

# Pender Corporate Bond Fund

For the year ended December 31, 2023

## Annual Management Report of Fund Performance

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

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

# Pender Corporate Bond Fund

For the year ended December 31, 2023

---

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The objective of the Pender Corporate Bond Fund (the “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.

PenderFund Capital Management Ltd. (“Pender”) is the Manager and Portfolio Advisor of the Fund.

### Risks

The risks of investing in the Fund are outlined in the Simplified Prospectus dated June 27, 2023. Interest rate risk and credit risk remain the principal risks associated with the Fund. There were no significant changes to the Fund’s objectives and strategies that affected its overall level of risk during the year.

The nature of the Fund’s 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 Fund’s control.

Future developments in these challenging areas could impact the Fund’s 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.

### Results of Operations

The net assets of the Fund were \$1,454,618,667 as at December 31, 2023 versus \$1,422,143,348 as at December 31, 2022. Of this \$32,475,319 increase, \$103,759,360 is attributable to positive investment performance and \$71,284,041 is attributable to net unitholder redemptions of Fund units.

For the year ended December 31, 2023, Class A units of the Fund generated a total return of 6.6%. Returns for other classes of the Fund will be similar to Class A with any difference in performance being primarily due to the different management fees that are applicable to different classes. Returns for Class A (USD), Class F (USD), Class H (USD), Class I (USD) and Class N (USD) will differ from Class A primarily due to foreign currency as these classes are denominated in US dollars whereas all remaining classes of the Fund are denominated in Canadian dollars. Returns for Class U will differ primarily as a result of foreign currency as this class is the only class of the Fund that is not hedged against the US dollar. Please see the “Past Performance” section for the performance of the Fund’s other classes.

The Fund’s blended benchmark, 75% ICE BofA US High Yield Index in Canadian dollars (“ICE”) and 25% FTSE Canada Universe Bond Index returned 10.0% during the year. In accordance with National Instrument 81-106, we have included a comparison to this blended benchmark to help you understand the Fund’s performance relative to the general performance of the market, but we caution that the Fund’s mandate may be significantly different from the index. Further, the Fund’s returns are reported net of all management fees and expenses for all classes, unlike the returns of the Fund’s blended benchmark, which are based on the performance of an index that does not pay fees or incur expenses.

The following comments and the comments under “Recent Developments” reflect the views of the portfolio management team and are based on information as at the end of the year. Please read the caution regarding forward-looking statements located on the last page of this document.

The Fund’s underperformance relative to its benchmark was mainly due to its exposure to corporate credit which has been battling a persistent, negative trend. The Fund is both conservatively managed to preserve capital, as well as opportunistic to generate returns. The Fund is focused on key credit characteristics – coverage, seniority, and duration.

Key positive individual contributors to the Fund’s performance during the year were positions in specific corporate issues including Canadian government bonds, Esperion Therapeutics, Inc. and StoneCo Ltd. Conversely, government inflation linked bonds, and certain corporate issues such as Cineworld Group plc, and McDermott International, Ltd. were among the largest detractors.

# Pender Corporate Bond Fund

For the year ended December 31, 2023

---

## Recent Developments

In the year ended December 31, 2023, bond markets were driven by trends in inflation, interest rates and a slowing economic backdrop, that by year end, most investors believed would result in a soft landing for growth as we enter 2024. Inflation continued its downward trajectory during the year giving the US Federal Reserve some breathing room to potentially cut interest rates in 2024.

Against a general strategic backdrop of defensiveness, we continue to scour the credit markets for line-item opportunities. Individual names get beaten up, sectors go in and out of favour, and refinancing challenges all regularly create opportunities that do not fit neatly into the broad narrative of a market cycle. We are generally cautious in our positioning, but selectively optimistic heading into 2024. We believe there are attractive opportunities across the risk spectrum in corporate credit markets where prices have become detached from strong fundamentals.

As at December 31, 2023, the Pender Corporate Bond Fund yield to maturity was 7.9% with a current yield of 5.4% and average duration of maturity-based instruments was 4.0 years. There is a 4.9% weight in distressed securities held for workout value whose notional yield is not included in the foregoing calculation. Cash represented 1.6% of the portfolio at December 31, 2023.

## Independent Review Committee ("IRC") Appointments & Resignations

Effective March 31, 2023, Kerry Ho ceased to be the Chair of the IRC and Leslie Wood became Chair of the IRC.

## Related Party Transactions

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

As at the end of the year, parties related to the Manager collectively held less than 1% of the Fund's units. In addition, the Pender Alternative Multi-Strategy Income Fund, Pender Bond Universe Fund, and Pender Strategic Growth and Income Fund (formerly Pender Enhanced Income Fund), funds also managed by the Manager, collectively held 2% of the Fund's outstanding units.

## Management Fees

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

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

Such expenses represented approximately 21% of the management fees paid by the Fund to the Manager for the year.

