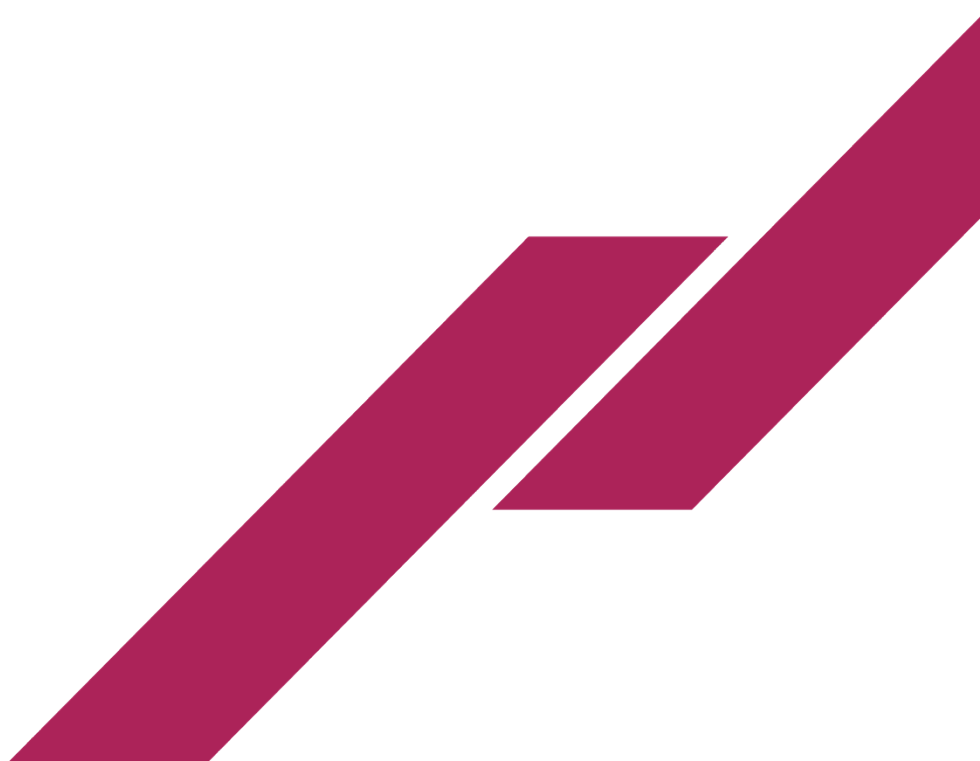


**Unaudited Semi-Annual Financial  
Statements of  
PENDER ALTERNATIVE MUTUAL FUNDS**

Six months ended June 30, 2024



## **NOTICE OF NO AUDITOR REVIEW OF THE SEMI-ANNUAL FINANCIAL STATEMENTS**

PenderFund Capital Management Ltd., the Manager of the Pender Alternative Mutual Funds (the “Funds”), appoints an independent auditor to audit the Funds’ Annual Financial Statements. In accordance with Canadian securities laws (National Instrument 81-106 “Investment Fund Continuous Disclosure”), the Manager must disclose if an auditor has not reviewed the Semi-Annual Financial Statements.

The Funds’ independent auditor has not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

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# Pender Alternative Absolute Return Fund

## Statements of Financial Position (Unaudited)

June 30, 2024 and December 31, 2023

	2024 (\$)	2023 (\$)
<b>Assets</b>		
Cash	42,994,990	42,386,702
Subscriptions receivable	818,839	3,527,719
Interest receivable	8,600,660	5,717,470
Derivative assets	-	3,518,384
Investments	775,014,026	669,389,344
	<b>827,428,515</b>	<b>724,539,619</b>
<b>Liabilities</b>		
Management and administration fees payable (note 4)	526,972	428,332
Payable for investments purchased	22,081,041	27,891,473
Redemptions payable to holders of redeemable units	331,436	1,861,142
Payable for interest and dividends on short securities	1,753,850	2,057,347
Accrued expenses	157,482	-
Derivative liabilities	1,086,723	-
Performance fees payable (note 4)	1,240,834	289,674
Investments sold short	280,696,139	273,306,862
	<b>307,874,477</b>	<b>305,834,830</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>519,554,038</b>	<b>418,704,789</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	16,580,395	12,156,961
Class AF	7,821,998	8,698,759
Class A (USD)	291,101	554,907
Class E	2,760,106	2,369,765
Class F	81,389,362	56,833,699
Class FF	73,116,779	73,805,414
Class F (USD)	1,904,627	1,268,550
Class H	14,229,346	9,405,115
Class H (USD)	817,506	535,977
Class I	296,222,596	234,010,717
Class I (USD)	14,659,487	10,512,261
Class N	5,412,193	4,795,515
Class O	4,348,542	3,757,149
	<b>519,554,038</b>	<b>418,704,789</b>

# Pender Alternative Absolute Return Fund

## Statements of Financial Position (Unaudited) (cont'd)

June 30, 2024 and December 31, 2023

	2024 (\$)	2023 (\$)
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	9.71	9.70
Class AF	9.86	9.85
Class A (USD)	13.36	12.86
Class E	9.67	9.68
Class F	9.74	9.74
Class FF	9.85	9.85
Class F (USD)	13.09	12.68
Class H	9.80	9.80
Class H (USD)	13.30	12.88
Class I	9.68	9.68
Class I (USD)	13.31	12.90
Class N	9.80	9.80
Class O	10.05	10.03

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

*(signed) "David Barr"*

**David Barr**  
Director

*(signed) "Felix Narhi"*

**Felix Narhi**  
Director

# Pender Alternative Absolute Return Fund

## Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Revenue</b>		
Interest for distribution purposes	22,541,005	9,803,159
Dividend income	245,036	26,395
Dividend and interest expense on securities sold short	(5,105,476)	(2,527,248)
Foreign exchange gain (loss)	397,246	(1,010,044)
<b>Changes in fair value of investments and derivatives:</b>		
Net realized gain (loss)	9,816,566	6,830,865
Net change in unrealized appreciation (depreciation)	(3,014,821)	(4,553,561)
<b>Total revenue</b>	<b>24,879,556</b>	<b>8,569,566</b>
<b>Expenses</b>		
Management fees (note 4)	1,540,747	627,733
Administration fees (note 4)	1,387,638	646,043
Performance fees (note 4)	1,240,834	271,654
Interest and borrow fees expense	773,259	484,203
Transaction costs	19,880	24,260
Independent review committee fees	4,552	3,459
<b>Total expenses</b>	<b>4,966,910</b>	<b>2,057,352</b>
Less: Fees waived and expenses absorbed by the Manager (note 4)	(4,552)	(3,459)
<b>Net expenses</b>	<b>4,962,358</b>	<b>2,053,893</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>19,917,198</b>	<b>6,515,673</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	516,733	124,740
Class AF	350,213	286,910
Class A (USD)	24,761	1,015
Class E	114,339	10,109
Class F	2,657,992	754,007
Class FF	3,301,165	2,784,118
Class F (USD)	109,163	4,459
Class H	438,344	141,684
Class H (USD)	55,625	377
Class I	11,054,950	2,230,718
Class I (USD)	875,740	6,641
Class N	217,780	9,795
Class O	200,393	161,100
	<b>19,917,198</b>	<b>6,515,673</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.34	0.22
Class AF	0.40	0.31
Class A (USD)	1.09	0.25
Class E	0.43	0.28
Class F	0.37	0.26
Class FF	0.44	0.36
Class F (USD)	0.90	0.11
Class H	0.36	0.27
Class H (USD)	0.85	0.17
Class I	0.40	0.24
Class I (USD)	0.91	0.03
Class N	0.42	0.35
Class O	0.51	0.43

# Pender Alternative Absolute Return Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2024 and 2023

Class A	2024 (\$)	2023 (\$)
Balance, beginning of period	12,156,961	3,751,124
Increase (decrease) in net assets attributable to holders of redeemable units	516,733	124,740
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	8,489,174	3,982,954
Issued on reinvestment of distributions	408,809	108,596
Amounts paid on redemption of redeemable units	(4,459,039)	(959,106)
	<b>4,438,944</b>	<b>3,132,444</b>
<b>Distributions paid from:</b>		
Net investment income	(532,243)	(159,949)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(532,243)</b>	<b>(159,949)</b>
<b>Balance, end of period</b>	<b>16,580,395</b>	<b>6,848,359</b>
Class AF	2024 (\$)	2023 (\$)
Balance, beginning of period	8,698,759	8,865,080
Increase (decrease) in net assets attributable to holders of redeemable units	350,213	286,910
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	20
Issued on reinvestment of distributions	196,895	154,761
Amounts paid on redemption of redeemable units	(1,087,324)	(70,182)
	<b>(890,429)</b>	<b>84,599</b>
<b>Distributions paid from:</b>		
Net investment income	(336,545)	(276,750)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(336,545)</b>	<b>(276,750)</b>
<b>Balance, end of period</b>	<b>7,821,998</b>	<b>8,959,839</b>
Class A (USD)	2024 (\$)	2023 (\$)
Balance, beginning of period	554,907	7,071
Increase (decrease) in net assets attributable to holders of redeemable units	24,761	1,015
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	44,761	59,505
Issued on reinvestment of distributions	8,296	1,635
Amounts paid on redemption of redeemable units	(333,328)	-
	<b>(280,271)</b>	<b>61,140</b>
<b>Distributions paid from:</b>		
Net investment income	(8,296)	(1,635)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(8,296)</b>	<b>(1,635)</b>
<b>Balance, end of period</b>	<b>291,101</b>	<b>67,591</b>

# Pender Alternative Absolute Return Fund

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

Six months ended June 30, 2024 and 2023

Class E	2024 (\$)	2023 (\$)
Balance, beginning of period	2,369,765	166,974
Increase (decrease) in net assets attributable to holders of redeemable units	114,339	10,109
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	309,797	312,658
Issued on reinvestment of distributions	119,697	14,962
Amounts paid on redemption of redeemable units	(33,795)	-
	<b>395,699</b>	<b>327,620</b>
<b>Distributions paid from:</b>		
Net investment income	(119,697)	(14,962)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(119,697)</b>	<b>(14,962)</b>
<b>Balance, end of period</b>	<b>2,760,106</b>	<b>489,741</b>

Class F	2024 (\$)	2023 (\$)
Balance, beginning of period	56,833,699	17,889,465
Increase (decrease) in net assets attributable to holders of redeemable units	2,657,992	754,007
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	46,199,531	43,330,243
Issued on reinvestment of distributions	1,673,776	665,225
Amounts paid on redemption of redeemable units	(23,067,409)	(17,102,197)
	<b>24,805,898</b>	<b>26,893,271</b>
<b>Distributions paid from:</b>		
Net investment income	(2,908,227)	(1,043,095)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(2,908,227)</b>	<b>(1,043,095)</b>
<b>Balance, end of period</b>	<b>81,389,362</b>	<b>44,493,648</b>

Class FF	2024 (\$)	2023 (\$)
Balance, beginning of period	73,805,414	75,546,678
Increase (decrease) in net assets attributable to holders of redeemable units	3,301,165	2,784,118
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	140,800	-
Issued on reinvestment of distributions	2,538,981	2,056,865
Amounts paid on redemption of redeemable units	(3,365,674)	(1,610,565)
	<b>(685,893)</b>	<b>446,300</b>
<b>Distributions paid from:</b>		
Net investment income	(3,303,907)	(2,757,489)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(3,303,907)</b>	<b>(2,757,489)</b>
<b>Balance, end of period</b>	<b>73,116,779</b>	<b>76,019,607</b>



# Pender Alternative Absolute Return Fund

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

Six months ended June 30, 2024 and 2023

Class F (USD)	2024 (\$)	2023 (\$)
Balance, beginning of period	1,268,550	106,584
Increase (decrease) in net assets attributable to holders of redeemable units	109,163	4,459
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	1,011,516	1,351,780
Issued on reinvestment of distributions	47,771	17,296
Amounts paid on redemption of redeemable units	(468,762)	(136,868)
	<b>590,525</b>	<b>1,232,208</b>
<b>Distributions paid from:</b>		
Net investment income	(63,611)	(25,027)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(63,611)</b>	<b>(25,027)</b>
<b>Balance, end of period</b>	<b>1,904,627</b>	<b>1,318,224</b>

Class H	2024 (\$)	2023 (\$)
Balance, beginning of period	9,405,115	3,778,446
Increase (decrease) in net assets attributable to holders of redeemable units	438,344	141,684
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	5,719,751	2,488,633
Issued on reinvestment of distributions	262,257	90,861
Amounts paid on redemption of redeemable units	(1,146,949)	(698,012)
	<b>4,835,059</b>	<b>1,881,482</b>
<b>Distributions paid from:</b>		
Net investment income	(449,172)	(157,258)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(449,172)</b>	<b>(157,258)</b>
<b>Balance, end of period</b>	<b>14,229,346</b>	<b>5,644,354</b>

Class H (USD)	2024 (\$)	2023 (\$)
Balance, beginning of period	535,977	7,076
Increase (decrease) in net assets attributable to holders of redeemable units	55,625	377
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	365,816	24,926
Issued on reinvestment of distributions	30,804	235
Amounts paid on redemption of redeemable units	(137,061)	-
	<b>259,559</b>	<b>25,161</b>
<b>Distributions paid from:</b>		
Net investment income	(33,655)	(1,050)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(33,655)</b>	<b>(1,050)</b>
<b>Balance, end of period</b>	<b>817,506</b>	<b>31,564</b>

# Pender Alternative Absolute Return Fund

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

Six months ended June 30, 2024 and 2023

Class I	2024 (\$)	2023 (\$)
Balance, beginning of period	234,010,717	52,440,463
Increase (decrease) in net assets attributable to holders of redeemable units	11,054,950	2,230,718
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	116,576,085	105,410,180
Issued on reinvestment of distributions	8,079,422	2,238,072
Amounts paid on redemption of redeemable units	(62,168,532)	(17,866,862)
	<b>62,486,975</b>	<b>89,781,390</b>
<b>Distributions paid from:</b>		
Net investment income	(11,330,046)	(3,462,185)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(11,330,046)</b>	<b>(3,462,185)</b>
<b>Balance, end of period</b>	<b>296,222,596</b>	<b>140,990,386</b>

Class I (USD)	2024 (\$)	2023 (\$)
Balance, beginning of period	10,512,261	957,489
Increase (decrease) in net assets attributable to holders of redeemable units	875,740	6,641
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	8,328,110	10,429,459
Issued on reinvestment of distributions	195,575	50,742
Amounts paid on redemption of redeemable units	(4,698,200)	(1,872,076)
	<b>3,825,485</b>	<b>8,608,125</b>
<b>Distributions paid from:</b>		
Net investment income	(553,999)	(158,574)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(553,999)</b>	<b>(158,574)</b>
<b>Balance, end of period</b>	<b>14,659,487</b>	<b>9,413,681</b>

Class N	2024 (\$)	2023 (\$)
Balance, beginning of period	4,795,515	269,572
Increase (decrease) in net assets attributable to holders of redeemable units	217,780	9,795
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	611,932	-
Issued on reinvestment of distributions	13,329	9,822
Amounts paid on redemption of redeemable units	(680)	-
	<b>624,581</b>	<b>9,822</b>
<b>Distributions paid from:</b>		
Net investment income	(225,683)	(9,822)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(225,683)</b>	<b>(9,822)</b>
<b>Balance, end of period</b>	<b>5,412,193</b>	<b>279,367</b>

# Pender Alternative Absolute Return Fund

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

Six months ended June 30, 2024 and 2023

Class O	2024 (\$)	2023 (\$)
Balance, beginning of period	3,757,149	3,965,791
Increase (decrease) in net assets attributable to holders of redeemable units	200,393	161,100
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	624,000	-
Issued on reinvestment of distributions	195,793	161,423
Amounts paid on redemption of redeemable units	(233,000)	(450,000)
	<b>586,793</b>	<b>(288,577)</b>
<b>Distributions paid from:</b>		
Net investment income	(195,793)	(161,423)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(195,793)</b>	<b>(161,423)</b>
<b>Balance, end of period</b>	<b>4,348,542</b>	<b>3,676,891</b>
Total Fund	2024 (\$)	2023 (\$)
Balance, beginning of period	418,704,789	167,751,813
Increase (decrease) in net assets attributable to holders of redeemable units	19,917,198	6,515,673
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	188,421,273	167,390,358
Issued on reinvestment of distributions	13,771,405	5,570,495
Amounts paid on redemption of redeemable units	(101,199,753)	(40,765,868)
	<b>100,992,925</b>	<b>132,194,985</b>
<b>Distributions paid from:</b>		
Net investment income	(20,060,874)	(8,229,219)
Realized gains on sale of investments	-	-
Return of capital	-	-
	<b>(20,060,874)</b>	<b>(8,229,219)</b>
<b>Balance, end of period</b>	<b>519,554,038</b>	<b>298,233,252</b>

