager:

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

	2023 (\$)	2022 (\$)
Bond Universe Fund	34,517	45,941
Corporate Bond Fund	1,418,050	1,406,010
Small Cap Opportunities Fund	324,066	277,276
Small/Mid Cap Dividend Fund	22,690	34,025
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	55,720	41,994
Value Fund	135,002	168,492

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

(e) Related party holdings:

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

	2023 (%)	2022 (%)
Bond Universe Fund	1	<1
Corporate Bond Fund	<1	<1
Small Cap Opportunities Fund	2	2
Small/Mid Cap Dividend Fund	5	5
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	2	<1
Value Fund	2	1

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

Year ended December 31, 2023

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

	2023 (%)	2022 (%)
Bond Universe Fund	3	2
Corporate Bond Fund	2	3
Small Cap Opportunities Fund	2	2
Small/Mid Cap Dividend Fund	16	11
Value Fund	2	-

(f) Fund merger:

On June 23, 2023, the Pender Global Focused Fund was merged into the Pender Value Fund, the Pender Strategic Growth and Income Fund was merged into the Pender Enhanced Income Fund and the Pender Enhanced Income Fund was renamed the Pender Strategic Growth and Income Fund. In each case, the two funds that were merged were managed by the Manager, had the same investment objectives, and had substantially similar investment strategies. Details of the mergers follow:

Net assets of Pender Strategic Growth and Income Fund acquired:	(\$)
Cash (Bank overdraft)	(1,617)
Investments	11,614,141
Other assets less liabilities	1,960
	11,614,484

Net assets of Global Focused Fund acquired:	(\$)
Cash (Bank overdraft)	4,541,785
Investments	4,305,632
Other assets less liabilities	(235)
	8,847,182

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

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

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

Year ended December 31, 2023

5. Securities lending transactions:

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

	Securities loaned (\$)	Collateral received (\$)
2023		
Bond Universe Fund	9,469,337	9,943,798
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	1,531,537	1,608,192
2022		
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	938,740	985,685

Collateral received on securities lending may be comprised of debt obligations of the Government of Canada and other countries, Canadian provincial or territorial governments, governments of states of the United States of America, and evidence of indebtedness of financial institutions whose short-term debt is rated A-1 or R-1 or equivalent by a recognized, widely followed North American credit rating agency.

The following table presents a reconciliation of the gross amount generated from securities lending transactions to the securities lending income earned for the years ended December 31, 2023 and 2022 for certain Funds. The remaining Funds did not have any securities lending income earned for the years ended December 31, 2023 and 2022.

	Gross income (\$)	Withholding taxes (\$)	Agent fees (\$)	Net income (\$)
2023				
Bond Universe Fund	5,386	(64)	(1,820)	3,502
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	6,270	(1,459)	(667)	4,144
Value Fund	491	13	167	337
2022				
Bond Universe Fund	830	-	(305)	525
Corporate Bond Fund	6	-	(2)	4
Small/Mid Cap Dividend Fund	30,980	(774)	(10,740)	19,466
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	11,764	(1,198)	(3,730)	6,836

Agent fees were paid to the Securities Lending Agent (see Note 3(d)) and represented 35% of the gross securities lending income net of withholding taxes.

6. Withholding tax expense:

Certain dividend and interest income received by the Funds is subject to withholding tax imposed in the country of origin. During the year, withholding tax rates were between 0% and 35% (2022 - between 0% and 35%).

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

Year ended December 31, 2023

7. Redeemable units:

The Funds are authorized to issue an unlimited number of redeemable units in an unlimited number of classes. The redeemable unit transactions for the Funds during the years ended December 31, 2023 and 2022 were as follows:

2023	Outstanding units, beginning of year	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of year
Bond Universe Fund:					
Class A	370,331	40,966	7,106	(79,990)	338,413
Class A (USD)	507	-	5	(512)	-
Class E	36,415	4,446	1,410	-	42,271
Class F	9,407,030	2,985,934	138,173	(6,679,955)	5,851,182
Class F (USD)	13,907	-	18	(6,089)	7,836
Class O	210,553	41,569	9,922	(43,825)	218,219
Corporate Bond Fund:					
Class A	8,288,704	1,507,704	245,183	(2,159,836)	7,881,755
Class A (USD)	197,474	46,266	4,748	(101,200)	147,288
Class E	380,944	25,312	20,911	(29,001)	398,166
Class F	34,740,168	15,414,500	993,658	(16,556,383)	34,591,943
Class F (USD)	1,506,774	386,720	54,679	(552,626)	1,395,547
Class H	8,578,535	1,209,966	302,217	(1,946,175)	8,144,543
Class H (USD)	554,228	79,410	22,119	(162,683)	493,074
Class I	70,636,548	26,565,635	1,979,555	(24,493,916)	74,687,822
Class I (USD)	2,752,813	589,745	66,918	(1,388,491)	2,020,985
Class N	520	-	9	(529)	-
Class N (USD)	182,917	498	21	(182,917)	519
Class O	4,273,445	205,313	192,306	(1,671,684)	2,999,380
Class U	944,053	220,213	9,751	(840,782)	333,235
Small Cap Opportunities Fund:					
Class A	856,700	-	-	(169,261)	687,439
Class B	1,621,516	218,595	-	(742,815)	1,097,296
Class E	253,401	57,202	4,408	(40,908)	274,103
Class F	2,797,179	773,458	21,256	(1,004,772)	2,587,121
Class G	10,249,347	2,958,296	61,850	(2,292,659)	10,976,834
Class I	1,430,710	1,420	11,547	(91,681)	1,351,996
Class M	1,863,319	751,904	30,929	(193,794)	2,452,358
Class N	6,759	-	-	(5,429)	1,330
Class O	382,752	-	7,842	(15,596)	374,998
Small/Mid Cap Dividend Fund:					
Class A	163,464	9,937	2,966	(90,453)	85,914
Class E	59,533	8,154	2,124	(2,861)	66,950
Class F	456,689	76,322	10,029	(163,303)	379,737
Class H	246,353	21,231	5,729	(95,638)	177,675
Class I	644,582	67,798	16,708	(203,222)	525,866
Class N	608	-	5	(613)	-
Class O	217,647	43,939	9,691	(14,835)	256,442

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

Year ended December 31, 2023

2023	Outstanding units, beginning of year	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of year
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):					
Class A	909,428	1,002,379	27,212	(517,118)	1,421,901
Class E	2,483	35,427	1,046	(800)	38,156
Class F	938,640	427,548	32,744	(238,493)	1,160,439
Class H	-	177,191	3,097	-	180,288
Class I	2,145,538	148,617	66,513	(459,586)	1,901,082
Class N	580	-	11	(591)	-
Class O	580	858	52	-	1,490
Value Fund:					
Class A	1,550,596	195,077	-	(494,712)	1,250,961
Class E	76,980	126,168	-	(109,201)	93,947
Class F	3,301,195	421,874	338	(1,112,900)	2,610,507
Class H	683,390	35,519	-	(91,346)	627,563
Class I	3,504,476	227,787	-	(1,393,498)	2,338,765
Class N	110,242	1,984	-	(111,651)	575
Class O	76,185	128,566	-	(85,636)	119,115
<hr/>					
2022	Outstanding units, beginning of year	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of year
Bond Universe Fund:					
Class A	373,849	59,669	7,111	(70,298)	370,331
Class A (USD)	-	502	5	-	507
Class D	534	-	5	(539)	-
Class E	30,835	4,373	1,207	-	36,415
Class F	7,883,926	9,470,238	124,393	(8,071,527)	9,407,030
Class F (USD)	-	14,306	108	(507)	13,907
Class N	536	-	5	(541)	-
Class O	105,529	131,265	7,595	(33,836)	210,553
Corporate Bond Fund:					
Class A	8,607,770	1,550,643	244,044	(2,113,753)	8,288,704
Class A (USD)	202,496	125,852	6,259	(137,133)	197,474
Class D	740,251	90,334	6,995	(837,580)	-
Class E	400,826	7,184	20,086	(47,152)	380,944
Class F	32,781,853	18,889,679	954,408	(17,885,772)	34,740,168
Class F (USD)	1,091,009	887,097	40,583	(511,915)	1,506,774
Class H	9,004,515	1,171,894	302,116	(1,899,990)	8,578,535
Class H (USD)	589,688	81,505	21,587	(138,552)	554,228
Class I	54,127,966	31,782,749	1,929,218	(17,203,385)	70,636,548
Class I (USD)	2,522,383	1,004,857	71,878	(846,305)	2,752,813
Class N	270,776	514	3,660	(274,430)	520
Class N (USD)	190,261	514	7	(7,865)	182,917
Class O	5,161,977	2,055,601	253,129	(3,197,262)	4,273,445
Class U	1,085,631	241,234	919	(383,731)	944,053