# Pender Corporate Bond Fund

For the year ended December 31, 2023

## Financial Highlights

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

### Fund's Net Assets Per Unit (a)

	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)
<b>Class A</b>					
Net Assets, beginning of year	11.58	12.86	12.87	12.49	12.24
<b>Increase (decrease) from operations:</b>					
Total revenue	0.68	0.58	0.73	0.58	0.59
Total expenses	(0.25)	(0.25)	(0.28)	(0.24)	(0.25)
Realized gains (losses)	(0.11)	(0.41)	1.00	(0.13)	0.06
Unrealized gains (losses)	0.42	(0.77)	(0.30)	0.32	0.13
<b>Total increase (decrease) from operations (b)</b>	<b>0.74</b>	<b>(0.85)</b>	<b>1.15</b>	<b>0.53</b>	<b>0.53</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.41)	(0.43)	(0.37)	(0.33)	(0.30)
From dividends	(0.03)	(0.02)	(0.04)	(0.04)	(0.02)
From capital gains	-	-	(0.78)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.44)</b>	<b>(0.45)</b>	<b>(1.19)</b>	<b>(0.37)</b>	<b>(0.32)</b>
<b>Net Assets, end of year</b>	<b>11.89</b>	<b>11.58</b>	<b>12.86</b>	<b>12.87</b>	<b>12.49</b>
<b>Class E</b>					
Net Assets, beginning of year	9.30	10.31	10.35	10.07	10.00
<b>Increase (decrease) from operations:</b>					
Total revenue	0.55	0.71	0.61	0.51	0.16
Total expenses	(0.06)	(0.05)	(0.06)	(0.05)	(0.01)
Realized gains (losses)	(0.10)	(0.47)	0.81	(0.11)	(0.05)
Unrealized gains (losses)	0.35	(0.68)	(0.29)	0.31	0.08
<b>Total increase (decrease) from operations (b)</b>	<b>0.74</b>	<b>(0.49)</b>	<b>1.07</b>	<b>0.66</b>	<b>0.18</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.47)	(0.49)	(0.44)	(0.39)	(0.11)
From dividends	(0.03)	(0.02)	(0.05)	(0.05)	(0.01)
From capital gains	-	-	(0.67)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.50)</b>	<b>(0.51)</b>	<b>(1.16)</b>	<b>(0.44)</b>	<b>(0.12)</b>
<b>Net Assets, end of year</b>	<b>9.54</b>	<b>9.30</b>	<b>10.31</b>	<b>10.35</b>	<b>10.07</b>

# Pender Corporate Bond Fund

For the year ended December 31, 2023

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

	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)
<b>Class F</b>					
Net Assets, beginning of year	11.60	12.88	12.86	12.50	12.25
<b>Increase (decrease) from operations:</b>					
Total revenue	0.68	0.63	0.72	0.58	0.59
Total expenses	(0.15)	(0.15)	(0.16)	(0.14)	(0.15)
Realized gains (losses)	(0.10)	(0.44)	0.99	(0.12)	0.07
Unrealized gains (losses)	0.41	(0.75)	(0.29)	0.37	0.12
<b>Total increase (decrease) from operations (b)</b>	<b>0.84</b>	<b>(0.71)</b>	<b>1.26</b>	<b>0.69</b>	<b>0.63</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.51)	(0.52)	(0.47)	(0.42)	(0.11)
From dividends	(0.03)	(0.03)	(0.05)	(0.05)	(0.01)
From capital gains	-	-	(0.76)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.54)</b>	<b>(0.55)</b>	<b>(1.28)</b>	<b>(0.47)</b>	<b>(0.12)</b>
<b>Net Assets, end of year</b>	<b>11.91</b>	<b>11.60</b>	<b>12.88</b>	<b>12.86</b>	<b>12.50</b>
<b>Class H</b>					
Net Assets, beginning of year	10.30	11.45	11.33	11.01	10.79
<b>Increase (decrease) from operations:</b>					
Total revenue	0.61	0.49	0.58	0.48	0.51
Total expenses	(0.19)	(0.19)	(0.21)	(0.18)	(0.19)
Realized gains (losses)	(0.10)	(0.34)	0.80	(0.10)	0.06
Unrealized gains (losses)	0.35	(0.69)	(0.19)	0.29	0.11
<b>Total increase (decrease) from operations (b)</b>	<b>0.67</b>	<b>(0.73)</b>	<b>0.98</b>	<b>0.49</b>	<b>0.49</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.40)	(0.41)	(0.36)	(0.32)	(0.30)
From dividends	(0.03)	(0.02)	(0.04)	(0.04)	(0.02)
From capital gains	-	-	(0.57)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.43)</b>	<b>(0.43)</b>	<b>(0.97)</b>	<b>(0.36)</b>	<b>(0.32)</b>
<b>Net Assets, end of year</b>	<b>10.58</b>	<b>10.30</b>	<b>11.45</b>	<b>11.33</b>	<b>11.01</b>
<b>Class I</b>					
Net Assets, beginning of year	10.03	11.14	11.05	10.74	10.53
<b>Increase (decrease) from operations:</b>					
Total revenue	0.59	0.54	0.60	0.51	0.51
Total expenses	(0.11)	(0.11)	(0.12)	(0.11)	(0.11)
Realized gains (losses)	(0.08)	(0.39)	0.81	(0.13)	0.05
Unrealized gains (losses)	0.33	(0.63)	(0.21)	0.37	0.08
<b>Total increase (decrease) from operations (b)</b>	<b>0.73</b>	<b>(0.59)</b>	<b>1.08</b>	<b>0.64</b>	<b>0.53</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.46)	(0.48)	(0.42)	(0.37)	(0.35)
From dividends	(0.03)	(0.02)	(0.05)	(0.05)	(0.03)
From capital gains	-	-	(0.58)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.49)</b>	<b>(0.50)</b>	<b>(1.05)</b>	<b>(0.42)</b>	<b>(0.38)</b>
<b>Net Assets, end of year</b>	<b>10.29</b>	<b>10.03</b>	<b>11.14</b>	<b>11.05</b>	<b>10.74</b>