# Pender Alternative Absolute Return Fund

## Statements of Cash Flows (Unaudited)

Six months ended June 30, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	19,917,198	6,515,673
<b>Adjustments for:</b>		
Interest for distribution purposes	(22,541,005)	(9,803,159)
Dividend income	(245,036)	(26,395)
Dividend and interest expense on securities sold short	5,105,476	2,527,248
Foreign exchange (gain) loss	(397,246)	1,010,044
Net realized (gain) loss on sale of investments	(10,871,146)	(6,033,231)
Net change in unrealized (appreciation) depreciation of investments	(1,590,286)	5,608,721
Derivative assets and liabilities	4,605,107	(1,055,160)
Performance fees payable	951,160	242,954
Management and administration fees payable	98,640	(304,849)
Accrued expenses	157,482	-
	<b>(4,809,656)</b>	<b>(1,318,154)</b>
Proceeds on disposal of investments	834,434,309	598,058,289
Amounts paid on purchase of investments	(926,018,714)	(678,934,032)
Dividend and interest expense paid on securities sold short	(5,408,973)	(1,645,692)
Dividends received	245,036	14,875
Interest received	19,657,815	7,908,801
	<b>(81,900,183)</b>	<b>(75,915,913)</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	173,082,396	165,171,178
Amounts paid on redemption of redeemable units	(84,681,702)	(38,594,382)
Distributions paid to unitholders	(6,289,469)	(2,094,382)
	<b>82,111,225</b>	<b>124,482,414</b>
Net increase (decrease) in cash	211,042	48,566,501
Cash (Bank overdraft), beginning of period	42,386,702	70,281,559
Effect of exchange rate fluctuations on cash	397,246	(1,010,044)
<b>Cash (Bank overdraft), end of period</b>	<b>42,994,990</b>	<b>117,838,016</b>

# Pender Alternative Absolute Return Fund

## Schedule of Investment Portfolio (Unaudited)

June 30, 2024

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS</b>				
<b>Corporate bonds and loans:</b>				
<b>Canada (46.7%):</b>				
AltaGas Ltd., Callable, 8.90%, 2083/11/10	CAD	4,000,000	4,000,000	4,299,897
Bank of Montreal, Callable, 7.70%, 2084/05/26	USD	2,000,000	2,714,300	2,790,288
Canadian Imperial Bank of Commerce, Series '57', Variable Rate, Perpetual, 7.34%, 2049/12/31	CAD	3,500,000	3,500,000	3,528,490
Capital Power Corporation, Callable, 7.95%, 2082/09/09	CAD	2,000,000	2,007,500	2,051,508
Capital Power Corporation, Variable Rate, Convertible, Callable, 8.13%, 2054/06/05	CAD	14,000,000	14,100,000	14,285,489
CI Financial Corp., Callable, 3.20%, 2030/12/17	USD	3,000,000	3,228,075	3,246,875
Empire Communities Corp., Callable, 9.75%, 2029/05/01	USD	1,000,000	1,377,150	1,399,515
Enbridge Inc., Callable, 5.38%, 2077/09/27	CAD	3,000,000	2,775,000	2,921,870
Enbridge Inc., Callable, 6.63%, 2078/04/12	CAD	1,097,000	1,070,178	1,114,580
Enbridge Inc., Restricted, Callable, 5.00%, 2082/01/19	CAD	3,000,000	2,573,850	2,691,848
Ford Credit Canada Co., 4.46%, 2024/11/13	CAD	242,000	235,043	241,204
G. Cooper Equipment Rentals Ltd., Callable, 7.45%, 2029/07/04	CAD	7,000,000	7,000,000	7,000,000
Keyera Corp., Callable, 6.88%, 2079/06/13	CAD	6,000,000	5,733,750	6,008,781
Keyera Corp., Callable, 5.95%, 2081/03/10	CAD	10,000,000	8,687,100	9,463,674
Mattamy Group Corporation, 4.63%, 2028/03/01	CAD	9,906,000	8,771,745	9,430,306
Matr Corp., Callable, 7.25%, 2031/04/02	CAD	12,000,000	12,037,500	12,250,000
Northland Power Inc., Callable, 9.25%, 2083/06/30	CAD	7,000,000	6,930,980	7,400,330
Parkland Corporation, Callable, 4.38%, 2029/03/26	CAD	35,504,000	31,814,385	33,217,986
Precision Drilling Corporation, Callable, 7.13%, 2026/01/15	USD	1,158,000	1,538,488	1,607,791
Royal Bank of Canada, Callable, 4.50%, 2080/11/24	CAD	7,500,000	7,036,625	7,316,786
Royal Bank of Canada, Callable, 3.65%, 2081/11/24	CAD	10,000,000	7,638,750	8,319,742
Saturn Oil & Gas Inc., Callable, 9.63%, 2029/06/15	USD	10,000,000	13,701,978	13,875,516
SECURE Energy Services Inc., 6.75%, 2029/03/22	CAD	10,000,000	10,022,500	10,118,750
Tamarack Valley Energy Ltd., Callable, 7.25%, 2027/05/10	CAD	9,000,000	8,744,000	9,071,250
Teine Energy Ltd., Callable, 6.88%, 2029/04/15	USD	7,485,000	9,246,722	10,044,366
The Bank of Nova Scotia, Series '1', Callable, 3.70%, 2081/07/27	CAD	4,000,000	2,946,667	3,282,471
The Toronto-Dominion Bank, Series '1', Callable, 3.60%, 2081/10/31	CAD	13,000,000	9,544,641	10,829,923
The Toronto-Dominion Bank, Variable Rate, Callable, 7.25%, 2084/07/31	USD	3,000,000	4,096,350	4,061,323
TransCanada Trust, Series '2017-A', Callable, 4.65%, 2077/05/18	CAD	14,000,000	12,415,650	13,419,405
Veren Inc., Callable, 4.97%, 2029/06/21	CAD	1,000,000	1,000,000	995,581
Vermilion Energy Inc., Callable, 5.63%, 2025/03/15	USD	2,138,000	2,852,404	2,920,036
Vermilion Energy Inc., Callable, 6.88%, 2030/05/01	USD	7,439,000	9,581,275	10,050,009
Videotron Ltd., Callable, 5.75%, 2026/01/15	CAD	13,500,000	13,520,501	13,514,032
Videotron Ltd., Callable, 3.63%, 2028/06/15	CAD	16,000	13,880	15,337
			<b>232,456,987</b>	<b>242,784,959</b>
<b>United States (54.0%):</b>				
1011778 B.C. Unlimited Liability Company, Term Loan, 7.08%, 2030/09/20	USD	1,000,000	1,353,556	1,366,319
Austin Fairmont Hotel Trust, Series 2019-FAIR, Class 'D', Floating Rate, Callable, 7.17%, 2032/09/15	USD	3,000,000	3,960,860	4,094,641
Builders FirstSource Inc., Callable, 6.38%, 2034/03/01	USD	5,000,000	6,765,399	6,784,577
Cable One Inc., Convertible, Callable, 1.13%, 2028/03/15	USD	10,000,000	10,142,755	10,223,151

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

# Pender Alternative Absolute Return Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2024

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
<b>United States (54.0%): (cont'd)</b>				
Cable One Inc., Zero Coupon, Convertible, Callable, 2026/03/15	USD	3,175,000	3,804,646	3,822,332
Caesars Entertainment Inc., Term Loan, 8.10%, 2026/12/31	USD	3,000,000	4,051,554	4,112,481
CrownRock L.P. / CrownRock Finance Inc., Callable, 5.63%, 2025/10/15	USD	20,000,000	26,911,318	27,314,505
Entergy Corp., Variable Rate, Convertible, Callable, 7.13%, 2054/12/01	USD	1,000,000	1,360,900	1,359,584
Four Seasons Hotels Inc., Term Loan, 7.33%, 2029/11/30	USD	7,051,573	9,558,957	9,700,493
Greystar Real Estate Partners, LLC, Term Loan, 8.58%, 2030/08/21	USD	8,187,134	11,139,346	11,270,412
Hilton Domestic Operating Company Inc., Callable, 6.13%, 2032/04/01	USD	4,976,000	6,767,868	6,850,378
Hilton Domestic Operating Company Inc., Term Loan, 7.10%, 2030/11/03	USD	27,715,110	37,674,895	37,997,175
Hilton USA Trust, Class 'D', Series '16-HHV', 4.33%, 2038/11/05	USD	640,000	776,486	827,873
Hilton USA Trust, Class 'E', Series '16-HHV', 4.19%, 2038/11/05	USD	2,925,000	3,594,967	3,743,881
Hilton USA Trust, Class 'F', Series '16-HHV', 4.33%, 2038/11/05	USD	14,444,000	17,556,790	18,353,293
Hudson Pacific Properties, L.P., Callable, 3.25%, 2030/01/15	USD	9,414,000	8,869,122	8,911,504
Legends Hospitality Co-Issuer, Inc., 5.00%, 2026/02/01	USD	13,065,000	17,557,187	17,726,206
Life Time Inc., 5.75%, 2026/01/15	USD	8,308,000	11,056,914	11,322,888
Live Nation Entertainment, Inc., Callable, 4.88%, 2024/11/01	USD	2,000,000	2,652,455	2,729,892
Macy's Retail Holdings LLC, 6.90%, 2029/04/01	USD	1,000,000	1,238,226	1,311,980
Macy's Retail Holdings LLC, 6.70%, 2034/07/15	USD	5,300,000	5,883,819	6,228,392
Macy's Retail Holdings LLC, 6.38%, 2037/03/15	USD	6,155,000	7,093,787	7,627,530
RHP Hotel Properties L.P. / RHP Finance Corp., Callable, 6.50%, 2032/04/01	USD	2,000,000	2,710,267	2,742,486
RHP Hotel Properties L.P., Term Loan, 8.08%, 2030/05/18	USD	3,000,000	4,087,320	4,122,106
Spirit AeroSystems Inc., Callable, 4.60%, 2028/06/15	USD	2,300,000	2,877,337	2,950,199
THOR Industries, Inc., Term Loan, 8.09%, 2030/11/15	USD	777,778	1,068,586	1,068,029
TransDigm Inc., Term Loan, 8.08%, 2028/08/24	USD	2,977,500	3,975,866	4,085,345
TransDigm Inc., Term Loan, 8.06%, 2030/03/22	USD	6,206,944	8,379,877	8,517,096
TransDigm Inc., Term Loan, 7.84%, 2031/02/28	USD	10,473,750	14,331,686	14,375,182
XHR LP, Callable, 6.38%, 2025/08/15	USD	28,857,000	39,518,585	39,515,756
			<b>276,721,331</b>	<b>281,055,686</b>
<b>Foreign (4.9%):</b>				
Seadrill Finance Limited, Callable, 8.38%, 2030/08/01	USD	2,000,000	2,696,124	2,861,126
Sensata Technologies BV, 5.00%, 2025/10/01	USD	9,609,000	12,917,015	13,260,862
Stena International SA, Callable, 7.25%, 2031/01/15	USD	2,500,000	3,356,623	3,499,503
Stena International SA, Callable, 7.63%, 2031/02/15	USD	4,225,000	5,696,834	5,921,084
			<b>24,666,596</b>	<b>25,542,575</b>
<b>Total corporate bonds and loans (105.6%)</b>			<b>533,844,914</b>	<b>549,383,220</b>
<b>Short-term investments (42.1%):</b>				
Government of Canada, 4.99%, 2024/07/04	CAD	15,000,000	14,636,550	14,636,550
Government of Canada, 4.91%, 2024/07/18	CAD	25,000,000	24,711,500	24,711,500

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

# Pender Alternative Absolute Return Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2024

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
<b>Short-term investments (42.1%): (cont'd)</b>				
Government of Canada, 5.00%, 2024/08/01	CAD	30,000,000	29,349,900	29,349,900
Government of Canada, 4.90%, 2024/08/15	CAD	30,000,000	29,615,100	29,615,100
Government of Canada, 4.82%, 2024/10/24	CAD	20,000,000	19,587,000	19,587,000
United States Treasury, 5.32%, 2024/09/03	USD	30,000,000	40,378,156	40,336,654
United States Treasury, 5.18%, 2024/09/10	USD	15,000,000	20,159,013	20,165,647
United States Treasury, 5.18%, 2024/09/17	USD	10,000,000	13,380,872	13,443,764
United States Treasury, 5.30%, 2024/11/07	USD	20,000,000	26,735,309	26,648,626
			<b>218,553,400</b>	<b>218,494,741</b>
<b>Preferred shares (1.4%):</b>				
Capital Power Corporation, Series '11', 5.75%	CAD	47,600	1,190,640	1,190,000
Enbridge Inc., Series 'H', 6.11%	CAD	26,800	423,780	509,200
Enbridge Inc., Series 'N', 6.70%	CAD	15,000	257,850	313,350
Enbridge Inc., Series 'R', 6.31%	CAD	60,000	925,767	1,155,000
Enbridge Inc., Series '3', 3.74%	CAD	125,300	1,754,853	2,216,557
Enbridge Inc., Series '7', 5.99%	CAD	22,400	348,096	423,808
The Toronto-Dominion Bank, Series '24', 5.10%	CAD	52,600	1,313,379	1,328,150
			<b>6,214,365</b>	<b>7,136,065</b>
<b>Total long positions (149.1%)</b>			<b>758,612,679</b>	<b>775,014,026</b>
<b>SHORT POSITIONS</b>				
<b>Corporate bonds and loans:</b>				
<b>Canada (-6.7%):</b>				
Baytex Energy Corp., Callable, 7.38%, 2032/03/15	USD	(6,000,000)	(8,322,109)	(8,378,540)
Parkland Corporation, Callable, 4.50%, 2029/10/01	USD	(5,000,000)	(5,844,028)	(6,273,296)
Parkland Corporation, Callable, 4.63%, 2030/05/01	USD	(5,903,000)	(7,083,791)	(7,380,855)
Precision Drilling Corporation, Callable, 6.88%, 2029/01/15	USD	(2,000,000)	(2,732,668)	(2,705,688)
Rogers Communications Inc., Callable, 2.90%, 2030/12/09	CAD	(8,000,000)	(7,105,130)	(7,143,856)
Royal Bank of Canada, Series '2', Callable, 4.00%, 2081/02/24	CAD	(1,500,000)	(1,320,000)	(1,438,909)
Superior Plus L.P., Callable, 4.50%, 2029/03/15	USD	(1,259,000)	(1,580,813)	(1,585,515)
			<b>(33,988,539)</b>	<b>(34,906,659)</b>
<b>United States (-15.4%):</b>				
Asbury Automotive Group, Inc., Callable, 4.63%, 2029/11/15	USD	(3,000,000)	(3,549,228)	(3,799,036)
Asbury Automotive Group, Inc., Callable, 4.75%, 2030/03/01	USD	(2,000,000)	(2,484,504)	(2,539,735)
Ball Corporation, Callable, 3.13%, 2031/09/15	USD	(16,696,000)	(18,566,826)	(19,341,033)
Cedar Fair, L.P., Callable, 5.25%, 2029/07/15	USD	(3,000,000)	(3,816,023)	(3,940,622)
Park Intermediate Holdings LLC, Callable, 4.88%, 2029/05/15	USD	(8,000,000)	(10,202,814)	(10,268,628)
RLJ Lodging Trust L.P., Callable, 4.00%, 2029/09/15	USD	(10,913,000)	(12,417,200)	(13,204,403)
Sirius XM Holdings Inc., Callable, 4.13%, 2030/07/01	USD	(2,000,000)	(2,361,835)	(2,339,346)
Sirius XM Holdings Inc., Callable, 3.88%, 2031/09/01	USD	(8,000,000)	(8,848,541)	(8,940,232)
THOR Industries, Inc., Callable, 4.00%, 2029/10/15	USD	(3,787,000)	(4,453,262)	(4,549,680)
Yum! Brands, Inc., Callable, 3.63%, 2031/03/15	USD	(9,157,000)	(10,354,156)	(11,066,206)
			<b>(77,054,389)</b>	<b>(79,988,921)</b>
<b>Total corporate bonds and loans (-22.1%)</b>			<b>(111,042,928)</b>	<b>(114,895,580)</b>
<b>Government bonds (-5.2%):</b>				
United States Treasury, 1.25%, 2031/08/15	USD	(2,600,000)	(3,179,290)	(2,889,721)

