

# Pender Value 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 Value Fund

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## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The objective of the Pender Value Fund (the “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.

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. 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 \$99,505,017 as at December 31, 2023 versus \$121,129,622 as at December 31, 2022. Of this \$21,624,605 decrease, \$7,984,908 is attributable to positive investment performance and \$29,609,513 is attributable to net unitholder redemptions of Fund units (including \$8,847,182 of units issued from the merger described below).

For the year ended December 31, 2023, Class A units of the Fund generated a total return of 6.5%. 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. Please see the “Past Performance” section for the performance of the Fund’s other classes.

The Fund’s broad-based benchmark, the S&P/TSX Composite Index (“S&P/TSX”), returned 11.8% during the year. In accordance with National Instrument 81-106, we have included a comparison to this broad-based index 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 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 as compared to its benchmark was mainly due to an overweight in the Information Technology sector, and an underweight in the Communications Services sector. We do not actively manage sector weightings in the Fund, rather, our sector weightings are determined by individual stock selection through a bottom-up fundamental investment process. We seek to own stocks where our estimated range for the long-term intrinsic value of the business is higher than the current share price.

Key positive individual contributors to the Fund’s performance for the year included KKR and Co. Inc., Burford Capital Limited, and Zillow Group Inc. Conversely, Optiva Inc., JD.com, Inc. and Peloton Interactive, Inc. were among the largest detractors.

Portfolio transactions during the year were made based on our stock selection process. In general, we increased weightings of individual stocks where we determined the price relative to our estimate of intrinsic value had increased and decreased the weightings of companies that offered a less attractive return profile. We are constantly looking for new investment ideas and examples of new investments during the year included Aecon Group Inc., kneat.com, inc., Thinkific Labs Inc. and Blackline Safety Corp. We may liquidate our positions for various reasons, such as when share prices have reached our assessment of fair value, when an acquisition has occurred, or where we have changed our investment thesis. For example, during the year, we sold Onex Corp., Baidu Inc., JD.com Inc., and IAC Inc.

# Pender Value Fund

For the year ended December 31, 2023

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As at the end of the year, the Fund was 63.7% invested in Canada, 33.3% the United States, 2.7% in other countries, and the Fund's cash position was 0.3%. The Fund's investment portfolio is concentrated and not diversified in the conventional sense. The Fund's top 10 holdings account for 53.0% of the Fund's net assets at the end of the year. This concentration may lead to varied results over any given year.

The overall sector exposure of the Fund is determined by stock selection decisions and may shift from time to time. As at December 31, 2023 we were weighted toward holdings in the Information Technology, Financial Services, and Consumer Discretionary sectors, because, currently, those are the sectors where we believe we are finding the best investment opportunities and, equally important, because they contain businesses for which we are best equipped to assess value. These top three sectors accounted for 72.0% of the Fund at the end of the year.

## Recent Developments

Interest rate policy from the US Federal Reserve was squarely in focus during the period, with commentary signaling the end of their interest rate hiking campaign and underscoring the market narrative of an upcoming pivot to interest rate cuts in 2024. This underpinned a rally across virtually all asset classes, highlighted by the Federal Open Market Committee ("FOMC") meeting on December 13 which was the best FOMC meeting day for all assets in almost 15 years. With the sharp rally, equity indices pushed higher to fresh 52-week highs near the end of the year. The bond market also took its cues from the Fed and digested these shifting expectations with the US 10-year Treasury yields at 3.9% at the end of the year and credit spreads tightening.

One of the key themes for equity markets throughout most of 2023 was the narrow leadership of a handful of mega-cap technology companies. Through the first three quarters of the year, seven companies in the S&P 500 contributed nearly 85% of the gains. This group included Apple Inc. (Nasdaq: AAPL), Microsoft Corporation (Nasdaq: MSFT), NVIDIA Corporation (Nasdaq: NVDA), Alphabet Inc. (Nasdaq: GOOGL), Amazon.com, Inc. (Nasdaq: AMZN), Meta Platforms, Inc. (Nasdaq: META) and Tesla, Inc. (Nasdaq: TSLA). As another sign of narrow leadership, the average company in the S&P 500 gained a meager 2.4% compared to the overall index performance of approximately 13.0% through the first three quarters of 2023.