# Pender Corporate Bond Fund

For the year ended December 31, 2023

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

	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)
<b>Class N</b>					
Net Assets, beginning of year	8.97	9.95	10.33	10.01	10.00
<b>Increase (decrease) from operations:</b>					
Total revenue	0.21	(0.50)	0.75	0.01	0.22
Total expenses	(0.03)	(0.07)	(0.09)	(0.07)	(0.04)
Realized gains (losses)	(5.93)	0.39	0.93	0.07	(0.03)
Unrealized gains (losses)	5.82	(0.67)	(0.47)	(1.06)	0.04
<b>Total increase (decrease) from operations (b)</b>	<b>0.07</b>	<b>(0.85)</b>	<b>1.12</b>	<b>(1.05)</b>	<b>0.19</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.15)	(0.40)	(0.42)	(0.37)	(0.17)
From dividends	(0.01)	(0.03)	(0.04)	(0.04)	(0.02)
From capital gains	-	-	(1.02)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.16)</b>	<b>(0.43)</b>	<b>(1.48)</b>	<b>(0.41)</b>	<b>(0.19)</b>
<b>Net Assets, end of year</b>	<b>-</b>	<b>8.97</b>	<b>9.95</b>	<b>10.33</b>	<b>10.01</b>
<b>Class O</b>					
Net Assets, beginning of year	10.20	11.34	11.18	10.87	10.64
<b>Increase (decrease) from operations:</b>					
Total revenue	0.60	0.34	0.55	0.51	0.48
Total expenses	(0.01)	-	(0.01)	-	-
Realized gains (losses)	(0.14)	(0.24)	0.72	(0.15)	0.06
Unrealized gains (losses)	0.40	(0.67)	(0.17)	0.48	0.21
<b>Total increase (decrease) from operations (b)</b>	<b>0.85</b>	<b>(0.57)</b>	<b>1.09</b>	<b>0.84</b>	<b>0.75</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.56)	(0.59)	(0.53)	(0.47)	(0.43)
From dividends	(0.04)	(0.03)	(0.06)	(0.06)	(0.05)
From capital gains	-	-	(0.50)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.60)</b>	<b>(0.62)</b>	<b>(1.09)</b>	<b>(0.53)</b>	<b>(0.48)</b>
<b>Net Assets, end of year</b>	<b>10.44</b>	<b>10.20</b>	<b>11.34</b>	<b>11.18</b>	<b>10.87</b>
<b>Class U</b>					
Net Assets, beginning of year	9.89	10.52	10.21	9.95	10.00
<b>Increase (decrease) from operations:</b>					
Total revenue	0.57	1.57	0.36	0.76	0.25
Total expenses	(0.13)	(0.12)	(0.13)	(0.12)	(0.06)
Realized gains (losses)	0.03	(1.00)	0.27	(0.25)	-
Unrealized gains (losses)	0.40	(0.66)	0.31	0.52	(0.16)
<b>Total increase (decrease) from operations (b)</b>	<b>0.87</b>	<b>(0.21)</b>	<b>0.81</b>	<b>0.91</b>	<b>0.03</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.40)	(0.44)	(0.39)	(0.34)	(0.14)
From dividends	(0.03)	(0.02)	(0.01)	(0.05)	(0.02)
From capital gains	-	-	(0.27)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.43)</b>	<b>(0.46)</b>	<b>(0.67)</b>	<b>(0.39)</b>	<b>(0.16)</b>
<b>Net Assets, end of year</b>	<b>10.08</b>	<b>9.89</b>	<b>10.52</b>	<b>10.21</b>	<b>9.95</b>

# Pender Corporate Bond Fund

For the year ended December 31, 2023

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

	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)
<b>Class A (USD)</b>					
Net Assets, beginning of year	14.04	14.71	14.10	13.66	13.89
<b>Increase (decrease) from operations:</b>					
Total revenue	0.83	2.81	0.32	1.25	0.78
Total expenses	(0.30)	(0.31)	(0.30)	(0.28)	(0.28)
Realized gains (losses)	0.04	(1.78)	0.86	(0.24)	0.08
Unrealized gains (losses)	0.10	(0.86)	0.30	0.31	(0.48)
<b>Total increase (decrease) from operations (b)</b>	<b>0.67</b>	<b>(0.14)</b>	<b>1.18</b>	<b>1.04</b>	<b>0.10</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.50)	(0.50)	(0.40)	(0.36)	(0.33)
From dividends	(0.03)	(0.02)	(0.05)	(0.05)	(0.03)
From capital gains	-	-	(0.17)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.53)</b>	<b>(0.52)</b>	<b>(0.62)</b>	<b>(0.41)</b>	<b>(0.36)</b>
<b>Net Assets, end of year</b>	<b>14.22</b>	<b>14.04</b>	<b>14.71</b>	<b>14.10</b>	<b>13.66</b>
<b>Class F (USD)</b>					
Net Assets, beginning of year	13.85	14.52	13.96	13.52	13.75
<b>Increase (decrease) from operations:</b>					
Total revenue	0.82	2.79	0.33	1.30	0.75
Total expenses	(0.17)	(0.18)	(0.17)	(0.16)	(0.16)
Realized gains (losses)	0.03	(1.79)	0.82	(0.30)	0.11
Unrealized gains (losses)	0.10	(0.75)	0.30	0.08	(0.53)
<b>Total increase (decrease) from operations (b)</b>	<b>0.78</b>	<b>0.07</b>	<b>1.28</b>	<b>0.92</b>	<b>0.17</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.61)	(0.61)	(0.51)	(0.47)	(0.43)
From dividends	(0.04)	(0.03)	(0.05)	(0.05)	(0.03)
From capital gains	-	-	(0.21)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.65)</b>	<b>(0.64)</b>	<b>(0.77)</b>	<b>(0.52)</b>	<b>(0.46)</b>
<b>Net Assets, end of year</b>	<b>14.03</b>	<b>13.85</b>	<b>14.52</b>	<b>13.96</b>	<b>13.52</b>
<b>Class H (USD)</b>					
Net Assets, beginning of year	13.30	13.95	13.42	13.02	13.10
<b>Increase (decrease) from operations:</b>					
Total revenue	0.79	2.70	0.33	1.27	0.31
Total expenses	(0.24)	(0.25)	(0.24)	(0.22)	(0.11)
Realized gains (losses)	0.02	(1.70)	0.84	(0.36)	(0.01)
Unrealized gains (losses)	0.12	(0.87)	0.29	0.01	(0.38)
<b>Total increase (decrease) from operations (b)</b>	<b>0.69</b>	<b>(0.12)</b>	<b>1.22</b>	<b>0.70</b>	<b>(0.19)</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.51)	(0.51)	(0.42)	(0.41)	(0.18)
From dividends	(0.03)	(0.03)	(0.05)	(0.04)	(0.01)
From capital gains	-	-	(0.20)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.54)</b>	<b>(0.54)</b>	<b>(0.67)</b>	<b>(0.45)</b>	<b>(0.19)</b>
<b>Net Assets, end of year</b>	<b>13.47</b>	<b>13.30</b>	<b>13.95</b>	<b>13.42</b>	<b>13.02</b>