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

# Pender Alternative Absolute Return Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2024

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
<b>Government bonds (-5.2%): (cont'd)</b>				
United States Treasury, 1.38%, 2031/11/15	USD	(6,000,000)	(7,303,384)	(6,664,114)
United States Treasury, 1.88%, 2032/02/15	USD	(3,000,000)	(3,560,190)	(3,439,150)
United States Treasury, 2.88%, 2032/05/15	USD	(6,000,000)	(7,715,818)	(7,408,953)
United States Treasury, 4.13%, 2032/11/15	USD	(2,000,000)	(2,816,444)	(2,695,059)
United States Treasury, 3.50%, 2033/02/15	USD	(3,000,000)	(4,085,888)	(3,854,214)
			<b>(28,661,014)</b>	<b>(26,951,211)</b>
<b>Exchange-traded fund(s) (-26.1%):</b>				
Invesco QQQ Trust, Series '1'	USD	(36,000)	(16,420,450)	(23,596,072)
iShares iBoxx High Yield Corporate Bond ETF	USD	(270,000)	(27,416,937)	(28,493,472)
iShares Russell 2000 ETF	USD	(70,000)	(17,667,860)	(19,429,457)
SPDR Bloomberg High Yield Bond ETF	USD	(210,000)	(26,121,545)	(27,082,875)
SPDR S&P 500 ETF Trust	USD	(50,000)	(28,922,524)	(37,226,008)
			<b>(116,549,316)</b>	<b>(135,827,884)</b>
<b>Equities (-0.6%):</b>				
Artis Real Estate Investment Trust	CAD	(132,000)	(879,736)	(842,160)
Cable One Inc.	USD	(4,500)	(2,774,339)	(2,179,304)
			<b>(3,654,075)</b>	<b>(3,021,464)</b>
<b>Total short positions (-54.0%)</b>			<b>(259,907,333)</b>	<b>(280,696,139)</b>
Less: Transaction costs included in cost of investments			(11,423)	
<b>Total investments (95.1%)</b>			<b>498,693,923</b>	<b>494,317,887</b>
	Contract rate	Pay	Receive	Unrealized gain (loss)
<b>Derivative liabilities:</b>				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2024/08/20	1.35	USD 45,000,000	CAD 60,947,100	(544,311)
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2024/12/05	1.36	USD 92,000,000	CAD 124,838,480	(542,412)
<b>Total derivative liabilities (-0.2%):</b>				<b>(1,086,723)</b>
Cash (Bank overdraft) (8.3%)				42,994,990
Other assets less liabilities (-3.2%)				(16,672,116)
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>519,554,038</b>



# Pender Alternative Arbitrage Fund

## Statements of Financial Position (Unaudited)

June 30, 2024 and December 31, 2023

	2024 (\$)	2023 (\$)
<b>Assets</b>		
Cash	5,334,941	11,601,596
Receivable for investments sold	-	3,011
Subscriptions receivable	-	203
Derivative assets	-	480,016
Investments	16,050,107	11,867,440
	<b>21,385,048</b>	<b>23,952,266</b>
<b>Liabilities</b>		
Management and administration fees payable (note 4)	13,305	16,536
Payable for investments purchased	-	252,834
Redemptions payable to holders of redeemable units	-	103,346
Payable for interest and dividends on short securities	1,232	2,350
Accrued expenses	1,204	-
Derivative liabilities	80,747	-
Performance fees payable (note 4)	66,247	31,728
Investments sold short	2,163,892	1,498,943
	<b>2,326,627</b>	<b>1,905,737</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>19,058,421</b>	<b>22,046,529</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	118,786	131,552
Class AF	2,135,626	2,465,820
Class E	174,705	169,732
Class F	1,652,441	1,679,004
Class FF	9,008,040	10,264,913
Class F (USD)	14,300	13,499
Class H	171,049	176,338
Class I	1,556,743	2,705,799
Class I (USD)	441,093	399,993
Class O	3,785,638	4,039,879
	<b>19,058,421</b>	<b>22,046,529</b>

# Pender Alternative Arbitrage Fund

## Statements of Financial Position (Unaudited) (cont'd)

June 30, 2024 and December 31, 2023

	2024 (\$)	2023 (\$)
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	9.73	9.58
Class AF	10.24	10.06
Class E	9.54	9.31
Class F	10.02	9.82
Class FF	10.29	10.06
Class F (USD)	13.32	12.57
Class H	9.97	9.80
Class I	10.09	9.88
Class I (USD)	12.99	12.26
Class O	10.42	10.11

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

*(signed) "David Barr"*

**David Barr**  
Director

*(signed) "Felix Narhi"*

**Felix Narhi**  
Director

# Pender Alternative Arbitrage Fund

## Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Revenue</b>		
Interest for distribution purposes	202,773	85,987
Dividend income	225,625	164,808
Dividend and interest expense on securities sold short	(40,536)	(7,636)
Foreign exchange gain (loss)	358,402	(26,126)
<b>Changes in fair value of investments and derivatives:</b>		
Net realized gain (loss)	493,570	515,467
Net change in unrealized appreciation (depreciation)	(530,937)	(454,436)
<b>Total revenue</b>	<b>708,897</b>	<b>278,064</b>
<b>Expenses</b>		
Performance fees (note 4)	66,247	13,534
Management fees (note 4)	48,947	44,558
Administration fees (note 4)	38,260	63,684
Withholding taxes (note 5)	35,437	73,627
Transaction costs	25,614	30,765
Interest and borrow fees expense	7,123	8,647
Independent review committee fees	173	268
<b>Total expenses</b>	<b>221,801</b>	<b>235,083</b>
Less: Fees waived and expenses absorbed by the Manager (note 4)	(173)	(268)
<b>Net expenses</b>	<b>221,628</b>	<b>234,815</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>487,269</b>	<b>43,249</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	1,864	(856)
Class AF	43,033	(8,039)
Class A (USD)	-	(49)
Class E	4,114	342
Class F	31,932	(3,573)
Class FF	215,005	30,222
Class F (USD)	801	(189)
Class H	2,985	(714)
Class H (USD)	-	(42)
Class I	45,754	3,281
Class I (USD)	24,022	(5,694)
Class N	-	(38)
Class O	117,759	28,598
	<b>487,269</b>	<b>43,249</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.14	(0.06)
Class AF	0.18	(0.04)
Class A (USD)	-	(0.10)
Class E	0.22	0.02
Class F	0.19	(0.01)
Class FF	0.23	0.03
Class F (USD)	0.75	(0.21)
Class H	0.17	(0.05)
Class H (USD)	-	(0.09)
Class I	0.21	0.02
Class I (USD)	0.73	(0.40)
Class N	-	(0.07)
Class O	0.31	0.07

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

# Pender Alternative Arbitrage Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2024 and 2023

	2024	2023
Class A	(\$)	(\$)
Balance, beginning of period	131,552	91,098
Increase (decrease) in net assets attributable to holders of redeemable units	1,864	(856)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	11,940	87,409
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(26,570)	(49,207)
	<b>(14,630)</b>	<b>38,202</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>118,786</b>	<b>128,444</b>
Class AF	2024	2023
	(\$)	(\$)
Balance, beginning of period	2,465,820	2,550,845
Increase (decrease) in net assets attributable to holders of redeemable units	43,033	(8,039)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	3,251
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(373,227)	(51,676)
	<b>(373,227)</b>	<b>(48,425)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>2,135,626</b>	<b>2,494,381</b>
Class A (USD)	2024	2023
	(\$)	(\$)
Balance, beginning of period	-	6,846
Increase (decrease) in net assets attributable to holders of redeemable units	-	(49)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	8
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(6,805)
	-	<b>(6,797)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>-</b>	<b>-</b>

# Pender Alternative Arbitrage Fund

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

Six months ended June 30, 2024 and 2023

	2024	2023
	(\$)	(\$)
Class E		
Balance, beginning of period	169,732	83,513
Increase (decrease) in net assets attributable to holders of redeemable units	4,114	342
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	859	100,075
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	<b>859</b>	<b>100,075</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>174,705</b>	<b>183,930</b>
Class F		
Balance, beginning of period	1,679,004	2,579,143
Increase (decrease) in net assets attributable to holders of redeemable units	31,932	(3,573)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	162,033	853,540
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(220,528)	(1,473,656)
	<b>(58,495)</b>	<b>(620,116)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>1,652,441</b>	<b>1,955,454</b>
Class FF		
Balance, beginning of period	10,264,913	15,012,027
Increase (decrease) in net assets attributable to holders of redeemable units	215,005	30,222
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	27,827	18,515
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(1,499,705)	(1,077,251)
	<b>(1,471,878)</b>	<b>(1,058,736)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>9,008,040</b>	<b>13,983,513</b>

# Pender Alternative Arbitrage Fund

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

Six months ended June 30, 2024 and 2023

	2024	2023
Class F (USD)	(\$)	(\$)
Balance, beginning of period	13,499	6,836
Increase (decrease) in net assets attributable to holders of redeemable units	801	(189)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	6,690
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	-	<b>6,690</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>14,300</b>	<b>13,337</b>
Class H	2024	2023
	(\$)	(\$)
Balance, beginning of period	176,338	165,591
Increase (decrease) in net assets attributable to holders of redeemable units	2,985	(714)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	10,244
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(8,274)	-
	<b>(8,274)</b>	<b>10,244</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>171,049</b>	<b>175,121</b>
Class H (USD)	2024	2023
	(\$)	(\$)
Balance, beginning of period	-	6,850
Increase (decrease) in net assets attributable to holders of redeemable units	-	(42)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	11
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(6,819)
	-	<b>(6,808)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>-</b>	<b>-</b>

# Pender Alternative Arbitrage Fund

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

Six months ended June 30, 2024 and 2023

Class I	2024 (\$)	2023 (\$)
Balance, beginning of period	2,705,799	1,236,923
Increase (decrease) in net assets attributable to holders of redeemable units	45,754	3,281
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	55,000	2,309,344
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(1,249,810)	(185,013)
	<b>(1,194,810)</b>	<b>2,124,331</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>1,556,743</b>	<b>3,364,535</b>

Class I (USD)	2024 (\$)	2023 (\$)
Balance, beginning of period	399,993	6,869
Increase (decrease) in net assets attributable to holders of redeemable units	24,022	(5,694)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	17,078	337,538
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	<b>17,078</b>	<b>337,538</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>441,093</b>	<b>338,713</b>

Class N	2024 (\$)	2023 (\$)
Balance, beginning of period	-	5,312
Increase (decrease) in net assets attributable to holders of redeemable units	-	(38)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	7
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(5,281)
	-	<b>(5,274)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>-</b>	<b>-</b>

# Pender Alternative Arbitrage Fund

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

Six months ended June 30, 2024 and 2023

Class O	2024 (\$)	2023 (\$)
Balance, beginning of period	4,039,879	5,099,999
Increase (decrease) in net assets attributable to holders of redeemable units	117,759	28,598
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	350,414
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(372,000)	(1,382,466)
	<b>(372,000)</b>	<b>(1,032,052)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>3,785,638</b>	<b>4,096,545</b>
	2024	2023
	(\$)	(\$)
Total Fund		
Balance, beginning of period	22,046,529	26,851,852
Increase (decrease) in net assets attributable to holders of redeemable units	487,269	43,249
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	274,737	4,077,046
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(3,750,114)	(4,238,174)
	<b>(3,475,377)</b>	<b>(161,128)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>19,058,421</b>	<b>26,733,973</b>



# Pender Alternative Arbitrage Fund

## Statements of Cash Flows (Unaudited)

Six months ended June 30, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	487,269	43,249
<b>Adjustments for:</b>		
Interest for distribution purposes	(202,773)	(85,987)
Dividend income	(225,624)	(164,808)
Dividend and interest expense on securities sold short	40,536	7,636
Foreign exchange (gain) loss	(358,402)	26,126
Net realized (gain) loss on sale of investments	(706,628)	(307,790)
Net change in unrealized (appreciation) depreciation of investments	(29,825)	701,111
Other receivable	-	5,812
Derivative assets and liabilities	560,762	(246,675)
Performance fees payable	34,519	(8,688)
Management and administration fees payable	(3,231)	(5,178)
Interest and borrow fees expense	1,204	-
	<b>(402,193)</b>	<b>(35,192)</b>
Proceeds on disposal of investments	37,546,528	54,285,606
Amounts paid on purchase of investments	(40,577,616)	(54,837,577)
Dividend and interest expense paid on securities sold short	(41,654)	(7,997)
Dividends received	225,625	167,754
Interest received	202,773	85,987
	<b>(3,046,537)</b>	<b>(341,419)</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	172,309	3,224,599
Amounts paid on redemption of redeemable units	(3,750,829)	(3,742,769)
	<b>(3,578,520)</b>	<b>(518,170)</b>
Net increase (decrease) in cash	(6,625,057)	(859,589)
Cash (Bank overdraft), beginning of period	11,601,596	5,294,479
Effect of exchange rate fluctuations on cash	358,402	(26,126)
<b>Cash (Bank overdraft), end of period</b>	<b>5,334,941</b>	<b>4,408,764</b>

# Pender Alternative Arbitrage Fund

## Schedule of Investment Portfolio (Unaudited)

June 30, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS</b>				
<b>Equities:</b>				
<b>Banks (4.3%):</b>				
Affinity Bancshares Inc.		5,000	140,514	145,013
California BanCorp.		6,600	188,416	194,126
Codorus Valley Bancorp Inc.		6,700	219,274	220,349
Heartland Financial USA Inc.		4,200	241,002	255,401
			<b>789,206</b>	<b>814,889</b>
<b>Communication services (3.3%):</b>				
ABIOMED, Inc., Rights		400	-	-
Consolidated Communications Holdings Inc.		40,980	229,655	246,676
Endeavor Group Holdings Inc., Class 'A'		10,300	369,480	380,877
			<b>599,135</b>	<b>627,553</b>
<b>Consumer discretionary (5.7%):</b>				
The Aaron's Co. Inc.		4,894	66,510	66,818
Allego NV		39,500	90,881	90,784
GAN Ltd.		41,475	91,395	83,691
Hibbett Inc.		1,600	188,155	190,892
Park Lawn Corp.		15,000	388,650	390,150
PlayAGS Inc.		9,700	153,609	152,606
Vista Outdoor Inc.		2,200	97,974	113,316
			<b>1,077,174</b>	<b>1,088,257</b>
<b>Consumer staples (2.7%):</b>				
Albertsons Cos. Inc., Class 'A'		5,300	149,832	143,201
Neighbourly Pharmacy Inc., CVR		24,100	1,253	1,253
Whole Earth Brands Inc.		56,600	364,883	376,318
			<b>515,968</b>	<b>520,772</b>
<b>Energy (4.2%):</b>				
Chord Energy Corp.		4	961	918
Hess Corp.		700	142,041	141,270
Overseas Shipholding Group, Inc.		13,388	154,748	155,315
Southwestern Energy Co.		38,800	382,884	357,231
Superior Drilling Products Inc.		135	155	240
US Silica Holdings Inc.		6,800	143,245	143,727
			<b>824,034</b>	<b>798,701</b>
<b>Financial services (13.1%):</b>				
Acropolis Infrastructure Acquisition Corp., CVR		15,500	-	-
AP Acquisition Corp.		15,300	240,607	240,290
Aquaron Acquisition Corp.		9,900	149,447	148,439
byNordic Acquisition Corp.		2,071	31,457	31,987
Clean Energy Special Situations Corp.		95	1,367	1,384
Clover Leaf Capital Corp., Class 'A'		383	5,995	6,392
Colombier Acquisition Corp. II		9,195	125,912	131,013
Compass Digital Acquisition Corp.		3	45	45
Constellation Acquisition Corp. I, Class 'A'		47	709	768
Crixus BH3 Acquisition Co., Class 'A'		7,696	111,467	112,129
Crown PropTech Acquisitions, Class 'A'		7,400	107,036	109,132
dMY Squared Technology Group Inc., Class 'A'		6,117	89,453	89,709
DUET Acquisition Corp., Class 'A'		138	2,017	2,110
Generation Asia I Acquisition Ltd., Class 'A'		18,863	289,085	290,312
Graf Global Corp.		4,800	65,762	65,672

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

# Pender Alternative Arbitrage Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>Financial services (13.1%): (cont'd)</b>				
Horizon Space Acquisition I Corp.		6,500	97,565	98,260
Inflection Point Acquisition Corp. II, Class 'A'		11,839	161,425	171,681
International Media Acquisition Corp., Class 'A'		1,480	22,931	23,487
Keen Vision Acquisition Corp.		20,100	290,429	290,954
Metal Sky Star Acquisition Corp.		7,400	109,977	114,751
Northern Star Investment Corp. II, Class 'A'		6,686	92,459	91
Nuvei Corp.		11,200	491,815	496,132
Qomolangma Acquisition Corp.		15	222	216
Quetta Acquisition Corp.		3,008	42,518	42,591
RMG Acquisition Corp. III, Class 'A'		64	866	858
SilverBox Corp. III, Class 'A'		700	9,497	10,151
TLGY Acquisition Corp. Class 'A'		80	1,252	1,248
Welsbach Technology Metals Acquisition Corp.		1,010	15,325	15,323
			<b>2,556,640</b>	<b>2,495,125</b>
<b>Health care (11.5%):</b>				
Akili Inc.		218,511	124,535	129,947
Alimera Sciences Inc.		18,800	142,000	143,000
Atrion Corp.		500	311,312	309,473
Axonics Inc.		1,600	147,217	147,158
Calliditas Therapeutics AB, ADR		2,900	153,836	154,687
Catalent Inc.		1,400	108,151	107,696
Cerevel Therapeutics Holdings Inc., Class 'A'		4,200	236,139	234,946
CinCor Pharma Inc., CVR		6,789	28,479	28,420
Fusion Pharmaceuticals Inc., CVR		18,300	13,779	13,769
Icosavax Inc., CVR		15,482	6,554	6,566
Jounce Therapeutics, Inc., CVR		155,970	-	-
Mirati Therapeutics Inc., CVR		3,630	-	-
Miromatrix Medical Inc., CVR		33,785	6,477	6,471
Olink Holding AB, ADR		3,847	130,104	134,098
Silk Road Medical Inc.		5,100	187,496	188,660
SurModics Inc.		5,100	293,576	293,315
Taro Pharmaceutical Industries Ltd.		4,800	273,729	282,366
Zynerba Pharmaceuticals Inc., CVR		45,850	12,190	12,175
			<b>2,175,574</b>	<b>2,192,747</b>
<b>Industrials (5.2%):</b>				
Encore Wire Corp.		600	229,748	237,901
Hawaiian Holdings Inc.		4,600	83,079	78,222
McGrath Rentcorp.		600	101,159	87,459
Stericycle Inc.		3,500	283,271	278,337
Stratasys Ltd.		13,450	324,814	154,378
UGE International Ltd.		84,995	154,248	161,491
			<b>1,176,319</b>	<b>997,788</b>
<b>Information technology (16.8%):</b>				
Copperleaf Technologies Inc.		36,690	433,817	434,777
DecisionPoint Systems Inc.		30,654	423,262	427,749
Everbridge Inc.		12,200	576,134	583,991
HashiCorp Inc., Class 'A'		4,200	190,300	193,576
Juniper Networks Inc.		2,000	100,618	99,758
Matterport Inc.		45,000	284,629	275,183
Model N Inc.		14,000	569,295	574,581