This trend changed dramatically in the fourth quarter, with those same seven companies contributing around 35% to overall S&P 500 performance and the average company gaining 11.8%. This broad-based participation in the market rally with the contribution from smaller companies much more in line with their weight in the index is a positive signal that the momentum in these mega-cap technology firms may finally be waning.

We continue to focus the opportunity set of the portfolio on small and mid-sized companies where we see a disconnect with the underlying fundamentals of the business. As we run a concentrated investment portfolio, we only need to hold a relatively small number of great companies acquired at good prices to drive the performance of the Fund. We will continue to look for best ideas, those that we think could benefit from the tailwinds caused by changes in behaviours, could be potential disruptors or leaders on the other side of the global crisis, and that trade at significant discounts to intrinsic values.

## 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.

## Fund Merger

On June 30, 2023, the Pender Global Focused Fund was merged into the Fund. The two funds were both managed by the Manager, had the same investment objectives, and had substantially similar investment strategies. Net assets of \$8,847,182 were acquired by the Pender Value Fund from the Pender Global Focused Fund.

## 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 2% of the Fund's units. In addition, the Pender Partners Fund, a fund also managed by the Manager, held 2% of the Fund's outstanding units.

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## 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.

## 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<br>(\$) | 2022<br>(\$)  | 2021<br>(\$)  | 2020<br>(\$) | 2019<br>(\$)  |
|--|--------------|---------------|---------------|--------------|---------------|
| <b>Class A</b>                                       |              |               |               |              |               |
| Net Assets, beginning of year                        | 14.60        | 21.26         | 22.54         | 18.96        | 16.36         |
| <b>Increase (decrease) from operations:</b>          |              |               |               |              |               |
| Total revenue  | 0.16         | 0.14          | 0.29          | 0.27         | 0.21          |
| Total expenses                                       | (0.41)       | (0.43)        | (0.63)        | (0.44)       | (0.47)        |
| Realized gains (losses)                              | (1.99)       | (1.10)        | 1.87          | (0.37)       | 0.66          |
| Unrealized gains (losses)                            | 3.17         | (5.79)        | (1.69)        | 2.91         | 2.57          |
| <b>Total increase (decrease) from operations (b)</b> | <b>0.93</b>  | <b>(7.18)</b> | <b>(0.16)</b> | <b>2.37</b>  | <b>2.97</b>   |
| <b>Distributions:</b>                                |              |               |               |              |               |
| From income (excluding dividends)                    | -            | -             | -             | -            | -             |
| From dividends                                       | -            | -             | -             | -            | -             |
| From capital gains                                   | -            | -             | (0.85)        | -            | (0.37)        |
| Return of capital                                    | -            | -             | -             | -            | -             |
| <b>Total distributions (b), (c)</b>                  | <b>-</b>     | <b>-</b>      | <b>(0.85)</b> | <b>-</b>     | <b>(0.37)</b> |
| <b>Net Assets, end of year</b>                       | <b>15.55</b> | <b>14.60</b>  | <b>21.26</b>  | <b>22.54</b> | <b>18.96</b>  |
| <b>Class E</b>                                       |              |               |               |              |               |
| Net Assets, beginning of year                        | 8.73         | 12.46         | 13.19         | 10.88        | 10.00         |
| <b>Increase (decrease) from operations:</b>          |              |               |               |              |               |
| Total revenue  | 0.09         | 0.09          | 0.17          | 0.16         | 0.04          |
| Total expenses                                       | (0.08)       | (0.06)        | (0.09)        | (0.07)       | 0.07          |
| Realized gains (losses)                              | (1.22)       | (0.73)        | 1.03          | (0.11)       | (0.15)        |
| Unrealized gains (losses)                            | 2.18         | (3.03)        | (1.14)        | 2.48         | 2.00          |
| <b>Total increase (decrease) from operations (b)</b> | <b>0.97</b>  | <b>(3.73)</b> | <b>(0.03)</b> | <b>2.46</b>  | <b>1.96</b>   |
| <b>Distributions:</b>                                |              |               |               |              |               |
| From income (excluding dividends)                    | -            | -             | -             | -            | -             |
| From dividends                                       | -            | -             | -             | -            | -             |
| From capital gains                                   | -            | -             | (0.72)        | -            | (0.35)        |
| Return of capital                                    | -            | -             | -             | -            | -             |
| <b>Total distributions (b), (c)</b>                  | <b>-</b>     | <b>-</b>      | <b>(0.72)</b> | <b>-</b>     | <b>(0.35)</b> |
| <b>Net Assets, end of year</b>                       | <b>9.48</b>  | <b>8.73</b>   | <b>12.46</b>  | <b>13.19</b> | <b>10.88</b>  |