# Pender Corporate Bond Fund

For the year ended December 31, 2023

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

	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)
<b>Class I (USD)</b>					
Net Assets, beginning of year	13.34	13.99	13.45	13.04	13.10
<b>Increase (decrease) from operations:</b>					
Total revenue	0.79	2.76	0.33	1.21	0.38
Total expenses	(0.15)	(0.15)	(0.15)	(0.14)	(0.07)
Realized gains (losses)	0.03	(1.77)	0.81	(0.33)	(0.03)
Unrealized gains (losses)	0.13	(0.75)	0.27	0.22	(0.17)
<b>Total increase (decrease) from operations (b)</b>	<b>0.80</b>	<b>0.09</b>	<b>1.26</b>	<b>0.96</b>	<b>0.11</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.61)	(0.61)	(0.51)	(0.47)	(0.21)
From dividends	(0.04)	(0.03)	(0.06)	(0.06)	(0.02)
From capital gains	-	-	(0.20)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.65)</b>	<b>(0.64)</b>	<b>(0.77)</b>	<b>(0.53)</b>	<b>(0.23)</b>
<b>Net Assets, end of year</b>	<b>13.51</b>	<b>13.34</b>	<b>13.99</b>	<b>13.45</b>	<b>13.04</b>
<b>Class N (USD)</b>					
Net Assets, beginning of year	13.36	14.00	13.41	13.00	13.10
<b>Increase (decrease) from operations:</b>					
Total revenue	0.79	2.71	0.28	1.29	0.36
Total expenses	(0.11)	(0.11)	(0.11)	(0.11)	(0.05)
Realized gains (losses)	0.04	(1.71)	0.87	(0.33)	(0.02)
Unrealized gains (losses)	0.10	(0.84)	0.31	(0.07)	(0.17)
<b>Total increase (decrease) from operations (b)</b>	<b>0.82</b>	<b>0.05</b>	<b>1.35</b>	<b>0.78</b>	<b>0.12</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.60)	(0.65)	(0.54)	(0.50)	(0.22)
From dividends	(0.04)	(0.03)	(0.06)	(0.06)	(0.02)
From capital gains	-	-	(0.14)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (b), (c)</b>	<b>(0.64)</b>	<b>(0.68)</b>	<b>(0.74)</b>	<b>(0.56)</b>	<b>(0.24)</b>
<b>Net Assets, end of year</b>	<b>13.54</b>	<b>13.36</b>	<b>14.00</b>	<b>13.41</b>	<b>13.00</b>

(a) This information is derived from the Fund's audited annual financial statements as at December 31 for the year stated, prepared under IFRS Accounting Standards. Class N was closed on May 26, 2023.

(b) Net assets per unit and distributions per unit are based on the actual number of units for the relevant Fund class outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding during the year.

(c) Distributions were paid in cash and/or reinvested in additional units of the Fund.

## Ratios and Supplemental Data

	2023	2022	2021	2020	2019
<b>Class A</b>					
Total net asset value (\$000s) (a)	93,692	95,980	110,720	92,199	115,962
Number of units outstanding (a)	7,881,755	8,288,704	8,607,770	7,165,766	9,281,603
Management expense ratio (b)	2.07%	2.06%	2.01%	1.95%	1.95%
Management expense ratio before absorptions (c)	2.07%	2.06%	2.01%	1.95%	1.95%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.03%	0.02%
Portfolio turnover rate (e)	61.81%	62.92%	63.24%	103.95%	61.95%
Net asset value per unit (\$) (a)	11.89	11.58	12.86	12.87	12.49