# Pender Alternative Arbitrage Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>Information technology (16.8%): (cont'd)</b>				
Perficient Inc.		1,900	190,927	194,401
PowerSchool Holdings Inc., Class 'A'		7,289	223,502	223,267
WalkMe Ltd.		10,100	189,958	193,028
			<b>3,182,442</b>	<b>3,200,311</b>
<b>Insurance (3.9%):</b>				
National Western Life Group Inc., Class 'A'		530	347,718	360,315
Vericity Inc.		24,515	367,453	383,336
			<b>715,171</b>	<b>743,651</b>
<b>Materials (7.4%):</b>				
Adventus Mining Corp.		792,900	367,132	360,770
Argonaut Gold Inc.		730,928	312,196	314,299
Haynes International Inc.		4,200	338,111	337,279
HighGold Mining Inc.		148,544	81,727	69,816
Karora Resources Inc.		32,000	189,282	190,720
Osino Resources Corp.		81,630	143,431	143,669
			<b>1,431,879</b>	<b>1,416,553</b>
<b>Real estate (3.3%)</b>				
Apartment Income REIT Corp.		9,800	518,763	524,478
Doma Holdings Inc.		11,440	94,605	94,998
			<b>613,368</b>	<b>619,476</b>
<b>Utilities (2.8%)</b>				
Allete Inc.		1,820	157,588	155,242
Atlantica Sustainable Infrastructure plc		12,424	373,683	373,077
			<b>531,271</b>	<b>528,319</b>
<b>Total equities (long) (84.2%)</b>			<b>16,188,181</b>	<b>16,044,142</b>
<b>Warrants (0.0%):</b>				
Saturn Oil & Gas Inc., strike price \$4.00, expiry 2025/03/10	CAD	32,000	-	5,920
SilverBox Corp III, strike price \$11.50, expiry 2028/02/28	USD	233	55	45
			<b>55</b>	<b>5,965</b>
<b>Total long positions (84.2%)</b>			<b>16,188,236</b>	<b>16,050,107</b>
<b>SHORT POSITIONS</b>				
<b>Exchange-traded fund(s) (-0.3%):</b>				
iShares S&P/TSX Global Gold Index ETF		(2,440)	(48,178)	(48,361)
			<b>(48,178)</b>	<b>(48,361)</b>
<b>Equities:</b>				
<b>Banks (-3.5%):</b>				
Orrstown Financial Services Inc.		(5,860)	(222,406)	(219,339)
Southern California Bancorp		(10,494)	(191,220)	(193,380)
UMB Financial Corp.		(2,310)	(250,093)	(263,624)
			<b>(663,719)</b>	<b>(676,343)</b>
<b>Energy (-2.8%):</b>				
Chesapeake Energy Corp.		(3,360)	(402,476)	(377,798)
Chevron Corp.		(716)	(153,699)	(153,217)
			<b>(556,175)</b>	<b>(531,015)</b>
<b>Industrials (-0.2%):</b>				
Willscot Mobile Mini Holdings Corp.		(677)	(44,051)	(34,861)
			<b>(44,051)</b>	<b>(34,861)</b>
<b>Materials (-3.8%):</b>				
Alamos Gold Inc., Class 'A'		(13,472)	(287,085)	(289,109)

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

# Pender Alternative Arbitrage Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>Materials (-3.8%): (cont'd)</b>				
Contango ORE Inc.		(2,822)	(85,087)	(69,762)
Silvercorp Metals Inc.		(80,478)	(383,568)	(368,589)
			<b>(755,740)</b>	<b>(727,460)</b>
<b>Real Estate (-0.8%)</b>				
CoStar Group Inc.		(1,438)	(167,876)	(145,852)
			<b>(167,876)</b>	<b>(145,852)</b>
<b>Total equities (short) (-11.1%)</b>			<b>(2,187,561)</b>	<b>(2,115,531)</b>
<b>Total short positions (-11.4%)</b>			<b>(2,235,739)</b>	<b>(2,163,892)</b>
Less: Transaction costs included in cost of investments			(9,574)	
<b>Total investments (72.8%)</b>			<b>13,942,923</b>	<b>13,886,215</b>
	Contract rate	Pay	Receive	Unrealized gain (loss)
<b>Derivative liabilities:</b>				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2024/09/05	1.36	USD 13,066,000	CAD 17,766,608	(80,747)
<b>Total derivative liabilities (-0.4%)</b>				<b>(80,747)</b>
Cash (Bank overdraft) (28.0%)				5,334,941
Other assets less liabilities (-0.4%)				(81,988)
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>19,058,421</b>

# Pender Alternative Arbitrage Plus Fund

## Statements of Financial Position (Unaudited)

June 30, 2024 and December 31, 2023

	2024 (\$)	2023 (\$)
<b>Assets</b>		
Cash	-	4,159,723
Receivable for investments sold	-	4,046
Subscriptions receivable	-	5,692
Derivative assets	-	289,607
Investments	17,824,117	14,543,971
	<b>17,824,117</b>	<b>19,003,039</b>
<b>Liabilities</b>		
Bank overdraft	2,962,111	-
Management and administration fees payable (note 4)	9,978	14,989
Payable for investments purchased	-	344,989
Redemptions payable to holders of redeemable units	-	438,913
Payable for interest and dividends on short securities	1,438	659
Accrued expenses	1,388	-
Derivative liabilities	69,544	-
Performance fees payable (note 4)	47,981	16,975
Investments sold short	2,460,281	1,811,817
	<b>5,552,721</b>	<b>2,628,342</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>12,271,396</b>	<b>16,374,697</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	47,294	40,502
Class E	159,971	152,422
Class F	1,154,135	1,208,283
Class F (USD)	70,136	6,694
Class I	8,679,778	12,768,298
Class I (USD)	-	6,802
Class O	2,160,082	2,191,696
	<b>12,271,396</b>	<b>16,374,697</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	10.23	10.05
Class E	10.49	10.21
Class F	10.39	10.15
Class F (USD)	14.41	13.55
Class I	10.49	10.24
Class I (USD)	-	13.57
Class O	10.63	10.27

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

(signed) "David Barr"

(signed) "Felix Narhi"

**David Barr**

Director

**Felix Narhi**

Director

# Pender Alternative Arbitrage Plus Fund

## Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Revenue</b>		
Interest for distribution purposes	-	69,404
Dividend income	274,751	152,305
Dividend and interest expense on securities sold short	(49,841)	(6,239)
Foreign exchange gain (loss)	91,306	375,367
<b>Changes in fair value of investments and derivatives:</b>		
Net realized gain (loss)	610,645	(236,719)
Net change in unrealized appreciation (depreciation)	(340,367)	(82,268)
<b>Total revenue</b>	<b>586,494</b>	<b>271,850</b>
<b>Expenses</b>		
Interest and borrow fees expense	54,623	184,071
Performance fees (note 4)	47,981	259
Withholding taxes (note 5)	43,661	87,784
Management fees (note 4)	39,111	43,925
Administration fees (note 4)	33,558	36,713
Transaction costs	31,070	32,791
Independent review committee fees	107	172
<b>Total expenses</b>	<b>250,111</b>	<b>385,715</b>
Less: Fees waived and expenses absorbed by the Manager (note 4)	(107)	(172)
<b>Net expenses</b>	<b>250,004</b>	<b>385,543</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>336,490</b>	<b>(113,693)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	794	(814)
Class A (USD)	-	(119)
Class E	4,162	(559)
Class F	27,503	(11,052)
Class F (USD)	1,880	(1,868)
Class H	-	(124)
Class H (USD)	-	(111)
Class I	228,219	(87,122)
Class I (USD)	373	(168)
Class N	-	(100)
Class O	73,559	(11,656)
	<b>336,490</b>	<b>(113,693)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.18	(0.13)
Class A (USD)	-	(0.25)
Class E	0.27	(0.06)
Class F	0.23	(0.07)
Class F (USD)	1.00	(0.41)
Class H	-	(0.25)
Class H (USD)	-	(0.22)
Class I	0.22	(0.08)
Class I (USD)	0.74	(0.33)
Class N	-	(0.20)
Class O	0.36	(0.06)

# Pender Alternative Arbitrage Plus Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2024 and 2023

Class A	2024 (\$)	2023 (\$)
Balance, beginning of period	40,502	56,506
Increase (decrease) in net assets attributable to holders of redeemable units	794	(814)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	7,000	12,397
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(1,002)	-
	<b>5,998</b>	<b>12,397</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>47,294</b>	<b>68,089</b>
Class A (USD)	2024 (\$)	2023 (\$)
Balance, beginning of period	-	6,865
Increase (decrease) in net assets attributable to holders of redeemable units	-	(119)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	15
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(6,761)
	-	<b>(6,746)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	-	-
Class E	2024 (\$)	2023 (\$)
Balance, beginning of period	152,422	64,080
Increase (decrease) in net assets attributable to holders of redeemable units	4,162	(559)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	8,498	56,533
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(5,111)	-
	<b>3,387</b>	<b>56,533</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>159,971</b>	<b>120,054</b>



# Pender Alternative Arbitrage Plus Fund

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

Six months ended June 30, 2024 and 2023

Class F	2024 (\$)	2023 (\$)
Balance, beginning of period	1,208,283	1,009,893
Increase (decrease) in net assets attributable to holders of redeemable units	27,503	(11,052)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	65,700	595,176
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(147,351)	(51,876)
	<b>(81,651)</b>	<b>543,300</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>1,154,135</b>	<b>1,542,141</b>

Class F (USD)	2024 (\$)	2023 (\$)
Balance, beginning of period	6,694	70,523
Increase (decrease) in net assets attributable to holders of redeemable units	1,880	(1,868)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	61,562	76,551
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(138,596)
	<b>61,562</b>	<b>(62,045)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>70,136</b>	<b>6,610</b>

Class H	2024 (\$)	2023 (\$)
Balance, beginning of period	-	5,076
Increase (decrease) in net assets attributable to holders of redeemable units	-	(124)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	10
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(4,962)
	-	<b>(4,952)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>-</b>	<b>-</b>

# Pender Alternative Arbitrage Plus Fund

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

Six months ended June 30, 2024 and 2023

Class H (USD)	2024 (\$)	2023 (\$)
Balance, beginning of period	-	6,866
Increase (decrease) in net assets attributable to holders of redeemable units	-	(111)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	15
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(6,770)
	-	<b>(6,755)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	-	-

Class I	2024 (\$)	2023 (\$)
Balance, beginning of period	12,768,298	3,721,095
Increase (decrease) in net assets attributable to holders of redeemable units	228,219	(87,122)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	437,820	9,653,255
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(4,754,559)	(517,229)
	<b>(4,316,739)</b>	<b>9,136,026</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>8,679,778</b>	<b>12,769,999</b>

Class I (USD)	2024 (\$)	2023 (\$)
Balance, beginning of period	6,802	6,867
Increase (decrease) in net assets attributable to holders of redeemable units	373	(168)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	14
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(7,175)	-
	<b>(7,175)</b>	<b>14</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	-	<b>6,713</b>

# Pender Alternative Arbitrage Plus Fund

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

Six months ended June 30, 2024 and 2023

Class N	2024 (\$)	2023 (\$)
Balance, beginning of period	-	5,077
Increase (decrease) in net assets attributable to holders of redeemable units	-	(100)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	9
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(4,986)
	-	<b>(4,977)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	-	-

Class O	2024 (\$)	2023 (\$)
Balance, beginning of period	2,191,696	1,017,412
Increase (decrease) in net assets attributable to holders of redeemable units	73,559	(11,656)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	1,765,108
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(105,173)	(196,000)
	<b>(105,173)</b>	<b>1,569,108</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>2,160,082</b>	<b>2,574,864</b>

Total Fund	2024 (\$)	2023 (\$)
Balance, beginning of period	16,374,697	5,970,260
Increase (decrease) in net assets attributable to holders of redeemable units	336,490	(113,693)
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	580,580	12,159,083
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(5,020,371)	(927,180)
	<b>(4,439,791)</b>	<b>11,231,903</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>12,271,396</b>	<b>17,088,470</b>

# Pender Alternative Arbitrage Plus Fund

## Statements of Cash Flows (Unaudited)

Six months ended June 30, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	336,490	(113,693)
<b>Adjustments for:</b>		
Interest for distribution purposes	-	(69,404)
Dividend income	(274,751)	(152,305)
Dividend and interest expense on securities sold short	49,841	6,239
Foreign exchange (gain) loss	(91,306)	(375,367)
Net realized (gain) loss on sale of investments	(848,082)	252,694
Net change in unrealized (appreciation) depreciation of investments	(18,784)	197,133
Derivative assets and liabilities	359,151	(114,865)
Performance fees payable	31,006	259
Management and administration fees payable	(5,011)	14,408
Accrued expenses	1,389	-
	<b>(460,057)</b>	<b>(354,901)</b>
Proceeds on disposal of investments	46,176,917	46,398,005
Amounts paid on purchase of investments	(48,282,677)	(62,525,480)
Dividend and interest expense paid on securities sold short	(49,062)	(5,585)
Dividends received	274,751	153,405
Interest received	-	69,404
	<b>(2,340,128)</b>	<b>(16,265,152)</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	586,272	12,135,673
Amounts paid on redemption of redeemable units	(5,459,284)	(927,180)
	<b>(4,873,012)</b>	<b>11,208,493</b>
Net increase (decrease) in cash	(7,213,140)	(5,056,659)
Cash (Bank overdraft), beginning of period	4,159,723	(890,309)
Effect of exchange rate fluctuations on cash	91,306	375,367
<b>Cash (Bank overdraft), end of period</b>	<b>(2,962,111)</b>	<b>(5,571,601)</b>

# Pender Alternative Arbitrage Plus Fund

## Schedule of Investment Portfolio (Unaudited)

June 30, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>LONG POSITIONS</b>				
<b>Equities:</b>				
<b>Banks (7.7%):</b>				
Affinity Bancshares Inc.		5,200	146,130	150,814
California BanCorp.		7,500	214,106	220,598
Codorus Valley Bancorp Inc.		8,400	276,052	276,259
Heartland Financial USA Inc.		4,900	281,206	297,968
			<b>917,494</b>	<b>945,639</b>
<b>Communication services (5.7%)</b>				
ABIOMED, Inc., Rights		140	-	-
Consolidated Communications Holdings Inc.		48,220	270,210	290,256
Endeavor Group Holdings Inc., Class 'A'		11,000	394,111	406,762
			<b>664,321</b>	<b>697,018</b>
<b>Consumer discretionary (9.7%)</b>				
The Aaron's Co. Inc.		5,295	71,960	72,293
Allego NV		41,800	96,173	96,070
GAN Ltd.		44,695	98,259	90,189
Hibbett Inc.		1,700	199,908	202,823
Park Lawn Corp.		16,200	419,742	421,362
PlayAGS Inc.		10,900	172,613	171,485
Vista Outdoor Inc.		2,600	115,763	133,918
			<b>1,174,418</b>	<b>1,188,140</b>
<b>Consumer staples (5.0%)</b>				
Albertsons Cos. Inc., Class 'A'		6,300	178,116	170,220
Neighbourly Pharmacy Inc., CVR		31,400	1,633	1,633
Whole Earth Brands Inc.		65,800	423,533	437,486
			<b>603,282</b>	<b>609,339</b>
<b>Energy (7.0%)</b>				
Chord Energy Corp.		4	961	918
Hess Corp.		800	161,740	161,452
Overseas Shipholding Group, Inc.		14,412	166,585	167,195
Southwestern Energy Co.		41,300	408,770	380,248
Superior Drilling Products Inc.		165	189	293
US Silica Holdings Inc.		7,300	153,785	154,296
			<b>892,030</b>	<b>864,402</b>
<b>Financial services (23.1%)</b>				
Acropolis Infrastructure Acquisition Corp., CVR		18,900	-	-
AP Acquisition Corp.		16,600	261,051	260,707
Aquaron Acquisition Corp.		11,800	178,128	176,927
byNordic Acquisition Corp.		2,338	35,512	36,111
Clean Energy Special Situations Corp.		108	1,554	1,574
Clover Leaf Capital Corp., Class 'A'		496	7,764	8,278
Colombier Acquisition Corp. II		10,805	147,958	153,952
Compass Digital Acquisition Corp.		4	59	60
Constellation Acquisition Corp. I, Class 'A'		53	799	866
Crixus BH3 Acquisition Co., Class 'A'		8,370	121,229	121,949
Crown PropTech Acquisitions, Class 'A'		9,300	134,518	137,152
dMY Squared Technology Group Inc., Class 'A'		7,147	104,527	104,814
DUET Acquisition Corp., Class 'A'		167	2,440	2,553
Generation Asia I Acquisition Ltd., Class 'A'		20,522	314,483	315,845
Graf Global Corp.		5,200	71,243	71,144