# Pender Value Fund

For the year ended December 31, 2023

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

|  | 2023<br>(\$) | 2022<br>(\$)  | 2021<br>(\$)  | 2020<br>(\$) | 2019<br>(\$)  |
|--|--------------|---------------|---------------|--------------|---------------|
| <b>Class F</b>                                       |              |               |               |              |               |
| Net Assets, beginning of year                        | 15.14        | 21.81         | 22.85         | 19.02        | 16.35         |
| <b>Increase (decrease) from operations:</b>          |              |               |               |              |               |
| Total revenue  | 0.16         | 0.15          | 0.29          | 0.27         | 0.21          |
| Total expenses                                       | (0.26)       | (0.26)        | (0.38)        | (0.27)       | (0.29)        |
| Realized gains (losses)                              | (2.07)       | (1.15)        | 1.85          | (0.47)       | 0.68          |
| Unrealized gains (losses)                            | 3.32         | (5.92)        | (1.82)        | 2.76         | 2.55          |
| <b>Total increase (decrease) from operations (b)</b> | <b>1.15</b>  | <b>(7.18)</b> | <b>(0.06)</b> | <b>2.29</b>  | <b>3.15</b>   |
| <b>Distributions:</b>                                |              |               |               |              |               |
| From income (excluding dividends)                    | -            | -             | -             | -            | -             |
| From dividends                                       | -            | -             | -             | -            | -             |
| From capital gains                                   | -            | -             | (0.84)        | -            | (0.48)        |
| Return of capital                                    | -            | -             | -             | -            | -             |
| <b>Total distributions (b), (c)</b>                  | <b>-</b>     | <b>-</b>      | <b>(0.84)</b> | <b>-</b>     | <b>(0.48)</b> |
| <b>Net Assets, end of year</b>                       | <b>16.30</b> | <b>15.14</b>  | <b>21.81</b>  | <b>22.85</b> | <b>19.02</b>  |
| <b>Class H</b>                                       |              |               |               |              |               |
| Net Assets, beginning of year                        | 10.56        | 15.32         | 16.33         | 13.69        | 11.80         |
| <b>Increase (decrease) from operations:</b>          |              |               |               |              |               |
| Total revenue  | 0.11         | 0.10          | 0.21          | 0.20         | 0.15          |
| Total expenses                                       | (0.26)       | (0.27)        | (0.40)        | (0.28)       | (0.30)        |
| Realized gains (losses)                              | (1.47)       | (0.76)        | 1.26          | (0.08)       | 0.52          |
| Unrealized gains (losses)                            | 2.33         | (4.30)        | (1.59)        | 2.38         | 1.89          |
| <b>Total increase (decrease) from operations (b)</b> | <b>0.71</b>  | <b>(5.23)</b> | <b>(0.52)</b> | <b>2.22</b>  | <b>2.26</b>   |
| <b>Distributions:</b>                                |              |               |               |              |               |
| From income (excluding dividends)                    | -            | -             | -             | -            | -             |
| From dividends                                       | -            | -             | -             | -            | -             |
| From capital gains                                   | -            | -             | (0.74)        | -            | (0.29)        |
| Return of capital                                    | -            | -             | -             | -            | -             |
| <b>Total distributions (b), (c)</b>                  | <b>-</b>     | <b>-</b>      | <b>(0.74)</b> | <b>-</b>     | <b>(0.29)</b> |
| <b>Net Assets, end of year</b>                       | <b>11.28</b> | <b>10.56</b>  | <b>15.32</b>  | <b>16.33</b> | <b>13.69</b>  |
| <b>Class I</b>                                       |              |               |               |              |               |
| Net Assets, beginning of year                        | 11.07        | 15.92         | 16.76         | 13.94        | 11.98         |
| <b>Increase (decrease) from operations:</b>          |              |               |               |              |               |
| Total revenue  | 0.12         | 0.11          | 0.22          | 0.21         | 0.15          |
| Total expenses                                       | (0.17)       | (0.17)        | (0.25)        | (0.18)       | (0.19)        |
| Realized gains (losses)                              | (1.50)       | (0.86)        | 1.34          | (0.11)       | 0.46          |
| Unrealized gains (losses)                            | 2.45         | (4.37)        | (1.54)        | 1.94         | 1.86          |
| <b>Total increase (decrease) from operations (b)</b> | <b>0.90</b>  | <b>(5.29)</b> | <b>(0.23)</b> | <b>1.86</b>  | <b>2.28</b>   |
| <b>Distributions:</b>                                |              |               |               |              |               |
| From income (excluding dividends)                    | -            | -             | -             | -            | -             |
| From dividends                                       | -            | -             | -             | -            | -             |
| From capital gains                                   | -            | -             | (0.71)        | -            | (0.38)        |
| Return of capital                                    | -            | -             | -             | -            | -             |
| <b>Total distributions (b), (c)</b>                  | <b>-</b>     | <b>-</b>      | <b>(0.71)</b> | <b>-</b>     | <b>(0.38)</b> |
| <b>Net Assets, end of year</b>                       | <b>11.94</b> | <b>11.07</b>  | <b>15.92</b>  | <b>16.76</b> | <b>13.94</b>  |