# Pender Corporate Bond Fund

For the year ended December 31, 2023

## Ratios and Supplemental Data (cont'd)

	2023	2022	2021	2020	2019
<b>Class E</b>					
Total net asset value (\$000s) (a)	3,797	3,543	4,132	3,292	3,912
Number of units outstanding (a)	398,166	380,944	400,826	318,107	388,330
Management expense ratio (b)	0.53%	0.53%	0.52%	0.50%	0.50%
Management expense ratio before absorptions (c)	0.53%	0.53%	0.52%	0.50%	0.50%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.03%	0.02%
Portfolio turnover rate (e)	61.81%	62.92%	63.24%	103.95%	61.95%
Net asset value per unit (\$) (a)	9.54	9.30	10.31	10.35	10.07
<b>Class F</b>					
Total net asset value (\$000s) (a)	412,033	402,880	422,355	342,633	406,674
Number of units outstanding (a)	34,591,943	34,740,168	32,781,853	26,636,091	32,530,750
Management expense ratio (b)	1.19%	1.19%	1.17%	1.15%	1.15%
Management expense ratio before absorptions (c)	1.19%	1.19%	1.17%	1.15%	1.15%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.03%	0.02%
Portfolio turnover rate (e)	61.81%	62.92%	63.24%	103.95%	61.95%
Net asset value per unit (\$) (a)	11.91	11.60	12.88	12.86	12.50
<b>Class H</b>					
Total net asset value (\$000s) (a)	86,140	88,360	103,092	65,161	62,459
Number of units outstanding (a)	8,144,543	8,578,535	9,004,515	5,749,645	5,671,949
Management expense ratio (b)	1.73%	1.73%	1.69%	1.65%	1.65%
Management expense ratio before absorptions (c)	1.73%	1.73%	1.69%	1.65%	1.65%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.03%	0.02%
Portfolio turnover rate (e)	61.81%	62.92%	63.24%	103.95%	61.95%
Net asset value per unit (\$) (a)	10.58	10.30	11.45	11.33	11.01
<b>Class I</b>					
Total net asset value (\$000s) (a)	768,652	708,267	602,871	411,640	381,228
Number of units outstanding (a)	74,687,822	70,636,548	54,127,966	37,250,197	35,491,065
Management expense ratio (b)	1.03%	1.03%	1.02%	1.00%	1.00%
Management expense ratio before absorptions (c)	1.03%	1.03%	1.02%	1.00%	1.00%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.03%	0.02%
Portfolio turnover rate (e)	61.81%	62.92%	63.24%	103.95%	61.95%
Net asset value per unit (\$) (a)	10.29	10.03	11.14	11.05	10.74
<b>Class O</b>					
Total net asset value (\$000s) (a)	31,323	43,580	58,562	29,746	27,198
Number of units outstanding (a)	2,999,380	4,273,445	5,161,977	2,661,770	2,501,605
Management expense ratio (b)	0.00%	0.00%	0.00%	0.00%	0.00%
Management expense ratio before absorptions (c)	0.00%	0.00%	0.00%	0.00%	0.00%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.03%	0.02%
Portfolio turnover rate (e)	61.81%	62.92%	63.24%	103.95%	61.95%
Net asset value per unit (\$) (a)	10.44	10.20	11.34	11.18	10.87
<b>Class U</b>					
Total net asset value (\$000s) (a)	3,359	9,338	11,425	40	6
Number of units outstanding (a)	333,235	944,053	1,085,631	3,876	588
Management expense ratio (b)	1.24%	1.16%	1.14%	1.15%	1.15%
Management expense ratio before absorptions (c)	1.24%	1.16%	1.14%	1.15%	1.15%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.03%	0.02%
Portfolio turnover rate (e)	61.81%	62.92%	63.24%	103.95%	61.95%
Net asset value per unit (\$) (a)	10.08	9.89	10.52	10.21	9.95

# Pender Corporate Bond Fund

For the year ended December 31, 2023

## Ratios and Supplemental Data (cont'd)

	2023	2022	2021	2020	2019
<b>Class A (USD)</b>					
Total net asset value (\$000s) (a)	2,094	2,773	2,979	2,533	6,018
Number of units outstanding (a)	147,288	197,474	202,496	179,642	440,638
Management expense ratio (b)	2.05%	2.08%	1.98%	1.95%	1.95%
Management expense ratio before absorptions (c)	2.05%	2.08%	1.98%	1.95%	1.95%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.03%	0.02%
Portfolio turnover rate (e)	61.81%	62.92%	63.24%	103.95%	61.95%
Net asset value per unit (\$) (a)	14.22	14.04	14.71	14.10	13.66
<b>Class F (USD)</b>					
Total net asset value (\$000s) (a)	19,577	20,874	15,842	11,382	20,175
Number of units outstanding (a)	1,395,547	1,506,774	1,091,009	815,559	1,492,314
Management expense ratio (b)	1.18%	1.19%	1.14%	1.15%	1.15%
Management expense ratio before absorptions (c)	1.18%	1.19%	1.14%	1.15%	1.15%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.03%	0.02%
Portfolio turnover rate (e)	61.81%	62.92%	63.24%	103.95%	61.95%
Net asset value per unit (\$) (a)	14.03	13.85	14.52	13.96	13.52
<b>Class H (USD)</b>					
Total net asset value (\$000s) (a)	6,641	7,373	8,224	6,636	2,680
Number of units outstanding (a)	493,074	554,228	589,688	494,651	205,849
Management expense ratio (b)	1.75%	1.75%	1.68%	1.65%	1.65%
Management expense ratio before absorptions (c)	1.75%	1.75%	1.68%	1.65%	1.65%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.03%	0.02%
Portfolio turnover rate (e)	61.81%	62.92%	63.24%	103.95%	61.95%
Net asset value per unit (\$) (a)	13.47	13.30	13.95	13.42	13.02
<b>Class I (USD)</b>					
Total net asset value (\$000s) (a)	27,302	36,726	35,290	23,199	15,621
Number of units outstanding (a)	2,020,985	2,752,813	2,522,383	1,724,282	1,197,716
Management expense ratio (b)	1.04%	1.04%	1.00%	1.00%	1.00%
Management expense ratio before absorptions (c)	1.04%	1.04%	1.00%	1.00%	1.00%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.03%	0.02%
Portfolio turnover rate (e)	61.81%	62.92%	63.24%	103.95%	61.95%
Net asset value per unit (\$) (a)	13.51	13.34	13.99	13.45	13.04

# Pender Corporate Bond Fund

For the year ended December 31, 2023

## Ratios and Supplemental Data (cont'd)

	2023	2022	2021	2020	2019
<b>Class N (USD)</b>					
Total net asset value (\$000s) (a)	7	2,444	2,664	2,713	3,648
Number of units outstanding (a)	519	182,917	190,261	202,357	280,525
Management expense ratio (b)	0.74%	0.74%	0.72%	0.75%	0.75%
Management expense ratio before absorptions (c)	0.74%	0.74%	0.72%	0.75%	0.75%
Trading expense ratio (d)	0.03%	0.03%	0.03%	0.03%	0.02%
Portfolio turnover rate (e)	61.81%	62.92%	63.24%	103.95%	61.95%
Net asset value per unit (\$) (a)	13.54	13.36	14.00	13.41	13.00

(a) This information is derived from the Fund's audited annual financial statements as at December 31 for the year stated, prepared under IFRS Accounting Standards. Class N was closed on May 26, 2023.