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

# Pender Alternative Arbitrage Plus Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>Financial services (23.1%) (cont'd)</b>				
Horizon Space Acquisition I Corp.		7,000	105,070	105,819
Inflection Point Acquisition Corp. II, Class 'A'		13,161	179,450	190,852
International Media Acquisition Corp., Class 'A'		1,800	27,863	28,565
Keen Vision Acquisition Corp.		21,900	316,438	317,010
Metal Sky Star Acquisition Corp.		9,100	135,242	141,112
Northern Star Investment Corp. II, Class 'A'		8,775	121,347	120
Nuvei Corp.		13,400	588,421	593,586
Qomolangma Acquisition Corp.		17	251	245
Quetta Acquisition Corp.		3,187	45,048	45,126
RMG Acquisition Corp. III, Class 'A'		77	1,042	1,032
Roth CH Acquisition V Co.		1	15	16
SilverBox Corp. III, Class 'A'		300	4,070	4,350
TLGY Acquisition Corp. Class 'A'		97	1,518	1,513
Welsbach Technology Metals Acquisition Corp.		1,090	16,539	16,537
			<b>2,923,579</b>	<b>2,837,815</b>
<b>Health care (19.7%)</b>				
Akili Inc.		236,459	134,787	140,620
Alimera Sciences Inc.		20,500	154,834	155,930
Atrion Corp.		600	373,530	371,368
Axonics Inc.		1,800	165,622	165,553
Calliditas Therapeutics AB, ADR		3,100	164,362	165,355
Catalent Inc.		1,800	138,856	138,466
Cerevel Therapeutics Holdings Inc., Class 'A'		4,400	247,353	246,134
CinCor Pharma Inc., CVR		6,011	25,215	25,163
Fusion Pharmaceuticals Inc., CVR		21,100	15,865	15,876
Icosavax Inc., CVR		19,106	8,088	8,103
Jounce Therapeutics, Inc., CVR		164,200	-	-
Mirati Therapeutics Inc., CVR		4,840	-	-
Miromatrix Medical Inc., CVR		39,648	7,601	7,594
Olink Holding AB, ADR		4,153	140,302	144,765
Silk Road Medical Inc.		5,400	198,526	199,757
SurModics Inc.		5,500	316,574	316,321
Taro Pharmaceutical Industries Ltd.		5,100	290,821	300,013
Zynerba Pharmaceuticals Inc., CVR		52,594	13,983	13,966
			<b>2,396,319</b>	<b>2,414,984</b>
<b>Industrials (9.2%)</b>				
Encore Wire Corp.		700	267,878	277,551
Hawaiian Holdings Inc.		5,400	97,530	91,826
McGrath Rentcorp.		770	129,821	112,240
Stericycle Inc.		3,800	307,571	302,194
Stratasys Ltd.		15,500	370,798	177,908
UGE International Ltd.		91,105	165,355	173,100
			<b>1,338,953</b>	<b>1,134,819</b>
<b>Information technology (28.7%)</b>				
Copperleaf Technologies Inc.		39,610	468,343	469,379
DecisionPoint Systems Inc.		33,531	463,080	467,896
Everbridge Inc.		13,800	651,185	660,580
HashiCorp Inc., Class 'A'		4,600	208,162	212,012
Juniper Networks Inc.		2,400	120,752	119,710
Matterport Inc.		48,900	309,285	299,032

# Pender Alternative Arbitrage Plus Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>Information technology (28.7%) (cont'd)</b>				
Model N Inc.		15,500	630,318	636,143
Perficient Inc.		2,100	211,025	214,865
PowerSchool Holdings Inc., Class 'A'		7,741	237,376	237,112
WalkMe Ltd.		10,800	203,118	206,406
			<b>3,502,644</b>	<b>3,523,135</b>
<b>Insurance (6.5%)</b>				
National Western Life Group Inc., Class 'A'		570	373,946	387,508
Vericity Inc.		26,452	396,008	413,625
			<b>769,954</b>	<b>801,133</b>
<b>Materials (12.8%)</b>				
Adventus Mining Corp.		923,200	427,654	420,056
Argonaut Gold Inc.		806,772	343,986	346,912
Haynes International Inc.		4,500	362,115	361,370
HighGold Mining Inc.		161,456	88,795	75,884
Karora Resources Inc.		35,700	210,597	212,772
Osino Resources Corp.		87,870	154,313	154,651
			<b>1,587,460</b>	<b>1,571,645</b>
<b>Real estate (5.5%)</b>				
Apartment Income REIT Corp.		10,700	566,507	572,644
Doma Holdings Inc.		12,180	100,758	101,143
			<b>667,265</b>	<b>673,787</b>
<b>Utilities (4.6%)</b>				
Atlantica Sustainable Infrastructure plc		13,156	395,652	395,058
Allete Inc.		1,960	169,700	167,184
			<b>565,352</b>	<b>562,242</b>
<b>Total equities (long) (145.2%)</b>			<b>18,003,071</b>	<b>17,824,098</b>
<b>Warrants (0.0%):</b>				
SilverBox Corp III, Class 'A', strike price \$11.50, expiry 2028/02/28	USD	100	23	19
			<b>23</b>	<b>19</b>
<b>Total long positions (145.2%)</b>			<b>18,003,094</b>	<b>17,824,117</b>
<b>SHORT POSITIONS</b>				
<b>Exchange-traded fund(s) (-0.4%):</b>				
iShares S&P/TSX Global Gold Index ETF		(2,700)	(53,239)	(53,514)
			<b>(53,239)</b>	<b>(53,514)</b>
<b>Equities:</b>				
<b>Banks (-6.5%):</b>				
Orrstown Financial Services Inc.		(7,348)	(279,999)	(275,035)
Southern California Bancorp		(11,925)	(217,301)	(219,750)
UMB Financial Corp.		(2,695)	(291,821)	(307,561)
			<b>(789,121)</b>	<b>(802,346)</b>
<b>Energy (-4.7%):</b>				
APA Corp.		(1)	-	(40)
Chesapeake Energy Corp.		(3,576)	(429,423)	(402,086)
Chevron Corp.		(818)	(175,181)	(175,044)
			<b>(604,604)</b>	<b>(577,170)</b>
<b>Insurance (-0.4%):</b>				
Willscot Mobile Mini Holdings Corp.		(868)	(56,479)	(44,696)
			<b>(56,479)</b>	<b>(44,696)</b>

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

# Pender Alternative Arbitrage Plus Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2024

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
<b>Materials (-6.7%):</b>				
Alamos Gold Inc., Class 'A'		(14,868)	(316,174)	(319,067)
Contango ORE Inc.		(3,066)	(92,414)	(75,794)
Silvercorp Metals Inc.		(93,704)	(446,820)	(429,163)
			<b>(855,408)</b>	<b>(824,024)</b>
<b>Real estate (-1.3%)</b>				
CoStar Group Inc.		(1,563)	(182,470)	(158,531)
			<b>(182,470)</b>	<b>(158,531)</b>
<b>Total equities (short) (-19.6%)</b>			<b>(2,488,082)</b>	<b>(2,406,767)</b>
<b>Total short positions (-20.0%)</b>			<b>(2,541,321)</b>	<b>(2,460,281)</b>
Less: Transaction costs included in cost of investments			(10,622)	
<b>Total investments (125.2%)</b>			<b>15,451,151</b>	<b>15,363,836</b>

	Contract rate	Pay	Receive	Unrealized gain (loss)
<b>Derivative liabilities:</b>				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2024/09/05	1.36	USD 11,387,000	CAD 15,484,400	(69,544)
<b>Total derivative liabilities (-0.6%)</b>				<b>(69,544)</b>
Cash (Bank overdraft) (-24.1%)				(2,962,111)
Other assets less liabilities (-0.5%)				(60,785)
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>				<b>12,271,396</b>



# Pender Alternative Multi-Strategy Income Fund

## Statements of Financial Position (Unaudited)

June 30, 2024 and December 31, 2023

	2024 (\$)	2023 (\$)
<b>Assets</b>		
Cash	-	17,365
Investments	3,550,828	4,044,713
	<b>3,550,828</b>	<b>4,062,078</b>
<b>Liabilities</b>		
Bank overdraft	17,595	-
Management and administration fees payable (note 4)	5,584	6,006
Redemptions payable to holders of redeemable units	13,151	37,687
Accrued expenses	158	242
Performance fees payable (note 4)	8,627	23,626
	<b>45,115</b>	<b>67,561</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>3,505,713</b>	<b>3,994,517</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	1,728,572	2,119,623
Class F	1,372,076	1,530,094
Class I	400,017	340,100
Class O	5,048	4,700
	<b>3,505,713</b>	<b>3,994,517</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	12.47	11.99
Class F	13.70	13.11
Class I	9.30	8.89
Class O	9.93	9.40

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

(signed) "David Barr"

**David Barr**  
Director

(signed) "Felix Narhi"

**Felix Narhi**  
Director

# Pender Alternative Multi-Strategy Income Fund

## Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Revenue</b>		
Distributions from underlying funds	97,205	128,068
<b>Changes in fair value of investments:</b>		
Net realized gain (loss)	8,875	12,439
Net change in unrealized appreciation (depreciation)	94,034	640
<b>Total revenue</b>	<b>200,114</b>	<b>141,147</b>
<b>Expenses</b>		
Management fees (note 4)	23,823	36,533
Administration fees (note 4)	12,140	17,527
Performance fees (note 4)	8,627	2,063
Transaction costs	604	1,332
Interest and borrow fees expense	457	-
Independent review committee	31	57
<b>Total expenses</b>	<b>45,682</b>	<b>57,512</b>
Less: Expenses absorbed by the Manager (note 4)	(31)	(57)
<b>Net expenses</b>	<b>45,651</b>	<b>57,455</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>154,463</b>	<b>83,692</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	74,616	40,075
Class E	-	57
Class F	61,996	33,174
Class H	-	38
Class I	17,541	10,174
Class N	-	52
Class O	310	122
	<b>154,463</b>	<b>83,692</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	0.48	0.16
Class E	-	0.12
Class F	0.59	0.23
Class H	-	0.06
Class I	0.42	0.17
Class N	-	0.11
Class O	0.54	0.24

# Pender Alternative Multi-Strategy Income Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2024 and 2023

	2024	2023
Class A	(\$)	(\$)
Balance, beginning of period	2,119,623	3,288,034
Increase (decrease) in net assets attributable to holders of redeemable units	74,616	40,075
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	8,100	850
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(473,767)	(775,390)
	<b>(465,667)</b>	<b>(774,540)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>1,728,572</b>	<b>2,553,569</b>
Class E	2024	2023
	(\$)	(\$)
Balance, beginning of period	-	4,325
Increase (decrease) in net assets attributable to holders of redeemable units	-	57
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(4,382)
	-	<b>(4,382)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	-	-
Class F	2024	2023
	(\$)	(\$)
Balance, beginning of period	1,530,094	1,972,805
Increase (decrease) in net assets attributable to holders of redeemable units	61,996	33,174
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	26,120	31,654
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(246,134)	(258,168)
	<b>(220,014)</b>	<b>(226,514)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>1,372,076</b>	<b>1,779,465</b>

# Pender Alternative Multi-Strategy Income Fund

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

Six months ended June 30, 2024 and 2023

Class H	2024 (\$)	2023 (\$)
Balance, beginning of period	-	5,073
Increase (decrease) in net assets attributable to holders of redeemable units	-	38
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(5,111)
	-	<b>(5,111)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	-	-

Class I	2024 (\$)	2023 (\$)
Balance, beginning of period	340,100	635,529
Increase (decrease) in net assets attributable to holders of redeemable units	17,541	10,174
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	61,904	60,547
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(19,528)	(286,514)
	<b>42,376</b>	<b>(225,967)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>400,017</b>	<b>419,736</b>

Class N	2024 (\$)	2023 (\$)
Balance, beginning of period	-	4,280
Increase (decrease) in net assets attributable to holders of redeemable units	-	52
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(4,332)
	-	<b>(4,332)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	-	-

# Pender Alternative Multi-Strategy Income Fund

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

Six months ended June 30, 2024 and 2023

Class O	2024 (\$)	2023 (\$)
Balance, beginning of period	4,700	4,381
Increase (decrease) in net assets attributable to holders of redeemable units	310	122
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	5,000	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(4,962)	-
	<b>38</b>	<b>-</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>5,048</b>	<b>4,503</b>
Total Fund	2024 (\$)	2023 (\$)
Balance, beginning of period	3,994,517	5,914,427
Increase (decrease) in net assets attributable to holders of redeemable units	154,463	83,692
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	101,124	93,051
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(744,391)	(1,333,897)
	<b>(643,267)</b>	<b>(1,240,846)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>3,505,713</b>	<b>4,757,273</b>

# Pender Alternative Multi-Strategy Income Fund

## Statements of Cash Flows (Unaudited)

Six months ended June 30, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	154,463	83,692
<b>Adjustments for:</b>		
Distributions from underlying funds	(97,205)	(128,068)
Net realized (gain) loss on sale of investments	(8,875)	(12,439)
Net change in unrealized (appreciation) depreciation of investments	(94,034)	(640)
Performance fees payable	(14,999)	2,063
Management and administration fees payable	(422)	(2,416)
Accrued expenses	(84)	(283)
	<b>(61,156)</b>	<b>(58,091)</b>
Proceeds on disposal of investments	694,000	1,253,000
Amounts paid on purchase of investments	(97,206)	(108,340)
Distributions from underlying funds	97,205	108,342
	<b>632,843</b>	<b>1,194,911</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	13,099	84,338
Amounts paid on redemption of redeemable units	(680,902)	(1,332,378)
	<b>(667,803)</b>	<b>(1,248,040)</b>
Net increase (decrease) in cash	(34,960)	(53,129)
Cash (Bank overdraft), beginning of period	17,365	64,340
Effect of exchange rate fluctuations on cash	-	-
<b>Cash (Bank overdraft), end of period</b>	<b>(17,595)</b>	<b>11,211</b>

# Pender Alternative Multi-Strategy Income Fund

## Schedule of Investment Portfolio (Unaudited)

June 30, 2024

	Number of shares / units	Cost (\$)	Fair value (\$)
<b>Mutual funds:</b>			
Pender Alternative Absolute Return Fund, Class 'O'	116,467	1,160,583	1,170,011
Pender Alternative Arbitrage Fund, Class 'O'	54,820	575,977	572,017
Pender Alternative Arbitrage Plus Fund, Class 'O'	57,650	576,482	612,066
Pender Corporate Bond Fund, Class 'O'	108,775	1,132,458	1,194,931
<b>Total mutual funds (101.2%)</b>		<b>3,445,500</b>	<b>3,549,025</b>
<b>Equities:</b>			
<b>Information technology (0.1%):</b>			
Stage Capital Corp.	360,677	180,339	1,803
		<b>180,339</b>	<b>1,803</b>
<b>Materials (0.0%):</b>			
Red Eagle Mining Corp.	428,759	215,951	-
		<b>215,951</b>	<b>-</b>
<b>Total equities (0.1%)</b>		<b>396,290</b>	<b>1,803</b>
Less: Transaction costs included in cost of investments		-	
<b>Total investments (101.3%)</b>		<b>3,841,790</b>	<b>3,550,828</b>
Cash (Bank overdraft) (-0.5%)			(17,595)
Other assets less liabilities (-0.8%)			(27,520)
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>			<b>3,505,713</b>

# Pender Alternative Special Situations Fund

## Statements of Financial Position (Unaudited)

June 30, 2024 and December 31, 2023

	2024 (\$)	2023 (\$)
<b>Assets</b>		
Due from manager	-	2,013
Dividends receivable	1,015	4,619
Other receivable	-	60
Investments	2,804,986	1,960,865
	<b>2,806,001</b>	<b>1,967,557</b>
<b>Liabilities</b>		
Bank overdraft	319,727	261,416
Redemptions payable to holders of redeemable units	-	547
	<b>319,727</b>	<b>261,963</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>2,486,274</b>	<b>1,705,594</b>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A	340,538	314,038
Class E	370,932	294,135
Class F	960,008	283,184
Class H	-	314,960
Class I	808,456	493,644
Class O	6,340	5,633
	<b>2,486,274</b>	<b>1,705,594</b>
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class A	21.22	18.89
Class E	11.31	10.05
Class F	21.22	18.97
Class H	-	10.05
Class I	11.30	10.01
Class O	11.31	10.04