# Pender Value Fund

For the year ended December 31, 2023

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

|  | 2023<br>(\$) | 2022<br>(\$)  | 2021<br>(\$)  | 2020<br>(\$) | 2019<br>(\$)  |
|--|--------------|---------------|---------------|--------------|---------------|
| <b>Class N</b>                                       |              |               |               |              |               |
| Net Assets, beginning of year                        | 7.93         | 11.36         | 12.15         | 10.06        | 10.00         |
| <b>Increase (decrease) from operations:</b>          |              |               |               |              |               |
| Total revenue  | 0.10         | 0.09          | (0.05)        | 0.15         | 0.05          |
| Total expenses                                       | (0.10)       | (0.08)        | (0.10)        | (0.09)       | (0.05)        |
| Realized gains (losses)                              | (0.78)       | (0.85)        | 0.36          | (0.10)       | 0.06          |
| Unrealized gains (losses)                            | 1.79         | (2.62)        | (2.32)        | 2.13         | 0.32          |
| <b>Total increase (decrease) from operations (b)</b> | <b>1.01</b>  | <b>(3.46)</b> | <b>(2.11)</b> | <b>2.09</b>  | <b>0.38</b>   |
| <b>Distributions:</b>                                |              |               |               |              |               |
| From income (excluding dividends)                    | -            | -             | -             | -            | -             |
| From dividends                                       | -            | -             | -             | -            | -             |
| From capital gains                                   | -            | -             | (0.74)        | -            | (0.32)        |
| Return of capital                                    | -            | -             | -             | -            | -             |
| <b>Total distributions (b), (c)</b>                  | <b>-</b>     | <b>-</b>      | <b>(0.74)</b> | <b>-</b>     | <b>(0.32)</b> |
| <b>Net Assets, end of year</b>                       | <b>8.59</b>  | <b>7.93</b>   | <b>11.36</b>  | <b>12.15</b> | <b>10.06</b>  |
| <b>Class O</b>                                       |              |               |               |              |               |
| Net Assets, beginning of year                        | 12.85        | 18.24         | 19.34         | 15.88        | 13.57         |
| <b>Increase (decrease) from operations:</b>          |              |               |               |              |               |
| Total revenue  | 0.14         | 0.13          | 0.25          | 0.23         | 0.17          |
| Total expenses                                       | (0.04)       | (0.01)        | (0.03)        | (0.02)       | (0.03)        |
| Realized gains (losses)                              | (2.41)       | (1.06)        | 1.55          | (0.21)       | 0.53          |
| Unrealized gains (losses)                            | 4.59         | (5.53)        | (1.64)        | 3.19         | 2.15          |
| <b>Total increase (decrease) from operations (b)</b> | <b>2.28</b>  | <b>(6.47)</b> | <b>0.13</b>   | <b>3.19</b>  | <b>2.82</b>   |
| <b>Distributions:</b>                                |              |               |               |              |               |
| From income (excluding dividends)                    | -            | -             | -             | -            | -             |
| From dividends                                       | -            | -             | -             | -            | -             |
| From capital gains                                   | -            | -             | (1.18)        | -            | (0.54)        |
| Return of capital                                    | -            | -             | -             | -            | -             |
| <b>Total distributions (b), (c)</b>                  | <b>-</b>     | <b>-</b>      | <b>(1.18)</b> | <b>-</b>     | <b>(0.54)</b> |
| <b>Net Assets, end of year</b>                       | <b>13.54</b> | <b>12.85</b>  | <b>18.24</b>  | <b>19.34</b> | <b>15.88</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.