(b) Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the year and is expressed as an annualized percentage of daily average net asset value during the year. The MER may vary from one class of units to another because of differences in the applicable management fees and certain fees and expenses may have been absorbed by the Manager which would otherwise be paid by the Fund.

(c) The Manager of the Fund has agreed to absorb sufficient expenses of the Fund, as necessary, so that the annual MER before applicable taxes such as GST or HST will not exceed certain limits as outlined in the Fund's Simplified Prospectus. The amount of expenses absorbed is at the discretion of the Manager as set out in the Fund's Simplified Prospectus, and the Manager may in its sole discretion cease to absorb expenses.

(d) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the year.

(e) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. In general, the higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

# Pender Corporate Bond Fund

For the year ended December 31, 2023

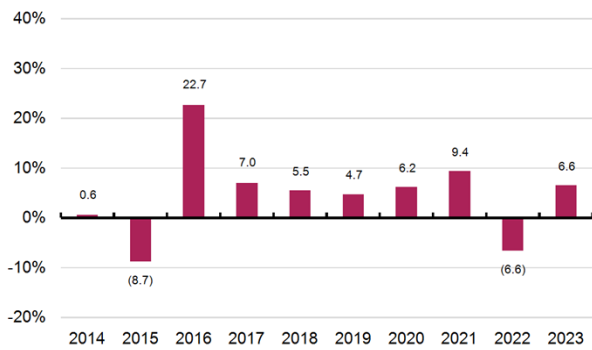
## Past Performance

The following charts show the past performance for the units of each class of the Fund and do not necessarily indicate how the Fund will perform in the future. The information shown assumes that any distributions made by the Fund were reinvested in additional units of the Fund. Returns would be different if an investor did not reinvest distributions. In addition, the information does not take into account sales, redemptions, income taxes payable or other charges that would have reduced returns or performance. Past performance for Class N units of the Fund is not available for disclosure because it was closed during the year.

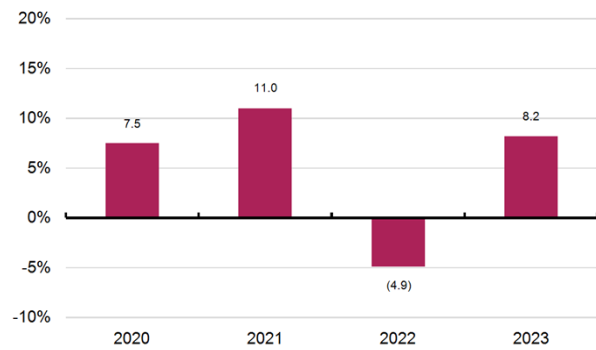
## Year-by-Year Returns

To illustrate how the Fund's performance has varied over time, the following bar charts show the Fund's annual returns for the calendar years indicated. The information is presented starting from the first full financial year of the respective Fund class. In percentage terms, the bar charts show how much an investment held on the first day of the year would have increased or decreased by the last day of the year.