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

Year ended December 31, 2023

2022	Outstanding units, beginning of year	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of year
Small Cap Opportunities Fund:					
Class A	1,092,309	-	-	(235,609)	856,700
Class B	2,062,223	279,062	-	(719,769)	1,621,516
Class E	241,879	29,682	-	(18,160)	253,401
Class F	2,779,227	173,170	5,977	(161,195)	2,797,179
Class G	7,774,891	4,462,268	-	(1,987,812)	10,249,347
Class I	1,405,165	343,892	666	(319,013)	1,430,710
Class M	1,268,907	715,560	-	(121,148)	1,863,319
Class N	31,166	-	-	(24,407)	6,759
Class O	782,730	110,232	-	(510,210)	382,752
Small/Mid Cap Dividend Fund:					
Class A	59,880	190,867	3,723	(91,006)	163,464
Class D	79,168	41,237	839	(121,244)	-
Class E	53,409	8,403	1,717	(3,996)	59,533
Class F	317,745	255,528	10,067	(126,651)	456,689
Class H	177,938	82,891	6,615	(21,091)	246,353
Class I	722,150	586,331	23,595	(687,494)	644,582
Class N	590	-	18	-	608
Class O	129,717	82,931	4,999	-	217,647
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):					
Class A	1,243,193	51,749	46,626	(432,140)	909,428
Class A1	39,116	16	692	(39,824)	-
Class E	552	1,862	69	-	2,483
Class F	765,860	337,264	41,049	(205,533)	938,640
Class F1	116,408	212,986	3,325	(332,719)	-
Class I	2,232,299	199,820	110,103	(396,684)	2,145,538
Class N	552	-	28	-	580
Class O	552	-	28	-	580
Value Fund:					
Class A	2,058,688	126,356	-	(634,448)	1,550,596
Class D	167,309	2,009	-	(169,318)	-
Class E	71,935	9,219	-	(4,174)	76,980
Class F	4,351,254	691,501	226	(1,741,786)	3,301,195
Class H	884,038	70,863	-	(271,511)	683,390
Class I	5,754,368	769,223	-	(3,019,115)	3,504,476
Class N	137,768	83,546	-	(111,072)	110,242
Class O	922,403	24,923	-	(871,141)	76,185

8. Capital management:

The capital of each Fund is represented by its redeemable units issued. The Funds are not subject to any internally or externally imposed restrictions on their capital. Each Fund's objective in managing capital is to ensure a stable base to maximize returns to all unitholders and to manage liquidity risk arising from unitholder redemptions.

9. Financial risk management:

The Funds are exposed to various financial risks associated with their respective investment objectives and strategies, financial instruments and the markets in which they invest. These include credit risk, liquidity risk, and market risk, which consists of currency risk, interest rate risk and other price/market risk.

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

Year ended December 31, 2023

The Manager manages the potential impact of these financial risks by employing professional and experienced portfolio advisors who regularly monitor their Funds' positions and global and market events and diversify investment portfolios within the constraints of the investment guidelines. Each Fund maintains positions in a variety of financial instruments in accordance with its investment objectives and strategies.

Pender Bond Universe Fund:

The objective of the Pender Bond Universe Fund is to preserve capital and generate returns through current income and capital appreciation. The Fund invests primarily in investment grade fixed income securities. This, however, does not preclude the Fund from making equity investments when the Manager deems the risk/reward trade-off to be in the investors' favour.

Pender Corporate Bond Fund:

The objective of the Pender Corporate Bond Fund is to preserve capital and generate returns through current income and capital appreciation. The Fund invests primarily in investment and non-investment grade fixed income securities issued by North American corporations. This, however, does not preclude the Fund from making equity investments when the Manager deems the risk/reward trade-off to be in the investors' favour.

Pender Small Cap Opportunities Fund:

The Pender Small Cap Opportunities Fund invests in a concentrated portfolio of well-managed businesses, with strong competitive positions, which are overlooked by the market and have the potential for significant capital appreciation. These businesses may be in Canada, the United States or in other foreign jurisdictions with a primary emphasis on companies with a small market capitalization. The Fund may also invest in any securities regardless of market capitalization, sector or region, including foreign equities where opportunities warrant. In some situations, the Fund may invest directly in companies, through private placements or public offerings, or may acquire previously issued shares, either through the facilities of a stock exchange, quotation system, or by private arrangement.

Pender Small/Mid Cap Dividend Fund:

The Pender Small/Mid Cap Dividend Fund is designed to provide investors with a combination of long-term capital appreciation and a stable quarterly stream of cash distributions. The Fund will invest primarily in Canadian securities, with a focus on, but not limited to, dividend paying small/mid cap companies. Assets in the Fund may also be held in cash or other securities to the extent that the economic, market, or other conditions make it appropriate.