(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)              | 19,454    | 22,633    | 43,761    | 50,956    | 59,410    |
| Number of units outstanding (a)                 | 1,250,961 | 1,550,596 | 2,058,688 | 2,260,446 | 3,134,001 |
| Management expense ratio (b)                    | 2.51%     | 2.51%     | 2.46%     | 2.40%     | 2.40%     |
| Management expense ratio before absorptions (c) | 2.51%     | 2.51%     | 2.46%     | 2.40%     | 2.40%     |
| Trading expense ratio (d)                       | 0.22%     | 0.06%     | 0.11%     | 0.13%     | 0.12%     |
| Portfolio turnover rate (e)                     | 31.42%    | 14.46%    | 67.77%    | 76.98%    | 71.36%    |
| Net asset value per unit (\$) (a)               | 15.55     | 14.60     | 21.26     | 22.54     | 18.96     |

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## Ratios and Supplemental Data (cont'd)

|   | 2023      | 2022      | 2021      | 2020      | 2019      |
|---|-----------|-----------|-----------|-----------|-----------|
| <b>Class E</b>                                  |           |           |           |           |           |
| Total net asset value (\$000s) (a)              | 891       | 672       | 896       | 861       | 684       |
| Number of units outstanding (a)                 | 93,947    | 76,980    | 71,935    | 65,263    | 62,855    |
| Management expense ratio (b)                    | 0.53%     | 0.53%     | 0.51%     | 0.50%     | 0.50%     |
| Management expense ratio before absorptions (c) | 0.53%     | 0.53%     | 0.51%     | 0.50%     | 0.50%     |
| Trading expense ratio (d)                       | 0.22%     | 0.06%     | 0.11%     | 0.13%     | 0.12%     |
| Portfolio turnover rate (e)                     | 31.42%    | 14.46%    | 67.77%    | 76.98%    | 71.36%    |
| Net asset value per unit (\$) (a)               | 9.48      | 8.73      | 12.46     | 13.19     | 10.88     |
| <b>Class F</b>                                  |           |           |           |           |           |
| Total net asset value (\$000s) (a)              | 42,541    | 49,964    | 94,885    | 107,637   | 144,360   |
| Number of units outstanding (a)                 | 2,610,507 | 3,301,195 | 4,351,254 | 4,710,346 | 7,587,835 |
| Management expense ratio (b)                    | 1.45%     | 1.45%     | 1.43%     | 1.40%     | 1.40%     |
| Management expense ratio before absorptions (c) | 1.45%     | 1.45%     | 1.43%     | 1.40%     | 1.40%     |
| Trading expense ratio (d)                       | 0.22%     | 0.06%     | 0.11%     | 0.13%     | 0.12%     |
| Portfolio turnover rate (e)                     | 31.42%    | 14.46%    | 67.77%    | 76.98%    | 71.36%    |
| Net asset value per unit (\$) (a)               | 16.30     | 15.14     | 21.81     | 22.85     | 19.02     |
| <b>Class H</b>                                  |           |           |           |           |           |
| Total net asset value (\$000s) (a)              | 7,081     | 7,216     | 13,547    | 12,283    | 11,561    |
| Number of units outstanding (a)                 | 627,563   | 683,390   | 884,038   | 752,280   | 844,511   |
| Management expense ratio (b)                    | 2.20%     | 2.20%     | 2.16%     | 2.10%     | 2.10%     |
| Management expense ratio before absorptions (c) | 2.20%     | 2.20%     | 2.16%     | 2.10%     | 2.10%     |
| Trading expense ratio (d)                       | 0.22%     | 0.06%     | 0.11%     | 0.13%     | 0.12%     |
| Portfolio turnover rate (e)                     | 31.42%    | 14.46%    | 67.77%    | 76.98%    | 71.36%    |
| Net asset value per unit (\$) (a)               | 11.28     | 10.56     | 15.32     | 16.33     | 13.69     |
| <b>Class I</b>                                  |           |           |           |           |           |
| Total net asset value (\$000s) (a)              | 27,920    | 38,791    | 91,625    | 90,636    | 83,532    |
| Number of units outstanding (a)                 | 2,338,765 | 3,504,475 | 5,754,368 | 5,406,414 | 5,993,732 |
| Management expense ratio (b)                    | 1.29%     | 1.29%     | 1.27%     | 1.25%     | 1.25%     |
| Management expense ratio before absorptions (c) | 1.29%     | 1.29%     | 1.27%     | 1.25%     | 1.25%     |
| Trading expense ratio (d)                       | 0.22%     | 0.06%     | 0.11%     | 0.13%     | 0.12%     |
| Portfolio turnover rate (e)                     | 31.42%    | 14.46%    | 67.77%    | 76.98%    | 71.36%    |
| Net asset value per unit (\$) (a)               | 11.94     | 11.07     | 15.92     | 16.76     | 13.94     |
| <b>Class N</b>                                  |           |           |           |           |           |
| Total net asset value (\$000s) (a)              | 5         | 874       | 1,565     | 6         | 5         |
| Number of units outstanding (a)                 | 575       | 110,242   | 137,767   | 516       | 516       |
| Management expense ratio (b)                    | 0.84%     | 0.84%     | 0.84%     | 0.85%     | 0.85%     |
| Management expense ratio before absorptions (c) | 0.84%     | 0.84%     | 0.84%     | 0.85%     | 0.85%     |
| Trading expense ratio (d)                       | 0.22%     | 0.06%     | 0.11%     | 0.13%     | 0.12%     |
| Portfolio turnover rate (e)                     | 31.42%    | 14.46%    | 67.77%    | 76.98%    | 71.36%    |
| Net asset value per unit (\$) (a)               | 8.59      | 7.93      | 11.36     | 12.15     | 10.06     |