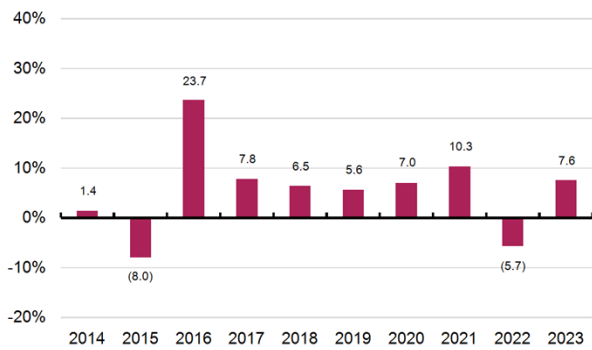
### Class A



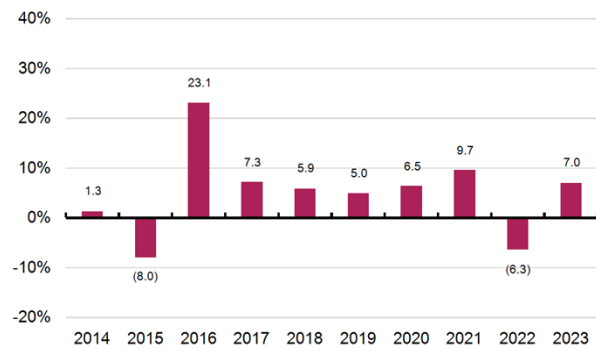
### Class E



### Class F



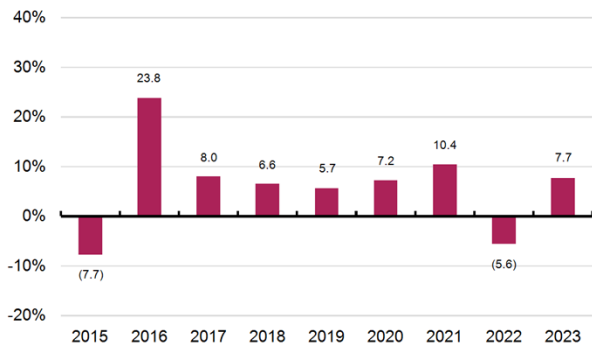
### Class H



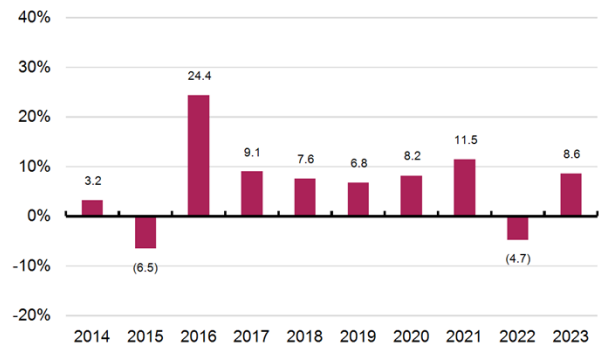
# Pender Corporate Bond Fund

For the year ended December 31, 2023

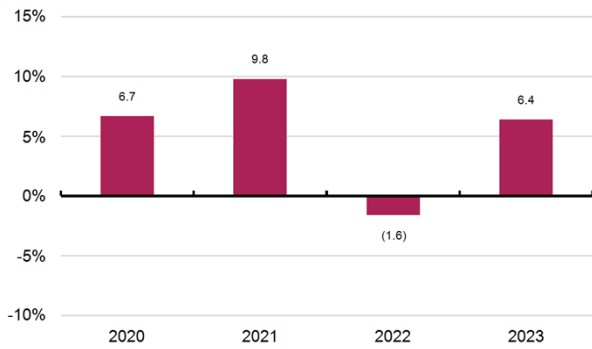
## Class I



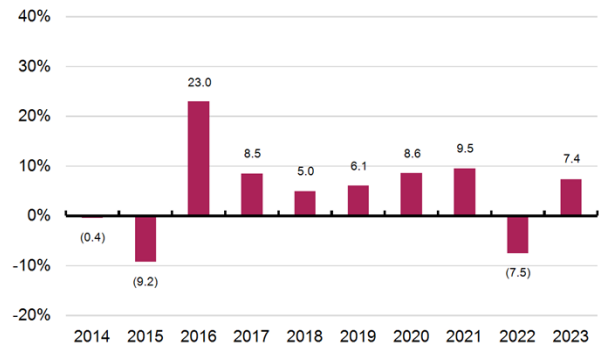
## Class O



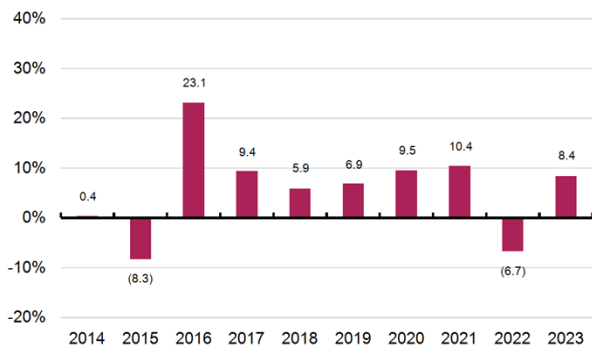
## Class U



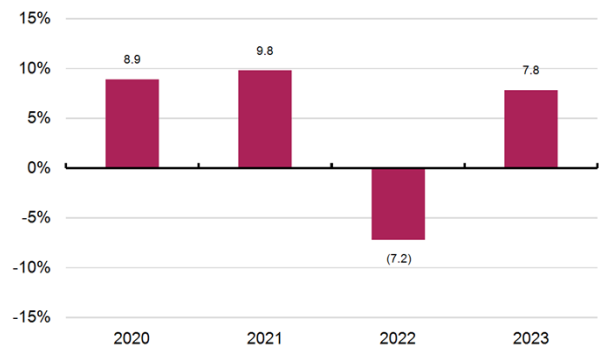
## Class A (USD)



## Class F (USD)



## Class H (USD)

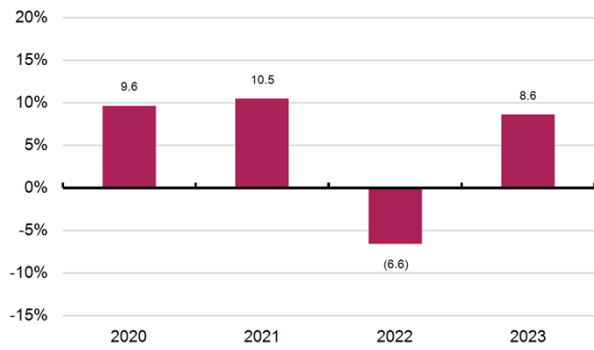


# Pender Corporate Bond Fund

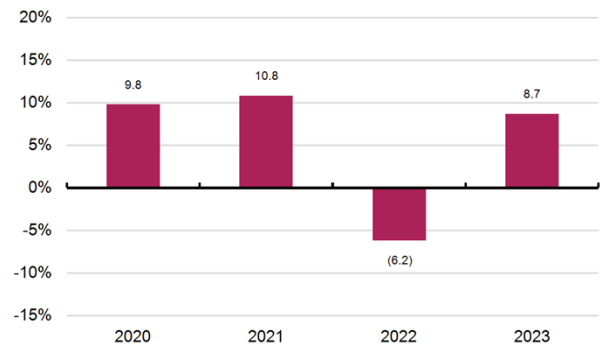
For the year ended December 31, 2023

---

## Class I (USD)



## Class N (USD)



# Pender Corporate Bond Fund

For the year ended December 31, 2023

## Annual Compound Returns

The annual compound returns table compares the Fund's performance to one or more benchmarks. Benchmarks are usually an index or a composite of more than one index. An index is generally made up of a group of securities. Since the Fund does not necessarily invest in the same securities as an index or in the same proportion, the Fund's performance is not expected to equal the performance of the index. Fund returns are reported net of all management fees and expenses for all classes (prior to June 30, 2021, the Fund's MER was inclusive of applicable taxes such as GST or HST), unlike the returns of the Fund's benchmark, which are based on the performance of an index that does not pay fees or incur expenses. It may be more helpful to compare the Fund's performance to that of other mutual funds with similar objectives and investment strategies.