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

(signed) "David Barr"

**David Barr**  
Director

(signed) "Felix Narhi"

**Felix Narhi**  
Director



# Pender Alternative Special Situations Fund

## Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Revenue</b>		
Interest for distribution purposes	1,406	-
Dividend income	11,012	54,025
Foreign exchange gain (loss)	2,226	(1,036)
<b>Changes in fair value of investments:</b>		
Net realized gain (loss)	24,343	147,992
Net change in unrealized appreciation (depreciation)	177,599	(79,446)
<b>Total revenue</b>	<b>216,586</b>	<b>121,535</b>
<b>Expenses</b>		
Performance fees (note 4)	38,481	-
Management fees (note 4)	11,362	7,868
Interest and borrow fees expense	11,037	16,220
Administration fees (note 4)	7,386	4,585
Transaction costs	3,600	4,065
Withholding taxes (note 5)	29	-
Independent review committee fees	21	17
<b>Total expenses</b>	<b>71,916</b>	<b>32,755</b>
Less: Fees waived and expenses absorbed by the Manager (note 4)	(57,249)	(12,470)
<b>Net expenses</b>	<b>14,667</b>	<b>20,285</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>201,919</b>	<b>101,250</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A	33,649	25,016
Class E	36,500	16,271
Class F	51,404	22,264
Class H	24,669	20,099
Class I	54,990	16,783
Class N	-	451
Class O	707	366
	<b>201,919</b>	<b>101,250</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</b>		
Class A	2.21	1.25
Class E	1.17	0.59
Class F	1.64	1.15
Class H	2.49	0.65
Class I	0.93	0.65
Class N	-	0.82
Class O	1.24	0.65

# Pender Alternative Special Situations Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2024 and 2023

	2024	2023
	(\$)	(\$)
Class A		
Balance, beginning of period	314,038	309,657
Increase (decrease) in net assets attributable to holders of redeemable units	33,649	25,016
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	30,665	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(37,814)	-
	<b>(7,149)</b>	<b>-</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>340,538</b>	<b>334,673</b>
Class E		
Balance, beginning of period	294,135	184,791
Increase (decrease) in net assets attributable to holders of redeemable units	36,500	16,271
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	48,733	69,480
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(8,436)	-
	<b>40,297</b>	<b>69,480</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>370,932</b>	<b>270,542</b>
Class F		
Balance, beginning of period	283,184	281,002
Increase (decrease) in net assets attributable to holders of redeemable units	51,404	22,264
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	968,448	43,000
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(343,028)	(16,865)
	<b>625,420</b>	<b>26,135</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>960,008</b>	<b>329,401</b>

# Pender Alternative Special Situations Fund

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

Six months ended June 30, 2024 and 2023

Class H	2024 (\$)	2023 (\$)
Balance, beginning of period	314,960	247,939
Increase (decrease) in net assets attributable to holders of redeemable units	24,669	20,099
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	5,000
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(339,629)	-
	<b>(339,629)</b>	<b>5,000</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>-</b>	<b>273,038</b>

Class I	2024 (\$)	2023 (\$)
Balance, beginning of period	493,644	207,127
Increase (decrease) in net assets attributable to holders of redeemable units	54,990	16,783
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	259,822	5,000
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	<b>259,822</b>	<b>5,000</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>808,456</b>	<b>228,910</b>

Class N	2024 (\$)	2023 (\$)
Balance, beginning of period	-	4,519
Increase (decrease) in net assets attributable to holders of redeemable units	-	451
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(4,970)
	-	<b>(4,970)</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>-</b>	<b>-</b>

## Pender Alternative Special Situations Fund

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

Six months ended June 30, 2024 and 2023

Class O	2024 (\$)	2023 (\$)
Balance, beginning of period	5,633	4,519
Increase (decrease) in net assets attributable to holders of redeemable units	707	366
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	-	-
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>6,340</b>	<b>4,885</b>
Total Fund	2024 (\$)	2023 (\$)
Balance, beginning of period	1,705,594	1,239,554
Increase (decrease) in net assets attributable to holders of redeemable units	201,919	101,250
<b>Unit transactions:</b>		
Proceeds from issue of redeemable units	1,307,668	122,480
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(728,907)	(21,835)
	<b>578,761</b>	<b>100,645</b>
<b>Distributions paid from:</b>		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
<b>Balance, end of period</b>	<b>2,486,274</b>	<b>1,441,449</b>

# Pender Alternative Special Situations Fund

## Statements of Cash Flows (Unaudited)

Six months ended June 30, 2024 and 2023

	2024 (\$)	2023 (\$)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	201,919	101,250
<b>Adjustments for:</b>		
Interest for distribution purposes	(1,406)	-
Dividend income	(11,012)	(54,025)
Foreign exchange (gain) loss	(2,226)	1,036
Net realized (gain) loss on sale of investments	(24,343)	(147,992)
Net change in unrealized (appreciation) depreciation of investments	(177,599)	79,446
Due from manager	2,013	-
Other receivable	61	-
Accrued expenses	-	(59)
	<b>(12,593)</b>	<b>(20,344)</b>
Proceeds on disposal of investments	903,234	1,313,139
Amounts paid on purchase of investments	(1,545,414)	(1,228,588)
Dividends received	14,616	13,279
Interest received	1,406	-
	<b>(638,751)</b>	<b>77,486</b>
<b>Financing:</b>		
Proceeds from issue of redeemable units	1,042,693	122,480
Amounts paid on redemption of redeemable units	(464,479)	(21,835)
	<b>578,214</b>	<b>100,645</b>
Net increase (decrease) in cash	(60,537)	178,131
Cash (Bank overdraft), beginning of period	(261,416)	(631,605)
Effect of exchange rate fluctuations on cash	2,226	(1,036)
<b>Cash (Bank overdraft), end of period</b>	<b>(319,727)</b>	<b>(454,510)</b>

# Pender Alternative Special Situations Fund

## Schedule of Investment Portfolio (Unaudited)

June 30, 2024

	Number of shares	Cost (\$)	Fair value (\$)
<b>Exchange-traded fund(s):</b>			
AdvisorShares Pure US Cannabis ETF	7,200	97,841	72,200
<b>Total exchange-traded fund(s) (2.9%)</b>		<b>97,841</b>	<b>72,200</b>
<b>Equities:</b>			
<b>Communication services (4.4%):</b>			
Anterix Inc.	2,000	138,595	108,322
		<b>138,595</b>	<b>108,322</b>
<b>Consumer discretionary (5.5%):</b>			
ATD New Holdings Inc.	190	11,036	4,484
D2L Inc.	8,500	95,285	95,965
Vista Outdoor Inc.	700	31,249	36,055
		<b>137,570</b>	<b>136,504</b>
<b>Consumer staples (5.1%):</b>			
Ascend Wellness Holdings Inc., Class 'A'	18,757	39,195	23,351
Glass House Brands Inc.	10,510	42,263	102,924
		<b>81,458</b>	<b>126,275</b>
<b>Energy (15.7%):</b>			
ARC Resources Ltd.	3,120	32,763	76,159
Athabasca Oil Corp.	15,300	22,065	79,254
NexGen Energy Ltd.	5,400	37,563	51,516
Saturn Oil & Gas Inc.	46,100	108,335	123,087
Spartan Delta Corp.	15,100	62,351	60,853
		<b>263,077</b>	<b>390,869</b>
<b>Financial services (14.3%):</b>			
Burford Capital Ltd.	7,700	104,718	137,469
Partners Value Investments L.P.	1,200	76,423	102,000
Sprott Physical Uranium Trust	1,750	33,784	44,380
The Westaim Corp.	17,900	71,779	72,495
		<b>286,704</b>	<b>356,344</b>
<b>Health care (18.5%):</b>			
AYR Wellness Inc.	8,500	29,005	22,950
The Cannabist Co. Holdings Inc.	277,100	152,095	73,432
Cresco Labs Inc.	9,900	25,883	21,186
Curaleaf Holdings Inc.	3,500	22,792	18,375
dentalcorp Holdings Ltd.	19,965	158,232	164,511
Green Thumb Industries Inc.	449	7,953	7,409
Jushi Holdings Inc., Class 'B'	23,500	22,424	18,330
Profound Medical Corp.	7,300	77,553	85,556
Trulieve Cannabis Corp.	1,938	21,854	24,671
Verano Holdings Corp.	4,820	36,788	23,666
		<b>554,579</b>	<b>460,086</b>
<b>Industrials (12.1%):</b>			
Hammond Power Solutions Inc.	500	57,968	55,745
GH Group, Inc., Preferred, Series 'C', 20.00%	120	163,842	194,774
Stratasys Ltd.	4,320	70,889	49,585
		<b>292,699</b>	<b>300,104</b>
<b>Information technology (18.7%):</b>			
Copperleaf Technologies Inc.	14,130	79,907	167,440
Haivision Systems Inc.	12,830	56,580	51,448
Lightspeed Commerce Inc.	2,400	46,680	44,880

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

# Pender Alternative Special Situations Fund

## Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2024

	Number of shares	Cost (\$)	Fair value (\$)
<b>Information technology (18.7%): (cont'd)</b>			
Quorum Information Technologies Inc.	2,000	1,347	1,540
Sylogist Ltd.	8,460	47,672	85,615
Thinkific Labs Inc.	29,849	73,409	111,038
		<b>305,595</b>	<b>461,961</b>
<b>Materials (6.7%):</b>			
5N Plus Inc.	16,600	58,869	103,916
Neo Performance Materials Inc.	800	6,244	6,600
Sealed Air Corp.	1,200	61,189	57,113
		<b>126,302</b>	<b>167,629</b>
<b>Utilities (5.8%):</b>			
Altius Renewable Royalties Corp.	15,789	128,541	145,101
		<b>128,541</b>	<b>145,101</b>
<b>Total equities (106.8%)</b>		<b>2,315,120</b>	<b>2,653,195</b>
	Number of shares	Cost (\$)	Fair value (\$)
<b>Warrants:</b>			
AYR Wellness Inc., strike price \$2.12, expiry 2026/02/09	USD	1,341	-
Glass House Brands Inc., strike price \$5.00, expiry 2027/08/31	USD	24,000	72,561
Saturn Oil & Gas Inc., strike price \$4.00, expiry 2025/03/10	CAD	38,000	7,030
<b>Total warrants (3.2%)</b>		-	<b>79,591</b>
Less: Transaction costs included in cost of investments		(3,306)	
<b>Total investments (112.9%)</b>		<b>2,409,655</b>	<b>2,804,986</b>
Cash (Bank overdraft) (-12.9%)			(319,727)
Other assets less liabilities (0.0%)			1,015
<b>Total net assets attributable to holders of redeemable units (100.0%)</b>			<b>2,486,274</b>

# PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

## 1. The Funds:

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

	Commencement of operations	Classes
Alternative Absolute Return Fund	September 1, 2021	A, AF, A (USD), E, F, FF, F (USD), H, H (USD), I, I (USD), N, O
Alternative Arbitrage Fund	September 8, 2021	A, AF, E, F, FF, F (USD), H, I, I (USD), O
Alternative Arbitrage Plus Fund	September 1, 2022	A, E, F, F (USD), I, O
Alternative Multi-Strategy Income Fund	September 21, 2009	A, F, I, O
Alternative Special Situations Fund	July 10, 2020	A, E, F, I, O

Effective May 26, 2023, Class A (USD), Class H (USD) and Class N units of the Pender Alternative Arbitrage Fund were closed. Effective May 26, 2023, Class A (USD), Class H, Class H (USD) and Class N units of the Pender Alternative Arbitrage Plus Fund were closed. Effective May 26, 2023, Class E, Class H and Class N units of the Pender Alternative Multi-Strategy Income Fund were closed. Effective May 26, 2023, Class N units of the Pender Alternative Special Situations Fund were closed. Effective June 28, 2024, Class I (USD) units of the Pender Alternative Arbitrage Plus Fund were closed. Effective June 28, 2023, Class H units of the Pender Alternative Special Situations Fund were closed.

Each of the Funds is an open-end investment trust governed under the laws of the Province of British Columbia pursuant to the Twenty-First Amended and Restated Mutual Fund Trust Agreement dated June 18, 2024 (previously the Twentieth Amended and Restated Mutual Fund Trust Agreement dated June 16, 2023).

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 Pender Alternative Multi-Strategy Income Fund and The Bank of Nova Scotia is the custodian of the other 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 August 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.

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 measurements is provided in Note 9.



### 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, due from manager, bank overdraft, management and administration fees payable, payable for investments purchased, redemptions payable to holders of redeemable units, accrued expenses, payable for interest and dividends on short securities, and performance fees payable as amortized cost.

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.

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

Six months ended June 30, 2024

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### (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) Short sales

The Funds may sell securities short by selling a borrowed security in anticipation of a decline in the market value of that security. Short sales are held for trading and are consequently classified as financial liabilities at FVTPL. Interest and dividends on investments sold short are accrued as incurred and are reported as a liability in the Statements of Financial Position in "Payable for interest and dividends on short securities" and in the Statements of Comprehensive Income in "Dividend and interest expense on securities sold short".

### (v) 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 9(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.

### (vi) 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.

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

Six months ended June 30, 2024

### (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) 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.

### (e) 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.

### (f) 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

### (g) 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 June 30, 2024 and December 31, 2023 are as follows:

As at June 30, 2024	Class A/A (USD) (%)	Class AF (%)	Class F/F (USD) (%)	Class FF (%)
Alternative Absolute Return Fund	1.80	1.15	0.80	0.15
Alternative Arbitrage Fund	1.80	1.15	0.80	0.15
Alternative Arbitrage Plus Fund	1.80	-	0.80	-
Alternative Multi-Strategy Income Fund	1.80	-	0.80	-
Alternative Special Situations Fund*	1.95	-	0.95	-

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

Six months ended June 30, 2024

As at June 30, 2024 (cont'd)	Class H/H (USD) (%)	Class I/I (USD) (%)	Class N (%)
Alternative Absolute Return Fund	1.50	0.65	0.30
Alternative Arbitrage Fund	1.50	0.65	-
Alternative Arbitrage Plus Fund	-	0.65	-
Alternative Multi-Strategy Income Fund	-	0.65	-
Alternative Special Situations Fund*	-	0.80	-

As at December 31, 2023	Class A/A (USD) (%)	Class AF (%)	Class F/F (USD) (%)	Class FF (%)
Alternative Absolute Return Fund	1.80	1.15	0.80	0.15
Alternative Arbitrage Fund	1.80	1.15	0.80	0.15
Alternative Arbitrage Plus Fund	1.80	-	0.80	-
Alternative Multi-Strategy Income Fund	1.80	-	0.80	-
Alternative Special Situations Fund*	1.95	-	0.95	-

As at December 31, 2023 (cont'd)	Class H/H (USD) (%)	Class I/I (USD) (%)	Class N (%)
Alternative Absolute Return Fund	1.50	0.65	0.30
Alternative Arbitrage Fund	1.50	0.65	-
Alternative Arbitrage Plus Fund	-	0.65	-
Alternative Multi-Strategy Income Fund	-	0.65	-
Alternative Special Situations Fund*	1.65	0.80	-

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 June 30, 2024 and December 31, 2023 for each class does not exceed the percentage of average NAV set out in the Fund's offering documents, as follows:

As at June 30, 2024	Class A/A (USD) (%)	Class AF (%)	Class E (%)	Class F/F (USD) (%)
Alternative Absolute Return Fund	2.30	1.65	0.50	1.30
Alternative Arbitrage Fund	2.30	1.65	0.50	1.30
Alternative Arbitrage Plus Fund	2.30	-	0.50	1.30
Alternative Multi-Strategy Income Fund	2.30	-	-	1.30
Alternative Special Situations Fund*	2.45	-	0.50	1.45

As at June 30, 2024 (cont'd)	Class FF (%)	Class H/H (USD) (%)	Class I/I (USD) (%)	Class N (%)
Alternative Absolute Return Fund	0.65	2.00	1.15	0.80
Alternative Arbitrage Fund	0.65	2.00	1.15	-
Alternative Arbitrage Plus Fund	-	-	1.15	-
Alternative Multi-Strategy Income Fund	-	-	1.15	-
Alternative Special Situations Fund*	-	-	1.30	-

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

Six months ended June 30, 2024

As at December 31, 2023	Class A/A (USD) (%)	Class AF (%)	Class E (%)	Class F/F (USD) (%)
Alternative Absolute Return Fund	2.30	1.65	0.50	1.30
Alternative Arbitrage Fund	2.30	1.65	0.50	1.30
Alternative Arbitrage Plus Fund	2.30	-	0.50	1.30
Alternative Multi-Strategy Income Fund	2.30	-	-	1.30
Alternative Special Situations Fund*	2.45	-	0.50	1.45

As at December 31, 2023 (cont'd)	Class FF (%)	Class H/H (USD) (%)	Class I/I (USD) (%)	Class N (%)
Alternative Absolute Return Fund	0.65	2.00	1.15	0.80
Alternative Arbitrage Fund	0.65	2.00	1.15	-
Alternative Arbitrage Plus Fund	-	-	1.15	-
Alternative Multi-Strategy Income Fund	-	-	1.15	-
Alternative Special Situations Fund*	-	2.15	1.30	-

\*The Manager may, at its discretion, reduce or waive management fees and reimburse the Funds for any expenses. The Manager has waived all management and administration fees and custody related transaction costs for the Pender Alternative Special Situations Fund since commencement of operations of the fund.