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

The objective of the Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) is to generate long-term growth in value and income by investing in a diversified portfolio of Canadian and foreign equities, corporate bonds, Canadian and foreign government bonds, and exchange traded funds which track sector or broad market indices. It is designed to provide both moderate income and portfolio growth over the long-term, while being sufficiently diversified to mitigate volatility.

Pender Value Fund:

The objective of the Pender Value Fund is to achieve capital growth over the long-term, while being sufficiently diversified to mitigate volatility. The Fund will invest primarily in Canadian and US securities but may also invest in foreign securities. The Fund will focus on businesses that have the potential for growth over the long term and have securities that trade at favourable prices.

A Fund's exposure to financial risks is concentrated in its investment holdings. The Schedule of Investment Portfolio for each Fund groups securities by asset type, geographic region, and/or market segment. Funds that invest in units of other open or closed-ended funds have indirect exposure to various financial risks through those holdings of those funds. The Pender Bond Universe Fund carries out part of its investment strategy by investing in Class O units of the Pender Corporate Bond Fund. The Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) carries out part of its investment strategy by investing in Class O units of the Pender Alternative Absolute Return Fund, Pender Alternative Arbitrage Plus Fund, Pender Corporate Bond Fund and Pender Small Cap Opportunities Fund. The Pender Bond Universe Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) have indirect exposure to various financial risks through their holdings of underlying mutual funds. The financial risks associated with the Pender Bond Universe Fund's and Pender Strategic Growth and Income Fund's (formerly Pender Enhanced Income Fund) investment strategies are disclosed based on their direct holdings. The Manager's risk management practices include the monitoring of compliance with investment objectives and strategies.

The nature of the Funds' investing activities exposes it to various risks, including but not limited to inflation and the impact of central bank measures on the economy, the state of M&A markets, geopolitical and other global events, factors that are beyond the Funds' control.

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

Year ended December 31, 2023

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

(a) Credit risk:

Credit risk is the risk that a loss could arise due to a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The determination of fair value of debt securities includes a consideration of the creditworthiness of the debt issuer. The credit exposure of other assets is represented by their carrying amounts. Credit risk is managed by the portfolio advisor of each Fund through a careful selection of securities and diversification within each respective Fund. Each Fund's portfolio advisor monitors the overall portfolio holdings of the Fund, and positions are maintained within established ranges.

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

	2023 (\$)	2022 (\$)
Bond Universe Fund:		
AAA	10,818,829	9,059,819
AA	982,772	963,825
A	7,609,161	12,686,650
BBB	26,226,147	41,100,485
Below BBB	958,409	-
	46,595,318	63,810,779
Corporate Bond Fund:		
AAA	156,079,963	100,021,840
AA	-	4,293,536
A	57,016,549	50,183,754
BBB	263,937,105	195,239,512
Below BBB	418,522,927	690,769,358
Unrated	302,142,076	242,020,377
	1,197,698,620	1,282,528,377
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):		
Unrated	5,300	5,416
	5,300	5,416

(b) Liquidity risk

Liquidity risk is the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price.

Each Fund is exposed to liquidity risk through unitholder redemptions of its units. The redeemable units of each Fund are issued and redeemed on demand at the option of the unitholder based on the then current NAV per class of unit.

Each Fund is also exposed to liquidity risk through its investments. This risk is managed by investing the majority of each Fund's assets in investments that are traded in an active market and that can be disposed of readily. In accordance with securities regulations, each Fund must maintain at least 85% of its assets in liquid investments (i.e., investments that are traded in an active market). In the case where a Fund holds thinly traded investments, timely disposition of such investments and the realized price may be significantly different from their carrying values.

The Manager's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity at all times to meet its liabilities, including estimated redemptions of units, when due, without incurring unacceptable losses or risking damage to the Funds' reputation. Each Fund has the ability to borrow up to 5% of the value of its net assets on a temporary basis for the purpose of settling investment portfolio transactions or unitholder redemptions.

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

Year ended December 31, 2023

The Funds' remaining non-derivative liabilities other than redeemable units are due within one month of the reporting date of the respective Fund. The following table presents the contractual maturities of derivative assets (liabilities) of the Pender Bond Universe Fund and Pender Corporate Bond Fund as at December 31, 2023 and 2022 that were due within four months of the financial reporting date. The amounts are gross and undiscounted. The remaining Funds did not hold any derivatives instruments as at December 31, 2023 and 2022.