# Pender Value Fund

For the year ended December 31, 2023

## Ratios and Supplemental Data (cont'd)

|   | 2023    | 2022   | 2021    | 2020    | 2019    |
|---|---------|--------|---------|---------|---------|
| <b>Class O</b>                                  |         |        |         |         |         |
| Total net asset value (\$000s) (a)              | 1,613   | 979    | 16,827  | 16,943  | 15,480  |
| Number of units outstanding (a)                 | 119,115 | 76,185 | 922,403 | 876,109 | 975,003 |
| 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)                       | 0.22%   | 0.06%  | 0.11%   | 0.13%   | 0.12%   |
| Portfolio turnover rate (e)                     | 31.42%  | 14.46% | 67.77%  | 76.98%  | 71.36%  |
| Net asset value per unit (\$) (a)               | 13.54   | 12.85  | 18.24   | 19.34   | 15.88   |

(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.

(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 Value Fund

For the year ended December 31, 2023

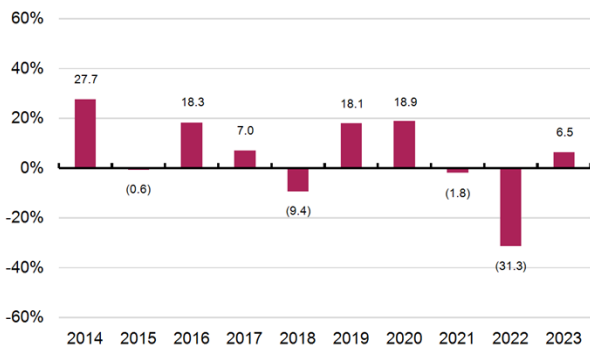
## Past Performance

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.