## (c) Performance fees:

The Manager is also entitled to a performance fee plus applicable taxes such as GST or HST in all classes of units of the Funds. For Class O units, this fee is or will be charged directly to Unitholders, as applicable. For the Pender Alternative Absolute Return Fund, the performance fee is equal to 15% of the amount by which the total return of the class of units exceeds a 3% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in periods where no performance fee is paid, provided that the total return of the relevant class of units for such period exceeds the previous high-water mark (as described below). For the Pender Alternative Arbitrage Fund and Pender Alternative Arbitrage Plus Fund, the performance fee is equal to 15% of the amount by which the total return of the class of units exceeds the previous high-water mark (as described below) for each applicable class of units for the period since the performance fee was last paid. Effective as of September 1, 2022, for the Pender Alternative Multi-Strategy Income Fund and Pender Alternative Special Situations Fund, the performance fee is equal to 15% of the amount by which the total return of the class of units exceeds a 3% and 6% hurdle rate, respectively, for the period since the performance fee was last paid, subject to accumulation in periods where no performance fee is paid, provided that the total return of the relevant class of units for such period exceeds the previous high-water mark (as described below).

Performance fees are calculated and accrued daily and the accrued fees are paid by the Funds 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 a Fund. The Manager may, at its discretion, reduce or waive performance fees. For the period ended June 30, 2024, the Manager waived all performance fees of \$38,481 for the Pender Alternative Special Situations Fund. For the year ended December 31, 2023, the Manager waived all performance fees of \$39,249 for the Pender Alternative Special Situations Fund.

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 HWM for each of the Funds as at June 30, 2024 and December 31, 2023, are as follows:

As at June 30, 2024	Class A (\$)	Class A (USD) (\$)	Class AF (\$)	Class E (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.70	9.71	9.86	9.68
Adjusted HWM	9.35	9.42	9.47	9.23
<b>Alternative Arbitrage Fund</b>				
HWM	9.60	-	10.08	9.33
<b>Alternative Arbitrage Plus Fund</b>				
HWM	10.05	-	-	10.22
<b>Alternative Multi-Strategy Income Fund</b>				
HWM	11.99	-	-	-
<b>Alternative Special Situations Fund</b>				
HWM	18.60	-	-	9.92

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

Six months ended June 30, 2024

As at June 30, 2024 (cont'd)	Class F (\$)	Class F (USD) (\$)	Class FF (\$)	Class H (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.74	9.57	9.85	9.80
Adjusted HWM	9.34	9.18	9.40	9.43
<b>Alternative Arbitrage Fund</b>				
HWM	9.84	9.51	10.08	9.82
<b>Alternative Arbitrage Plus Fund</b>				
HWM	10.16	10.23	-	-
<b>Alternative Multi-Strategy Income Fund</b>				
HWM	13.11	-	-	-
<b>Alternative Special Situations Fund</b>				
HWM	18.60	-	-	-

As at June 30, 2024 (cont'd)	Class H (USD) (\$)	Class I (\$)	Class I (USD) (\$)	Class N (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.72	9.68	9.74	9.80
Adjusted HWM	9.35	9.27	9.33	9.36
<b>Alternative Arbitrage Fund</b>				
HWM	-	9.90	9.27	-
<b>Alternative Arbitrage Plus Fund</b>				
HWM	-	10.24	10.25	-
<b>Alternative Multi-Strategy Income Fund</b>				
HWM	-	8.89	-	-
<b>Alternative Special Situations Fund</b>				
HWM	-	9.91	-	-

As at December 31, 2023	Class A (\$)	Class A (USD) (\$)	Class AF (\$)	Class E (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.70	9.71	9.86	9.68
<b>Alternative Arbitrage Fund</b>				
HWM	9.60	-	10.08	9.33
<b>Alternative Arbitrage Plus Fund</b>				
HWM	10.05	-	-	10.22
<b>Alternative Multi-Strategy Income Fund</b>				
HWM	11.99	-	-	-
<b>Alternative Special Situations Fund</b>				
HWM	18.60	-	-	9.92

As at December 31, 2023 (cont'd)	Class F (\$)	Class F (USD) (\$)	Class FF (\$)	Class H (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.74	9.57	9.85	9.80
<b>Alternative Arbitrage Fund</b>				
HWM	9.84	9.51	10.08	9.82
<b>Alternative Arbitrage Plus Fund</b>				
HWM	10.16	10.23	-	-
<b>Alternative Multi-Strategy Income Fund</b>				
HWM	13.11	-	-	-
<b>Alternative Special Situations Fund</b>				
HWM	18.60	-	-	9.92

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

Six months ended June 30, 2024

As at December 31, 2023 (cont'd)	Class H (USD) (\$)	Class I (\$)	Class I (USD) (\$)	Class N (\$)
<b>Alternative Absolute Return Fund</b>				
HWM	9.72	9.68	9.74	9.80
<b>Alternative Arbitrage Fund</b>				
HWM	-	9.90	9.27	-
<b>Alternative Arbitrage Plus Fund</b>				
HWM	-	10.24	10.25	-
<b>Alternative Multi-Strategy Income Fund</b>				
HWM	-	8.89	-	-
<b>Alternative Special Situations Fund</b>				
HWM	-	9.91	-	-

As at June 30, 2024 and December 31, 2023, the Funds incurred the following performance fees:

	As at June 30, 2024 (\$)	As at December 31, 2023 (\$)
Alternative Absolute Return Fund	1,240,834	3,701,546
Alternative Arbitrage Fund	66,247	68,728
Alternative Arbitrage Plus Fund	47,981	16,975
Alternative Multi-Strategy Income Fund	8,627	23,626
Alternative Special Situations Fund	38,481	39,249

For the period ended June 30, 2024, the Manager waived all performance fees of \$38,481 (December 31, 2023 – \$39,249) for the Pender Alternative Special Situations Fund.

(d) Amounts payable to the Manager:

As at June 30, 2024 and December 31, 2023, 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:

	As at June 30, 2024 (\$)	As at December 31, 2023 (\$)
Alternative Absolute Return Fund	1,767,806	718,006
Alternative Arbitrage Fund	79,552	48,264
Alternative Arbitrage Plus Fund	57,959	31,964
Alternative Multi-Strategy Income Fund	14,211	29,632

The Pender Alternative Special Situations Fund did not have any amounts payable to the Manager for the period ended June 30, 2024 (December 31, 2023 – \$nil).

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 June 30, 2024 and December 31, 2023, 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.

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

Six months ended June 30, 2024

	As at June 30, 2024 (%)	As at December 31, 2023 (%)
Alternative Absolute Return Fund	1	1
Alternative Arbitrage Fund	1	2
Alternative Arbitrage Plus Fund	1	1
Alternative Multi-Strategy Income Fund	<1	<1
Alternative Special Situations Fund	15	18

As at June 30, 2024 and December 31, 2023, 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 remaining Funds did not have related party mutual fund investments.

	As at June 30, 2024 (%)	As at December 31, 2023 (%)
Alternative Absolute Return Fund	1	1
Alternative Arbitrage Fund	19	17
Alternative Arbitrage Plus Fund	17	13

### 5. 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 period, withholding tax rates were between 0% and 35% (2023 - between 0% and 35%).

### 6. 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 periods ended June 30, 2024 and 2023 were as follows:

As at June 30, 2024	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
<b>Alternative Absolute Return Fund:</b>					
Class A	1,253,692	868,603	41,952	(457,506)	1,706,741
Class AF	882,806	-	19,900	(109,565)	793,141
Class A (USD)	43,160	3,411	623	(25,407)	21,787
Class E	244,889	31,653	12,329	(3,463)	285,408
Class F	5,836,592	4,701,046	171,142	(2,353,668)	8,355,112
Class FF	7,493,720	14,098	256,912	(339,322)	7,425,408
Class F (USD)	100,052	77,684	3,665	(35,870)	145,531
Class H	960,154	580,723	26,659	(116,258)	1,451,278
Class H (USD)	41,603	27,780	2,330	(10,263)	61,450
Class I	24,179,105	11,966,208	831,541	(6,375,164)	30,601,690
Class I (USD)	814,592	628,610	14,769	(356,384)	1,101,587
Class N	489,296	61,846	1,356	-	552,498
Class O	374,488	61,765	19,443	(23,014)	432,682



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

Six months ended June 30, 2024

As at June 30, 2024	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
<b>Alternative Arbitrage Fund:</b>					
Class A	13,735	1,241	-	(2,763)	12,213
Class AF	245,161	-	-	(36,662)	208,499
Class E	18,227	93	-	-	18,320
Class F	170,895	16,327	-	(22,277)	164,945
Class FF	1,020,587	2,720	-	(147,816)	875,491
Class F (USD)	1,074	-	-	-	1,074
Class H	17,989	-	-	(836)	17,153
Class I	273,860	5,487	-	(125,031)	154,316
Class I (USD)	32,619	1,336	-	-	33,955
Class O	399,614	-	-	(36,404)	363,210
<b>Alternative Arbitrage Plus Fund:</b>					
Class A	4,032	689	-	(99)	4,622
Class E	14,923	823	-	(494)	15,252
Class F	119,055	6,443	-	(14,439)	111,059
Class F (USD)	494	4,372	-	-	4,866
Class I	1,247,137	42,320	-	(462,154)	827,303
Class I (USD)	501	-	-	(501)	-
Class O	213,367	-	-	(10,158)	203,209
<b>Alternative Multi-Strategy Income Fund:</b>					
Class A	176,827	662	-	(38,907)	138,582
Class F	116,721	1,958	-	(18,558)	100,121
Class I	38,271	6,926	-	(2,176)	43,021
Class O	500	509	-	(500)	509
<b>Alternative Special Situations Fund:</b>					
Class A	16,622	1,407	-	(1,978)	16,051
Class E	29,267	4,314	-	(782)	32,799
Class F	14,929	46,027	-	(15,705)	45,251
Class H	31,325	-	-	(31,325)	-
Class I	49,308	22,251	-	-	71,559
Class O	561	-	-	-	561

As at June 30, 2023	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
<b>Alternative Absolute Return Fund:</b>					
Class A	379,277	397,622	10,901	(95,894)	691,906
Class AF	884,052	-	15,303	(6,929)	892,426
Class A (USD)	530	4,502	122	-	5,154
Class E	16,829	31,189	1,502	-	49,520
Class F	1,795,857	4,297,276	66,305	(1,695,063)	4,464,375
Class FF	7,530,069	-	203,375	(158,428)	7,575,016
Class F (USD)	7,952	101,206	1,298	(10,053)	100,403
Class H	378,047	245,758	9,017	(68,878)	563,944
Class H (USD)	531	1,865	18	-	2,414
Class I	5,298,794	10,503,134	224,557	(1,783,545)	14,242,940
Class I (USD)	70,730	772,283	3,746	(139,300)	707,459
Class N	26,961	-	975	-	27,936
Class O	389,478	-	15,758	(43,700)	361,536

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

Six months ended June 30, 2024

As at June 30, 2023	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
<b>Alternative Arbitrage Fund:</b>					
Class A	8,983	8,603	-	(4,878)	12,708
Class AF	243,197	-	-	(4,923)	238,274
Class A (USD)	519	-	-	(519)	-
Class E	8,589	10,240	-	-	18,829
Class F	249,224	82,187	-	(142,681)	188,730
Class FF	1,420,719	-	-	(102,089)	1,318,630
Class F (USD)	507	501	-	-	1,008
Class H	16,031	969	-	-	17,000
Class H (USD)	519	-	-	(519)	-
Class I	119,853	223,439	-	(17,762)	325,530
Class I (USD)	521	25,645	-	-	26,166
Class N	506	-	-	(506)	-
Class O	482,623	32,445	-	(130,236)	384,832
<b>Alternative Arbitrage Plus Fund:</b>					
Class A	5,593	1,216	-	-	6,809
Class A (USD)	501	-	-	(501)	-
Class E	6,326	5,563	-	-	11,889
Class F	99,878	58,558	-	(5,117)	153,319
Class F (USD)	5,145	5,587	-	(10,238)	494
Class H	501	-	-	(501)	-
Class H (USD)	501	-	-	(501)	-
Class I	365,502	945,176	-	(50,690)	1,259,988
Class I (USD)	501	-	-	-	501
Class N	501	-	-	(501)	-
Class O	100,589	173,821	-	(19,464)	254,946
<b>Alternative Multi-Strategy Income Fund:</b>					
Class A	285,161	73	-	(66,607)	218,627
Class E	500	-	-	(500)	-
Class F	157,795	2,491	-	(20,415)	139,871
Class H	500	-	-	(500)	-
Class I	75,095	7,065	-	(33,451)	48,709
Class N	500	-	-	(500)	-
Class O	500	-	-	-	500
<b>Alternative Special Situations Fund:</b>					
Class A	20,022	-	-	-	20,022
Class E	22,395	7,954	-	-	30,349
Class F	18,172	2,578	-	(1,040)	19,710
Class H	30,046	565	-	-	30,611
Class I	25,113	565	-	-	25,678
Class N	548	-	-	(548)	-
Class O	548	-	-	-	548

**7. 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.

## 8. 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, market risk, which consists of currency risk, interest rate risk and other price/market risk and leverage risk.

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 Alternative Absolute Return Fund:**

The objective of the Pender Alternative Absolute Return Fund is to maximize absolute returns over a complete market cycle by providing long-term capital growth and income, with low volatility of returns. The Fund will invest primarily in a portfolio of North American fixed income securities but may also invest in foreign and other securities.

### **Pender Alternative Arbitrage Fund:**

The objective of the Pender Alternative Arbitrage Fund is to generate consistent, positive returns, with low volatility and low correlation to equity markets by investing primarily in North American securities. The Fund may also invest in foreign and other securities.

### **Pender Alternative Arbitrage Plus Fund**

The objective of the Pender Alternative Arbitrage Plus Fund is to generate consistent, positive returns, with low volatility and low correlation to equity markets by investing primarily in North American securities. The Fund may also invest in foreign and other securities.

### **Pender Alternative Multi-Strategy Income Fund**

The objective of the Pender Alternative Multi-Strategy Income Fund is to preserve capital and to generate returns through current income and capital appreciation, while being sufficiently diversified to mitigate volatility. The Fund will invest primarily in North American securities and may also invest in foreign securities.

### **Pender Alternative Special Situations Fund**

The objective of the Pender Alternative Special Situations Fund is to achieve long-term capital appreciation by investing primarily in Canadian and US equities with the ability to also invest in debt and other securities. The Fund seeks to identify investment opportunities that are believed to represent special situations.

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 Alternative Multi-Strategy 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 Fund, Pender Alternative Arbitrage Plus Fund and Pender Corporate Bond Fund. The Pender Alternative Multi-Strategy Income Fund has indirect exposure to various financial risks through its holdings of underlying mutual funds. The financial risks associated with the Pender Alternative Multi-Strategy Income Fund's investment strategy are disclosed based on its 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 broad economic conditions, inflation, central bank measures, geopolitical risks and other global events, as well as factors that are beyond the Funds' control.

Future developments in these areas could impact the Funds' results with the full extent of that impact remaining unknown. Applying analytical judgement in developing estimates is complex and as a result, actual results may differ from those estimates and assumptions.

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

Six months ended June 30, 2024

### (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 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 Alternative Absolute Return Fund as at June 30, 2024 and December 31, 2023, categorized by credit ratings. The remaining Funds did not have exposure to any material credit risk.

	As at June 30, 2024 (\$)	As at December 31, 2023 (\$)
<b>Long positions:</b>		
AAA	117,900,050	73,147,232
AA	100,594,691	182,114,310
A	4,061,323	-
BBB	127,212,617	97,070,888
Below BBB	418,109,280	313,009,082
	<b>767,877,961</b>	<b>665,341,512</b>
<b>Short positions:</b>		
AAA	(26,951,210)	(46,271,775)
BBB	(8,582,765)	(1,369,736)
Below BBB	(106,312,816)	(105,970,185)
	<b>(141,846,791)</b>	<b>(153,611,696)</b>
	<b>626,031,170</b>	<b>511,729,816</b>

### (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 the case where the Funds hold thinly traded investments, timely disposition of such investments and the realized price may be significantly different from their carrying values.

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 Alternative Absolute Return Fund, Pender Alternative Arbitrage Fund and Pender Alternative Arbitrage Plus Fund as at June 30, 2024 and December 31, 2023 that were due within six months of the financial reporting date. The amounts are gross and undiscounted. The remaining Funds did not hold any derivative instruments as at June 30, 2024 and December 31, 2023.