	2023		2022	
	Nominal value (\$)	Unrealized gain (loss) (\$)	Nominal value (\$)	Unrealized gain (loss) (\$)
Derivative instruments inflows (outflows)				
Bond Universe Fund	9,686,500	342,384	3,811,800	30,113
Corporate Bond Fund	824,381,700	12,471,145	803,735,800	(11,537,851)

(c) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Funds' income or the fair value of their holdings of financial instruments. These changes present the risk that markets as a whole may go down in value, including the possibility that markets may go down sharply and unpredictably at times. The value of most investments, and in particular equity securities, is affected by changes in general market conditions. These changes may be caused by corporate developments, general market sentiment, changes in interest rates, changes in the level of inflation, changes in financial systems' stability, political and economic changes both domestic and foreign, catastrophic events, such as pandemics and outbreaks of disease, natural disasters including those exacerbated by climate change, war, acts of aggression or terrorist events, and other unforeseen events that may cause changes to markets.

(i) Interest rate risk:

Interest rate risk is the risk that the market value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. A Fund's exposure to interest rate risk is concentrated in its investment in debt securities. Other assets and liabilities are short-term in nature and/or non-interest bearing, which reduce interest rate risk.

Interest rate risk is managed by the portfolio advisor of each Fund through a careful selection of securities and diversification within each respective Fund. Where applicable, the Fund's portfolio advisor monitors the Fund's overall duration and positions are maintained within established ranges.

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

	2023 (\$)	2022 (\$)
Bond Universe Fund:		
Less than 1 year	4,264,435	983,629
1 to 3 years	8,633,231	20,222,346
3 to 5 years	10,127,766	22,920,733
More than 5 years	23,569,886	19,684,071
	46,595,318	63,810,779
Corporate Bond Fund:		
Less than 1 year	44,773,732	63,095,268
1 to 3 years	248,675,153	338,521,683
3 to 5 years	502,376,431	425,388,375
More than 5 years	401,873,304	455,523,051
	1,197,698,620	1,282,528,377
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):		
More than 5 years	5,300	5,416
	5,300	5,416

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

Year ended December 31, 2023

As at December 31, 2023 and 2022, if the prevailing interest rates had been increased or decreased by 1%, assuming a parallel shift in the yield curve and all other factors remaining constant, the net assets of the Funds with exposure to interest rate risk would have decreased or increased by the following amounts:

	2023 (\$)	2022 (\$)
Bond Universe Fund	2,550,169	2,346,468
Corporate Bond Fund	63,397,337	52,687,721
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	-	-

Interest rate sensitivity was determined based on portfolio-weighted, modified duration. Actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Currency risk:

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies other than the Canadian dollar will fluctuate due to changes in foreign exchange rates. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted to Canadian dollars at the valuation date.

Currency risk is managed by the portfolio advisor of each Fund in accordance with the policies and procedures in place, through a careful selection of securities and diversification within each respective Fund. Each Fund's portfolio advisor monitors the overall market positions of the Fund on a daily basis and positions are maintained within established ranges.

The Pender Bond Universe Fund and Pender Corporate Bond Fund enter into certain forward foreign currency contracts to mitigate their foreign currency exposure for all classes except Pender Corporate Bond Fund's Class U, the unhedged class. The Pender Small/Mid Cap Dividend Fund was not exposed to any material currency risk as at December 31, 2022.

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

2023	Canadian dollar (\$)	US dollar (\$)	Euro (\$)	Total (\$)
Bond Universe Fund	60,242,918	979,960	-	61,222,878
Corporate Bond Fund	1,175,887,284	278,727,582	3,801	1,454,618,667
Small Cap Opportunities Fund	212,412,867	33,860,238	-	246,273,105
Small/Mid Cap Dividend Fund	21,053,115	842	-	21,053,957
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	31,030,659	11,146,118	1,923,551	44,100,328
Value Fund	63,470,720	33,356,201	2,678,096	99,505,017

2022	Canadian dollar (\$)	US dollar (\$)	Euro (\$)	Total (\$)
Bond Universe Fund	91,847,449	303,768	-	92,151,217
Corporate Bond Fund	1,132,208,405	289,931,424	3,519	1,422,143,348
Small Cap Opportunities Fund	204,392,529	34,414,827	-	238,807,356
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	25,986,727	8,135,496	1,108,725	35,230,948
Value Fund	60,941,900	56,137,907	4,049,815	121,129,622