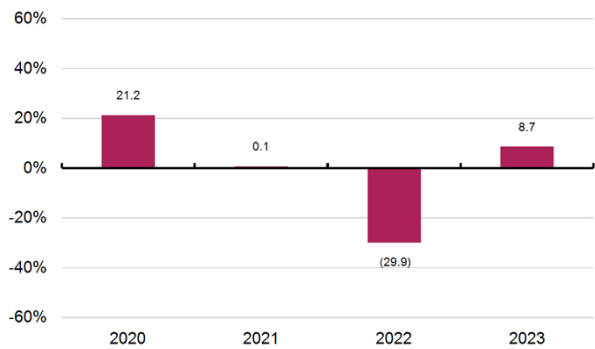
### Year-by-Year Returns

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.

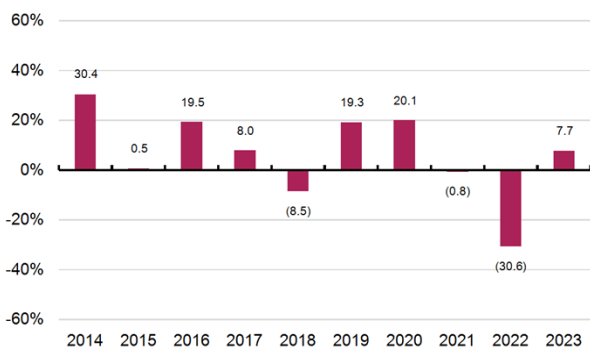
#### Class A



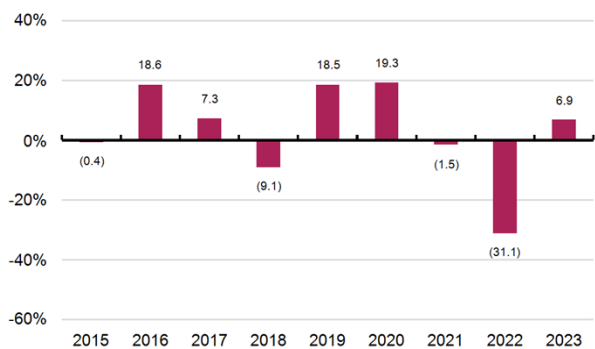
#### Class E



#### Class F



#### Class H

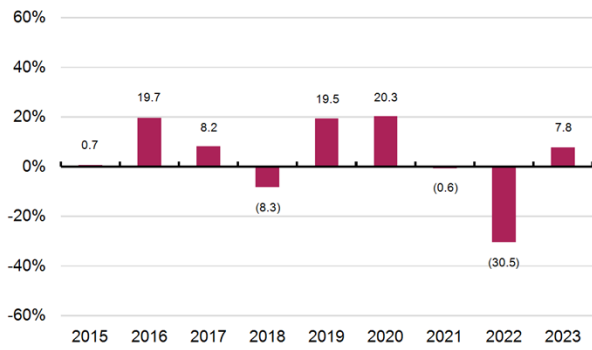


# Pender Value Fund

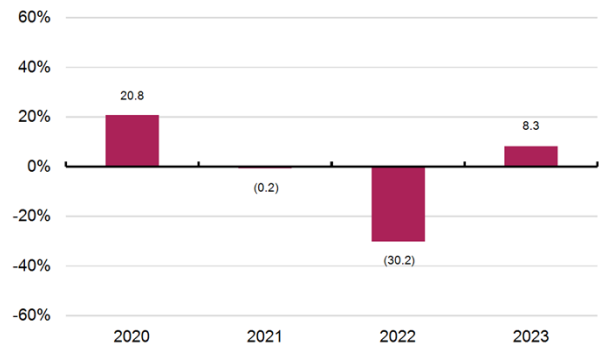
For the year ended December 31, 2023

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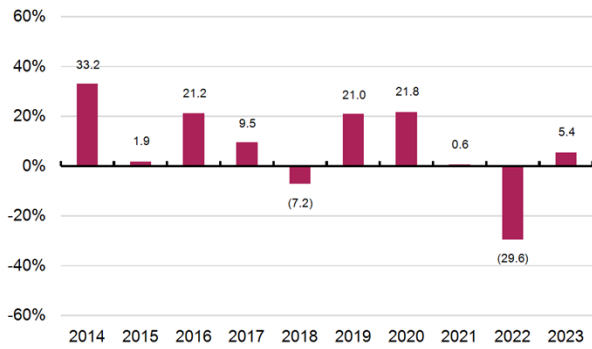
## Class I



## Class N



## Class O



# Pender Value Fund

For the year ended December 31, 2023

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## 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 broad-based benchmark is S&P/TSX Composite Index. The S&P/TSX is the headline index for the Canadian equity market. With approximately 95% coverage of the Canadian equities market, it is the primary gauge for Canadian-based, Toronto Stock Exchange listed companies.