	As at June 30, 2024		As at December 31, 2023	
	Nominal value (\$)	Unrealized gain (loss) (\$)	Nominal value (\$)	Unrealized gain (loss) (\$)
Derivative instruments inflows (outflows)				
Alternative Absolute Return Fund	185,785,580	(1,086,723)	155,676,500	3,518,384
Alternative Arbitrage Fund	17,766,608	(80,747)	20,135,856	480,016
Alternative Arbitrage Plus Fund	15,484,400	(69,544)	13,628,846	289,607

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

Six months ended June 30, 2024

### (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, political and economic changes both domestic and foreign, catastrophic events, 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 Alternative Absolute Return Fund as at June 30, 2024 and December 31, 2023, categorized by the earlier of contractual re-pricing or maturity dates. The remaining Funds did not have exposure to any material interest rate risk.

	As at June 30, 2024 (\$)	As at December 31, 2023 (\$)
<b>Long position:</b>		
Less than 1 year	224,385,872	258,124,205
1 to 3 years	141,268,104	42,818,901
3 to 5 years	97,668,032	45,369,266
More than 5 years	304,555,953	319,015,663
	<b>767,877,961</b>	<b>665,328,035</b>
<b>Short position:</b>		
3 to 5 years	(14,559,832)	-
More than 5 years	(127,286,959)	(153,608,583)
	<b>(141,846,791)</b>	<b>(153,608,583)</b>
	<b>626,031,170</b>	<b>511,719,452</b>

As at June 30, 2024 and December 31, 2023, 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 Pender Alternative Absolute Return Fund with exposure to interest rate risk would have decreased or increased by \$27,689,714 and \$20,237,421 respectively.

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 portfolio holdings of the Fund on a daily basis and positions are maintained within established ranges.

The Funds, with the exception of the Pender Alternative Multi-Strategy Income Fund and Pender Alternative Special Situations Fund, enter into certain forward foreign currency contracts for all classes to mitigate their foreign currency exposure.

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

Six months ended June 30, 2024

The net currency exposure for each of the Funds as at June 30, 2024 and December 31, 2023 was as follows:

	Canadian dollar (\$)	US dollar (\$)	Total (\$)
As at June 30, 2024			
Alternative Absolute Return Fund	504,788,702	14,765,336	519,554,038
Alternative Arbitrage Fund	18,513,177	545,244	19,058,421
Alternative Arbitrage Plus Fund	12,137,799	133,597	12,271,396
Alternative Multi-Strategy Income Fund	3,505,713	-	3,505,713
Alternative Special Situations Fund	1,791,214	695,060	2,486,274

	Canadian dollar (\$)	US dollar (\$)	Total (\$)
As at December 31, 2023			
Alternative Absolute Return Fund	379,125,474	39,579,315	418,704,789
Alternative Arbitrage Fund	21,401,986	644,543	22,046,529
Alternative Arbitrage Plus Fund	16,052,734	321,963	16,374,697
Alternative Multi-Strategy Income Fund	3,994,517	-	3,994,517
Alternative Special Situations Fund	787,908	917,686	1,705,594

As at June 30, 2024 and December 31, 2023, 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:

	As at June 30, 2024 (\$)	As at December 31, 2023 (\$)
Alternative Absolute Return Fund	1,476,534	3,957,932
Alternative Arbitrage Fund	54,524	64,454
Alternative Arbitrage Plus Fund	13,360	32,196
Alternative Special Situations Fund	69,506	89,406

### (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 portfolio holdings 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 June 30, 2024, by providing the market and geography sector breakdown of investments, as applicable. Potential losses from securities sold short can be unlimited.

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

Six months ended June 30, 2024

The following table summarizes the exposure to other price risk for each of the Funds as at June 30, 2024 and December 31, 2023:

	As at June 30, 2024 (\$)	As at December 31, 2023 (\$)
<b>Long position</b>		
Alternative Absolute Return Fund	7,136,065	4,061,309
Alternative Arbitrage Fund	16,050,107	11,867,440
Alternative Arbitrage Plus Fund	17,824,117	14,543,959
Alternative Multi-Strategy Income Fund	3,550,828	4,044,713
Alternative Special Situations Fund	2,804,986	1,960,865
<b>Short position</b>		
Alternative Absolute Return Fund	(138,849,348)	(119,698,279)
Alternative Arbitrage Fund	(2,163,892)	(1,498,943)
Alternative Arbitrage Plus Fund	(2,460,281)	(1,811,817)

As at June 30, 2024 and December 31, 2023, 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:

	As at June 30, 2024 (\$)	As at December 31, 2023 (\$)
Alternative Absolute Return Fund	36,829	(486,781)
Alternative Arbitrage Fund	1,270,788	644,785
Alternative Arbitrage Plus Fund	1,414,595	780,110
Alternative Multi-Strategy Income Fund	111,450	53,643
Alternative Special Situations Fund	240,984	185,139

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

(d) Leverage risk:

When a Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Funds' aggregate gross exposure to underlying assets is greater than the amount invested. Leverage may increase volatility, may impair the Funds' liquidity and may necessitate that the Funds liquidate positions at unfavourable times.

The aggregate gross exposure of the Funds, calculated as the sum of the following, must not exceed three times the Funds' net asset value: (i) the aggregate value of the Funds' outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Funds' specified derivatives positions excluding any specified derivatives used for hedging purposes. The Pender Alternative Multi-Strategy Income Fund was not directly exposed to leverage risk as at the year end date. The following table summarizes for the remaining Funds the lowest and highest aggregate gross exposure of the Funds' net asset value during the period ended June 30, 2024 and year ended December 31, 2023:

	Lowest aggregate (%)	Highest aggregate (%)
As at June 30, 2024		
Alternative Absolute Return Fund	46.6	68.0
Alternative Arbitrage Fund	4.8	12.7
Alternative Arbitrage Plus Fund	11.1	53.8
Alternative Multi-Strategy Income Fund	0.1	1.9
Alternative Special Situations Fund	4.2	36.3

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

Six months ended June 30, 2024

As at December 31, 2023	Lowest aggregate (%)	Highest aggregate (%)
Alternative Absolute Return Fund	50.5	72.3
Alternative Arbitrage Fund	2.1	8.4
Alternative Arbitrage Plus Fund	1.1	68.2
Alternative Special Situations Fund	12.7	52.5

The primary sources of leverage were cash borrowing, short sales, and derivative contracts. The low and high end of the range are as a result of the Fund's investing activities and timing of subscriptions and/or redemptions.

The Manager monitors to ensure that the Fund's aggregate gross exposure is less than three times the Fund's net asset value.

### 9. 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.

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 June 30, 2024 and December 31, 2023 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.



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

Six months ended June 30, 2024

As at June 30, 2024	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<b>Alternative Absolute Return Fund:</b>				
Bonds and loans - Long	454,134,901	95,248,319	-	549,383,220
Bonds and loans - Short	(141,846,791)	-	-	(141,846,791)
Exchange-traded funds - Short	(135,827,884)	-	-	(135,827,884)
Equities - Short	(3,021,464)	-	-	(3,021,464)
Forward foreign currency contracts	-	(1,086,723)	-	(1,086,723)
Preferred shares	7,136,065	-	-	7,136,065
Short-term investments	218,494,741	-	-	218,494,741
	<b>399,069,568</b>	<b>94,161,596</b>	<b>-</b>	<b>493,231,164</b>
<b>Alternative Arbitrage Fund:</b>				
Equities - Long	15,856,113	10,242	177,787	16,044,142
Equities - Short	(2,115,531)	-	-	(2,115,531)
Exchange-traded funds - Short	(48,361)	-	-	(48,361)
Forward foreign currency contracts	-	(80,747)	-	(80,747)
Warrants	-	5,965	-	5,965
	<b>13,692,221</b>	<b>(64,539)</b>	<b>177,787</b>	<b>13,805,468</b>
<b>Alternative Arbitrage Plus Fund:</b>				
Equities - Long	17,610,140	4,470	209,487	17,824,098
Equities - Short	(2,406,767)	-	-	(2,406,767)
Exchange-traded funds - Short	(53,514)	-	-	(53,514)
Forward foreign currency contracts	-	(69,544)	-	(69,544)
Warrants	-	19	-	19
	<b>15,149,859</b>	<b>(65,055)</b>	<b>209,487</b>	<b>15,294,292</b>
<b>Alternative Multi-Strategy Income Fund:</b>				
Equities	-	-	1,803	1,803
Mutual funds	3,549,025	-	-	3,549,025
	<b>3,549,025</b>	<b>-</b>	<b>1,803</b>	<b>3,550,828</b>
<b>Alternative Special Situations Fund:</b>				
Equities	2,351,937	106,484	194,774	2,653,195
Exchange-traded funds	72,200	-	-	72,200
Warrants	-	79,591	-	79,591
	<b>2,424,137</b>	<b>186,075</b>	<b>194,774</b>	<b>2,804,986</b>
<hr/>				
As at December 31, 2023	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<b>Alternative Absolute Return Fund:</b>				
Bonds and loans - Long	351,056,043	59,015,619	-	410,071,662
Bonds and loans - Short	(153,608,583)	-	-	(153,608,583)
Exchange-traded funds - Short	(115,290,877)	-	-	(115,290,877)
Equities - Short	(4,407,402)	-	-	(4,407,402)
Forward foreign currency contracts	-	3,518,384	-	3,518,384
Preferred shares	4,061,309	-	-	4,061,309
Short-term investments	255,256,373	-	-	255,256,373
	<b>337,066,863</b>	<b>62,534,003</b>	<b>-</b>	<b>399,600,866</b>

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

Six months ended June 30, 2024

As at December 31, 2023	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<b>Alternative Arbitrage Fund:</b>				
Equities - Long	11,848,220	9,591	-	11,857,811
Equities - Short	(1,498,943)	-	-	(1,498,943)
Forward foreign currency contracts	-	480,016	-	480,016
Warrants	-	9,629	-	9,629
	<b>10,349,277</b>	<b>499,236</b>	<b>-</b>	<b>10,848,513</b>
<b>Alternative Arbitrage Plus Fund:</b>				
Equities - Long	14,539,849	4,110	-	14,543,959
Equities - Short	(1,811,817)	-	-	(1,811,817)
Forward foreign currency contracts	-	289,607	-	289,607
Warrants	-	12	-	12
	<b>12,728,032</b>	<b>293,729</b>	<b>-</b>	<b>13,021,761</b>
<b>Alternative Multi-Strategy Income Fund:</b>				
Equities	-	-	1,803	1,803
Mutual funds	4,042,910	-	-	4,042,910
	<b>4,042,910</b>	<b>-</b>	<b>1,803</b>	<b>4,044,713</b>
<b>Alternative Special Situations Fund:</b>				
Equities	1,670,816	102,000	176,649	1,949,465
Warrants	11,400	-	-	11,400
	<b>1,682,216</b>	<b>102,000</b>	<b>176,649</b>	<b>1,960,865</b>

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 period ended June 30, 2024 and the year ended December 31, 2023. There were no significant transfers between Level 1 and Level 2 for the remaining fund.

	As at June 30, 2024 (\$)	As at December 31, 2023 (\$)
Alternative Absolute Return Fund	-	59,015,620
Alternative Arbitrage Fund	-	19,219
Alternative Special Situations Fund	-	102,000

The following table shows a reconciliation of the movement in fair value of all financial instruments categorized within Level 3 for the period ended June 30, 2024 and the year ended December 31, 2023. The remaining Funds did not hold any financial instruments categorized as Level 3.

	As at June 30, 2024 (\$)	As at December 31, 2023 (\$)
<b>Pender Alternative Arbitrage Fund:</b>		
Opening balance	-	-
Purchase of investments	128,622	-
Change in unrealized appreciation (depreciation)	49,165	-
<b>Ending Balance</b>	<b>177,787</b>	<b>-</b>
<b>Pender Alternative Arbitrage Plus Fund:</b>		
Opening balance	-	-
Purchase of investments	160,104	-
Change in unrealized appreciation (depreciation)	49,383	-
<b>Ending Balance</b>	<b>209,487</b>	<b>-</b>

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

Six months ended June 30, 2024

	As at June 30, 2024 (\$)	As at December 31, 2023 (\$)
<b>Alternative Multi-Strategy Income Fund:</b>		
Opening balance	1,803	1,803
<b>Ending Balance</b>	<b>1,803</b>	<b>1,803</b>
<b>Alternative Special Situations Fund:</b>		
Opening balance	176,649	162,480
Purchase of investments	-	17,643
Change in unrealized appreciation (depreciation)	18,125	(3,474)
<b>Ending Balance</b>	<b>194,774</b>	<b>176,649</b>

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

Six months ended June 30, 2024

(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 June 30, 2024 and December 31, 2023, for the Pender Alternative Arbitrage Fund, Pender Alternative Arbitrage Plus Fund, Pender Alternative Multi-Strategy Income Fund and Pender Alternative Special Situations Fund. The remaining Funds did not hold any financial instruments categorized as Level 3.

As at June 30, 2024	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
<b>Alternative Arbitrage Fund:</b>				
Unlisted private investments	177,787	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<b>Alternative Arbitrage Plus Fund:</b>				
Unlisted private investments	209,487	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<b>Alternative Multi-Strategy Income Fund:</b>				
Unlisted private investments	1,803	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<b>Alternative Special Situations Fund:</b>				
Unlisted private investments	194,774	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<hr/>				
As at December 31, 2023	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
<b>Alternative Multi-Strategy Income Fund:</b>				
Unlisted private investments	1,803	Investment cost/enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<b>Alternative Special Situations Fund:</b>				
Unlisted private investments	176,649	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.

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

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

Six months ended June 30, 2024

The Pender Alternative Arbitrage Fund, Pender Alternative Arbitrage Plus Fund, Pender Alternative Multi-Strategy Income Fund and Pender Alternative Special Situations 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 June 30, 2024 and December 31, 2023. The remaining Fund did not hold any financial instruments categorized as Level 3.

Entity	As at June 30, 2024	As at December 31, 2023
<b>Alternative Arbitrage Fund:</b>		
Favourable	17,779	-
Unfavourable	(17,779)	-
<b>Alternative Multi-Strategy Income Fund:</b>		
Favourable	20,949	-
Unfavourable	(20,949)	-
<b>Alternative Multi-Strategy Income Fund:</b>		
Favourable	180	180
Unfavourable	(180)	(180)
<b>Alternative Special Situations Fund:</b>		
Favourable	19,477	17,665
Unfavourable	(19,477)	(17,665)

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) Short selling:

If a Fund sells a security short, it will borrow that security from a broker to complete the sale. The Fund will incur a loss as a result of a short sale if the price of the borrowed security increases between the date of the short sale and the date on which the Fund closes out its short position by buying that security. There can be no assurance that a Fund will be able to close out a short position at an acceptable time or price. Until the Fund replaces a borrowed security, it will maintain adequate margin with the broker consisting of cash and liquid securities.

The following table summarizes the exposure to short positions for the Pender Alternative Absolute Return Fund, Pender Alternative Arbitrage Fund and Pender Alternative Arbitrage Plus Fund as at June 30, 2024 and December 31, 2023. None of the remaining Funds had exposure to short positions.

	As at June 30, 2024 (\$)	As at December 31, 2023 (\$)
Alternative Absolute Return Fund	(280,696,139)	(273,306,862)
Alternative Arbitrage Fund	(2,163,892)	(1,498,943)
Alternative Arbitrage Plus Fund	(2,460,281)	(1,811,817)

### 10. Involvement with structured entities:

The table below describes the type of structured entities in which the Pender Alternative Multi-Strategy Income Fund holds an interest but which it does not consolidate. The remaining Funds did not hold an interest in structured entities as at June 30, 2024 and December 31, 2023.

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

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

Six months ended June 30, 2024

The table below sets out interests held by the Pender Alternative Multi-Strategy Income Fund in unconsolidated structured entities as at June 30, 2024 and December 31, 2023. 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 (\$)
<b>Alternative Multi-Strategy Income Fund:</b>			
As at June 30, 2024	4	2,262,293,511	3,549,025
As at December 31, 2023	4	1,911,744,681	4,042,910

During the period ended June 30, 2024 and year ended December 31, 2023, the Pender Alternative Multi-Strategy Income Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support. The Pender Alternative Multi-Strategy Income Fund can sell or redeem their units in the above investment funds at any time.

### 11. Income taxes:

The taxation year-end of the Pender Alternative Special Situations Fund is December 31 and for the remaining 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 (\$)
Alternative Arbitrage Plus Fund	6,201	31,386
Alternative Multi-Strategy Income Fund	73,214,615	73,310,042
Alternative Special Situations Fund	387,315	542,069

As at the end of the tax year-end, the following Funds had accumulated non-capital losses available for carry forward.

	2023 (\$)	2022 (\$)	Expiration Date
Alternative Arbitrage Plus Fund	55,180	-	2043
Alternative Multi-Strategy Income Fund	1,841,484	1,972,311	2038-2042

The remaining Funds had no accumulated capital losses or non-capital losses as at the end of the 2023 and 2022 tax year-ends.



**Unaudited Semi-Annual Financial Statements of  
PENDER ALTERNATIVE MUTUAL FUNDS**

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