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

Year ended December 31, 2023

As at December 31, 2023 and 2022, if the Canadian dollar had strengthened or weakened by 10% in relation to all foreign currencies, with all other factors remaining constant, the net assets of the Funds would have decreased or increased respectively by the following amounts:

	2023 (\$)	2022 (\$)
Bond Universe Fund	97,996	30,377
Corporate Bond Fund	27,873,138	28,993,494
Small Cap Opportunities Fund	3,386,024	3,441,483
Small/Mid Cap Dividend Fund	84	-
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	1,306,967	924,422
Value Fund	3,603,430	6,018,772

(iii) Other price risk:

Other price risk is the risk that the fair value of a security will fluctuate as a result of changes in market prices (other than those changes arising from interest rate risk or currency risk), whether caused by factors specific to the security or its issuer, or by factors affecting all similar securities traded in a market. All investments are exposed to other price risk.

Other price risk is managed by the portfolio advisor of each Fund through a careful selection of securities within specified limits and the Funds' price risk is managed through diversification within each respective Fund. Each Fund's portfolio advisor monitors the overall market positions of the Fund and maintains positions within established ranges. The Schedule of Investment Portfolio summarizes each Fund's exposure to other price risk as at December 31, 2023, by providing the market and geography sector breakdown of investments, as applicable.

The following table summarizes the exposure to other price risk for each of the Funds as at December 31, 2023 and 2022:

	2023 (\$)	2022 (\$)
Bond Universe Fund	13,415,096	-
Corporate Bond Fund	201,341,049	109,551,339
Small Cap Opportunities Fund	248,119,626	231,247,249
Small/Mid Cap Dividend Fund	20,474,785	24,517,969
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	43,877,284	35,143,092
Value Fund	99,386,259	120,670,864

As at December 31, 2023 and 2022, if equity prices had increased or decreased by 10% with all other factors remaining constant, the net assets of the Funds would have increased or decreased by the following amounts:

	2023 (\$)	2022 (\$)
Bond Universe Fund	56,482	-
Corporate Bond Fund	4,531,026	4,592,082
Small Cap Opportunities Fund	24,496,696	26,620,916
Small/Mid Cap Dividend Fund	1,907,944	3,571,735
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	2,615,228	2,623,146
Value Fund	10,800,428	12,380,523

Price sensitivity was determined based on portfolio-weighted beta. Actual results may differ from this sensitivity analysis and the difference could be material.

10. Fair value of financial instruments:

(a) Valuation models:

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Funds determine fair values using other valuation techniques.

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

Year ended December 31, 2023

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the funds can access at the measurement date.
- Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., as derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Funds use widely recognized valuation models for determining the fair value of common and relatively simple financial instruments, such as debt securities, mutual fund units and warrants that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as forward foreign currency contracts. The availability of observable market prices and model inputs reduces the need for management judgment and estimation, and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets. Valuation techniques may include discounted cash flow calculations for debt securities and for forward foreign currency contracts, option pricing matrices for warrants and net asset value as published by underlying fund managers for mutual fund units.

For more complex instruments, the Funds use recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, may be derived from market prices or rates or may be estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value.

In determining fair value for these types of instruments, the Manager considers the history and nature of the business; operating results and financial conditions; general economic, industry and market conditions; capital market and transaction market conditions; independent valuations of the business; contractual rights relating to the investment; comparable company trading and transaction multiples, where applicable, and other relevant considerations. Adjustments to the carrying value of the investments may also be determined to be appropriate by the Manager when there is pervasive and objective evidence of a decline in the value of the investment, as indicated by an assessment of the financial condition of the investment based on operational results, forecasts, or other developments since acquisition.

The table below presents the fair value of financial instruments as at December 31, 2023 and 2022 by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statements of Financial Position. All fair value measurements below are recurring.

2023	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bond Universe Fund:				
Bonds	46,595,318	-	-	46,595,318
Forward Currency Contract	-	342,384	-	342,384
Mutual funds	13,219,179	-	-	13,219,179
Preferred Shares	195,917	-	-	195,917
	60,010,414	342,384	-	60,352,798
Corporate Bond Fund:				
Bonds and loans	1,095,927,421	101,771,199	-	1,197,698,620
Closed end funds	59,559,257	-	-	59,559,257
Common shares	12,540,981	26,782,826	-	39,323,807
Forward foreign currency contracts	-	12,471,145	-	12,471,145
Preferred shares	95,824,453	6,633,532	-	102,457,985
Warrants	-	-	-	-
	1,263,852,112	147,658,702	-	1,411,510,814