The Fund's blended benchmark is 75% ICE and 25% FTSE Canada Universe Bond Index. The FTSE Canada Bond Universe Index is the broadest and most widely used measure of performance of marketable government and corporate bonds outstanding in the Canadian market. The ICE measures the performance of U.S. dollar denominated below investment grade (commonly referred to as "junk") corporate debt publicly issued in the U.S. domestic market. With the exception of Class A (USD), Class F (USD), Class H (USD), Class I (USD) and Class N (USD), the performance of the Fund is compared to the benchmark's performance in Canadian dollars. Performance for Class A (USD), Class F (USD), Class H (USD), Class I (USD) and Class N (USD) are compared to the benchmark's performance in U.S. dollars.

A discussion of the performance of the Fund as compared to its benchmarks is found in the "Results of Operations" section of this report.

	Inception Date	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Class A	01-Jun-09	6.6	2.9	3.9	4.4	5.4
Blended benchmark		10.0	1.8	3.8	5.7	7.9
Class E	30-Aug-19	8.2	4.5	-	-	5.3
Blended benchmark		10.0	1.8	-	-	2.4
Class F	01-Jun-09	7.6	3.8	4.8	5.3	6.3
Blended benchmark		10.0	1.8	3.8	5.7	7.9
Class H	19-Jun-12	7.0	3.2	4.2	4.8	5.0
Blended benchmark		10.0	1.8	3.8	5.7	6.4
Class I	30-Jun-14	7.7	3.9	4.9	-	5.5
Blended benchmark		10.0	1.8	3.8	-	5.4
Class O	24-Nov-10	8.6	4.9	5.9	6.5	6.7
Blended benchmark		10.0	1.8	3.8	5.7	6.5
Class U	28-Jun-19	6.4	4.7	-	-	4.9
Blended benchmark		10.0	1.8	-	-	2.9
Class A (USD)	30-Aug-13	7.4	2.9	4.6	4.7	4.6
Blended benchmark		12.4	0.5	4.4	3.4	3.7
Class F (USD)	30-Aug-13	8.4	3.8	5.5	5.6	5.4
Blended benchmark		12.4	0.5	4.4	3.4	3.7
Class H (USD)	28-Jun-19	7.8	3.2	-	-	4.4
Blended benchmark		12.4	0.5	-	-	2.6
Class I (USD)	28-Jun-19	8.6	3.9	-	-	5.2
Blended benchmark		12.4	0.5	-	-	2.6
Class N (USD)	28-Jun-19	8.7	4.1	-	-	5.3
Blended benchmark		12.4	0.5	-	-	2.6

# Pender Corporate Bond Fund

For the year ended December 31, 2023

## Summary of Investment Portfolio

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

### Top 25 Holdings

	% of Net Assets
Verisign, Inc., Callable, 4.75%, 2027/07/15	2.4
Esperion Therapeutics, Inc., Callable, 4.00%, 2025/11/15	2.2
Liberty TripAdvisor Holdings Inc., Convertible, Puttable, 0.50%, 2051/06/30	2.0
Waste Management of Canada Corporation, Callable, 2.60%, 2026/09/23	1.8
McDonald's Corporation, Callable, 3.13%, 2025/03/04	1.7
First Majestic Silver Corp., Callable, 0.38%, 2027/01/15	1.6
Great Lakes Dredge & Dock Corporation, Callable, 5.25%, 2029/06/01	1.6
StoneCo Ltd., Callable, 3.95%, 2028/06/16	1.6
United States Treasury, Inflation Indexed, 0.13%, 2052/02/15	1.6
Varex Imaging Corporation, Callable, 7.88%, 2027/10/15	1.6
United States Treasury, 1.75%, 2028/01/15	1.5
Cineworld Group PLC, Term Loan, 14.38%, 2028/7/31	1.4
Emergent BioSolutions Inc., Callable, 3.88%, 2028/08/15	1.4
Equinox Gold Corp., Convertible, Callable, 4.75%, 2028/10/15	1.4
Fairfax Financial Holdings Limited, Callable, 3.95%, 2031/03/03	1.4
PepsiCo, Inc., Callable, 2.15%, 2024/05/06	1.4
Cameco Corporation, Callable, 2.95%, 2027/10/21	1.3
OPKO Health, Inc., Callable, 4.50%, 2025/02/15	1.3
SSR Mining Inc., Callable, 2.50%, 2039/04/01	1.3
United States Treasury, Inflation Indexed, 3.38%, 2032/04/15	1.3
Bandwidth Inc., Convertible, Callable, 0.50%, 2028/04/01	1.2
Cineplex Inc., Callable, 5.75%, 2025/09/30	1.2
Science Applications International Corp., Callable, 4.88%, 2028/04/01	1.2
SS&C Technologies, Inc., Callable, 5.50%, 2027/09/30	1.2
Petróleos Mexicanos, Callable, 6.75%, 2047/09/21	1.1

### Composition of the Portfolio

	% of Net Assets
US corporate bonds and loans	42.6
Canadian corporate bonds and loans	20.0
Government bonds	10.7
Foreign corporate bonds and loans	9.0
Preferred shares	7.0
Closed end funds	4.1
Common shares	2.7
Warrants	0.0
<b>Total investments</b>	<b>96.1</b>
Derivative assets	0.9
<b>Total investment portfolio</b>	<b>97.0</b>
Cash (Bank overdraft)	1.6
Other assets less liabilities	1.4
<b>Total net assets</b>	<b>100.0</b>



# Pender Corporate Bond Fund

For the year ended December 31, 2023

---

## **Caution Regarding Forward-Looking Statements**

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

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

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

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



**Pender Corporate Bond Fund**

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