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 | 28-Jun-13      | 6.5        | (10.4)     | 0.2        | 3.9         | 5.7                 |
| S&P/TSX |                | 11.8       | 9.7        | 11.4       | 7.6         | 8.6                 |
| Class E | 30-Aug-19      | 8.7        | (8.7)      | -          | -           | 0.8                 |
| S&P/TSX |                | 11.8       | 9.7        | -          | -           | 9.1                 |
| Class F | 28-Jun-13      | 7.7        | (9.5)      | 1.2        | 5.1         | 6.9                 |
| S&P/TSX |                | 11.8       | 9.7        | 11.4       | 7.6         | 8.6                 |
| Class H | 30-Jun-14      | 6.9        | (10.2)     | 0.5        | -           | 3.5                 |
| S&P/TSX |                | 11.8       | 9.7        | 11.4       | -           | 6.7                 |
| Class I | 30-Jun-14      | 7.8        | (9.3)      | 1.4        | -           | 4.5                 |
| S&P/TSX |                | 11.8       | 9.7        | 11.4       | -           | 6.7                 |
| Class N | 28-Jun-19      | 8.3        | (9.0)      | -          | -           | (1.2)               |
| S&P/TSX |                | 11.8       | 9.7        | -          | -           | 9.0                 |
| Class O | 31-Dec-13      | 5.4        | (9.3)      | 1.9        | 6.3         | 6.3                 |
| S&P/TSX |                | 11.8       | 9.7        | 11.4       | 7.6         | 7.6                 |

# Pender Value 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 |
|--|-----------------|
| Dye & Durham Limited                       | 6.6             |
| Sylogist Ltd.                              | 6.3             |
| Burford Capital Limited                    | 6.0             |
| Copperleaf Technologies Inc.               | 5.9             |
| TrueContext Corporation                    | 5.2             |
| D2L Inc.                                   | 5.0             |
| KKR & Co. Inc.                             | 4.8             |
| PAR Technology Corporation                 | 4.7             |
| Kinaxis Inc.                               | 4.3             |
| CCL Industries Inc., Class 'B'             | 4.2             |
| Premium Brands Holdings Corporation        | 3.9             |
| Texas Pacific Land Corporation             | 3.6             |
| Interactive Brokers Group, Inc., Class 'A' | 3.5             |
| Sangoma Technologies Corporation           | 3.5             |
| Thinkific Labs Inc.                        | 3.3             |
| Zillow Group Inc., Class 'C'               | 3.1             |
| dentalcorp Holdings Ltd.                   | 2.7             |
| Exor N.V.                                  | 2.7             |
| SS&C Technologies Holdings, Inc.           | 2.7             |
| eGain Corporation                          | 2.6             |
| Kraken Robotics Inc.                       | 2.5             |
| Aecon Group Inc.                           | 2.3             |
| Peloton Interactive, Inc., Class 'A'       | 1.9             |
| Blackline Safety Corp.                     | 1.6             |
| CareRx Corporation                         | 1.3             |

# Pender Value Fund

For the year ended December 31, 2023

## Composition of the Portfolio

|                               | % of Net Assets |
|-------------------------------|-----------------|
| <b>Equities</b>               |                 |
| Information technology        | 47.7            |
| Financial services            | 17.4            |
| Consumer discretionary        | 6.9             |
| Industrials                   | 6.6             |
| Consumer staples              | 5.2             |
| Health care                   | 4.3             |
| Materials                     | 4.2             |
| Energy                        | 3.6             |
| Real estate                   | 3.1             |
| Communication services        | 0.8             |
| <b>Total equities</b>         | <b>99.8</b>     |
| Warrants                      | 0.0             |
| <b>Total investments</b>      | <b>99.8</b>     |
| Cash (Bank overdraft)         | 0.3             |
| Other assets less liabilities | (0.1)           |
| <b>Total net assets</b>       | <b>100.0</b>    |

# Pender Value Fund

For the year ended December 31, 2023

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## **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 Value Fund**

MANAGED BY:  
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