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

Year ended December 31, 2023

2023	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Small Cap Opportunities Fund:				
Equities	206,713,806	36,051,958	5,353,862	248,119,626
Warrants	-	-	-	-
	206,713,806	36,051,958	5,353,862	248,119,626
Small/Mid Cap Dividend Fund:				
Equities	20,474,785	-	-	20,474,785
	20,474,785	-	-	20,474,785
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):				
Bonds	-	-	5,300	5,300
Equities	19,489,023	2,330,634	570,176	22,389,833
Mutual funds	18,262,381	3,225,070	-	21,487,451
Warrants	-	-	-	-
	37,751,404	5,555,704	575,476	43,882,584
Value Fund:				
Equities	86,539,327	12,838,248	-	99,377,575
Warrants	-	8,684	-	8,684
	86,539,327	12,846,932	-	99,386,259
2022	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bond Universe Fund:				
Bonds	63,810,779	-	-	63,810,779
Forward Currency Contract	-	30,113	-	30,113
Mutual funds	22,465,421	-	-	22,465,421
	86,276,200	30,113	-	86,306,313
Corporate Bond Fund:				
Bonds and loans	1,282,528,377	-	-	1,282,528,377
Closed end funds	28,051,496	-	-	28,051,496
Common shares	15,878,597	-	-	15,878,597
Forward foreign currency contracts	-	(11,537,851)	-	(11,537,851)
Preferred shares	64,781,766	-	-	64,781,766
Warrants	-	839,480	-	839,480
	1,391,240,236	(10,698,371)	-	1,380,541,865
Small Cap Opportunities Fund:				
Equities	225,480,173	-	5,437,238	230,917,411
Warrants	-	329,838	-	329,838
	225,480,173	329,838	5,437,238	231,247,249
Small/Mid Cap Dividend Fund:				
Equities	24,410,786	-	-	24,410,786
Warrants	107,183	-	-	107,183
	24,517,969	-	-	24,517,969
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):				
Bonds	-	-	5,416	5,416
Equities	17,349,263	-	674,878	18,024,141
Mutual funds	14,833,935	2,276,672	-	17,110,607
Warrants	-	-	8,344	8,344
	32,183,198	2,276,672	688,638	35,148,508

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

Year ended December 31, 2023

2022	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Value Fund:				
Equities	120,632,330	-	-	120,632,330
Warrants	38,534	-	-	38,534
	120,670,864	-	-	120,670,864

The carrying amount of the Funds' net assets attributable to holders of redeemable units also approximates fair value as it is measured at the redemption amount and classified as Level 2 in the fair value hierarchy.

The following table summarizes the investments that were transferred from Level 1 to Level 2 as the fair value of the investments are valued using unobservable inputs during the year ended December 31, 2023. There were no significant transfers between Level 1 and Level 2 for the remaining funds.

	2023 (\$)	2022 (\$)
Corporate Bond Fund	135,187,555	-
Small Cap Opportunities Fund	36,051,958	-
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	2,330,634	-
Value Fund	12,846,932	-

The following table shows a reconciliation of the movement in fair value of all financial instruments categorized within Level 3 for the years ended December 31, 2023 and 2022, for Pender Corporate Bond Fund, Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) and Pender Small Cap Opportunities Fund. The remaining Funds did not hold any financial instruments categorized as Level 3.

	2023 (\$)	2022 (\$)
Corporate Bond Fund:		
Opening balance	-	11,417,755
Sales of investments	-	(466,670)
Net transfers in (out)	-	(9,957,637)
Total gain (loss) recognized in comprehensive income	-	(8,685)
Change in unrealized appreciation (depreciation)	-	(984,763)
Ending Balance	-	-
Small Cap Opportunities Fund:		
Opening balance	5,437,238	4,537,718
Purchase of investments	-	3,932,208
Net transfers in (out)	-	(3,000,000)
Change in unrealized appreciation (depreciation)	(83,376)	(32,688)
Ending Balance	5,353,862	5,437,238
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):		
Opening balance	688,638	283,948
Change in unrealized appreciation (depreciation)	(113,162)	404,690
Ending Balance	575,476	688,638

(b) Significant unobservable inputs used in measuring fair value:

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy, as at December 31, 2023 and 2022, for those funds holding such financial instruments: Pender Small Cap Opportunities Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund). The remaining Funds did not hold any financial instruments categorized as Level 3.

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

Year ended December 31, 2023

2023	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
Small Cap Opportunities Fund:				
Unlisted private investments	5,353,862	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):				
Unlisted private investments	570,176	Comparable trading multiples	Market capitalization/tangible book value/enterprise value	The estimated fair value would increase if the unobservable input increased
	5,300	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<hr/>				
2022	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
Small Cap Opportunities Fund:				
Unlisted private investments	5,437,238	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):				
Unlisted private investments	530,888	Comparable trading multiples	Market capitalization/tangible book value/enterprise value	The estimated fair value would increase if the unobservable input increased
	157,750	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased

Enterprise value represents the estimate of the amount that market participants would pay when purchasing the investee company. The Manager determines this value using valuation techniques such as the use of comparable recent arm's length transactions in shares of the respective company and net present value calculated using discount rates derived from comparable market yields, for example.

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

The Pender Small Cap Opportunities Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) believe that their estimates of fair value are appropriate, however the use of different methodologies or assumptions could lead to different measurements of fair value. Changing one or more of the assumptions used for fair value measurements in Level 3 to alternative reasonably possible assumptions would have the following effects on the net assets attributable to holders of redeemable units as at December 31, 2023 and 2022. The remaining Funds did not hold any financial instruments categorized as Level 3.

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

Year ended December 31, 2023

Entity	2023	2022
Small Cap Opportunities Fund:		
Favourable	535,386	543,724
Unfavourable	(535,386)	(543,724)
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):		
Favourable	57,548	68,884
Unfavourable	(57,548)	(68,884)

The favourable and unfavourable effects of using alternative reasonably possible assumptions for the valuation of unlisted private equity investments have been calculated by recalibrating the model values using unobservable inputs based on averages of the upper and lower quartiles, respectively of the above noted Funds' ranges of possible estimates. The recalibrated model considers the impact of a 10% increase or decrease in enterprise value. Actual results may differ from this sensitivity analysis and the difference could be material.

(d) Financial instruments not measured at fair value:

Given their short-term nature, the carrying value of assets and liabilities, other than investments, investments sold short and derivatives, approximates their fair value. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

11. Involvement with structured entities:

The table below describes the type of structured entities in which the Pender Bond Universe Fund, Pender Corporate Bond Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) hold an interest but which they do not consolidate. The remaining Funds did not hold an interest in structured entities as at December 31, 2023 and 2022.

Entity	Nature and purpose	Interest held by the respective fund
Investment funds	To manage assets on behalf of third-party investors and generate fees for the investment manager. These vehicles are financed through the issue of units to investors	Investment in units issued by the underlying funds

The table below sets out interests held by the Pender Bond Universe Fund, Pender Corporate Bond Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) in unconsolidated structured entities as at December 31, 2023 and 2022. The maximum exposure to loss is the carrying amount of the investment in the underlying funds held.

	Number of investee funds held	Total net assets of investee funds (\$)	Carrying amount included in investments (\$)
Bond Universe Fund:			
2023	1	1,454,618,667	13,219,179
2022	1	1,422,143,348	22,465,421
Corporate Bond Fund:			
2023	8	16,615,000,000	59,559,257
2022	9	14,799,000,000	28,051,496
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund):			
2023	4	2,135,971,258	21,487,451
2022	4	1,855,554,368	17,110,607

During the years ended December 31, 2023 and 2022, the Pender Bond Universe Fund, Pender Corporate Bond Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) did not provide financial support to unconsolidated structured entities and have no intention of providing financial or other support. The Pender Bond Universe Fund, Pender Corporate Bond Fund and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund) can sell or redeem their units in the above investment funds at any time.

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

Year ended December 31, 2023

12. Income taxes:

The taxation year-end of the Funds is December 15. As at the end of their 2023 and/or 2022 tax year-ends, the following Funds had accumulated capital losses available for utilization against realized capital gains in future years. Capital losses have no expiry date.

	2023 (\$)	2022 (\$)
Bond Universe Fund	6,154,912	3,197,248
Corporate Bond Fund	66,155,599	56,786,753
Small Cap Opportunities Fund	11,941,858	-
Small/Mid Cap Dividend Fund	211,665	-
Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund)	46,857,000	47,922,092
Value Fund	889,965	-

As at the end of the tax year-end, Pender Value Fund had accumulated \$435,681 non-capital losses available for carry forward until year 2043. Due to the merger, the capital losses that were available for the Pender Value Fund at the end of the tax year December 15, 2022 expired.

The remaining Funds had no accumulated capital losses or non-capital losses as at the end of the 2023 and 2022 tax year-end. Due to the merger, the non-capital losses that were available for the Pender Value Fund at the end of the tax year December 15, 2022 expired.



**Annual Financial Statements of
PENDER MUTUAL FUNDS**

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