



Forward thinking. Finding value.

FIXED INCOME

February 2019 / CLASS F-USD

Pender Corporate Bond Fund

| NET ASSET VALUE | AS OF Feb 28/19 |
|--------------------------|------------------|
| Class F-USD | \$10.26 |
| Current Yield (%) | 4.64 |
| Yield to Maturity (%) | 5.00 |
| Term to Maturity (years) | 3.21 |
| Duration (years) | 2.76 |
| Total Holdings | 128 |
| Total Net Assets of Fund | \$677.07 Million |

FUND FACTS

| | |
|----------------|---------------------------------------|
| Asset Class | Corporate Fixed Income |
| Fund Inception | June 2009 |
| Valuations | Daily |
| Eligibility | Canada-wide Registered Plans & TFSA's |
| Distributions | DRIP Monthly Cash Optional |

FUND INFO

| | CODES | US CODES | MER* |
|---------|---------|----------|-------|
| Class A | PGF 500 | PGF 501 | 1.95% |
| Class F | PGF 510 | PGF 511 | 1.15% |
| Class H | PGF 540 | | 1.65% |
| Class I | PGF 550 | | 1.00% |
| Class D | PGF 560 | | 1.40% |

capped*

MINIMUM INVESTMENT

| | Initial Investment | Subsequent Investment |
|---------|--------------------|-----------------------|
| Class A | \$5,000 | \$500 |
| Class F | \$5,000 | \$500 |
| Class H | \$100,000 | \$1,000 |
| Class I | \$100,000 | \$1,000 |
| Class D | \$5,000 | \$500 |

FIRM OVERVIEW

| | |
|---------------|--------------------------------------|
| Legal Counsel | MOI Solicitors Lawson Lundell LLP |
| Fund Admin | CIBC Mellon |
| Auditor | KPMG LLP |

PORTFOLIO MANAGER(S)



PenderFund Capital Management Ltd.
Lead Manager:
 Geoff Castle, MBA, Portfolio Manager
Manager Start Date: September 2015

The Pender Corporate Bond Fund is an income fund that is both conservatively managed to preserve capital as well as opportunistic to generate returns. The Fund is focused on key credit characteristics - coverage, seniority and duration. It is driven by bottom up fundamental analysis, and seeks to use its nimble size to invest in opportunities large or index based funds cannot. This advantage could provide investors with an attractive cash yield, while maintaining positions in attractively valued securities that provide a margin-of-safety for investors.

PERFORMANCE (%)

| 1 Mo. | 3 Mo. | 6 Mo. | 1 Yr. | 3 Yr. | 5 Yr. | SINCE INCEPTION |
|-------|-------|-------|-------|-------|-------|-----------------|
| 0.8 | 2.1 | 1.4 | 5.9 | 13.7 | 6.0 | 5.7 |

ANNUAL PERFORMANCE (%)

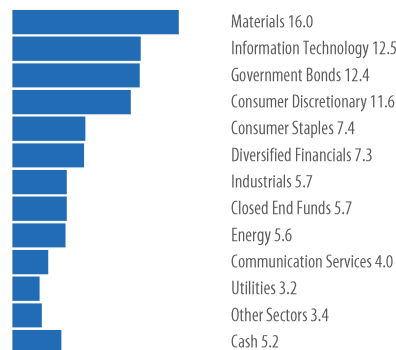
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 YTD |
|------|------|------|------|------|----------|
| 0.4 | -8.3 | 23.3 | 9.4 | 5.9 | 2.5 |

DISTRIBUTIONS (\$)

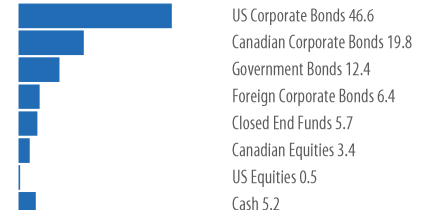
| Aug 18 | Sep 18 | Oct 18 | Nov 18 | Dec 18 | Jan 19 | Feb 19 | SINCE INCEPTION |
|--------|--------|--------|--------|--------|--------|--------|-----------------|
| 0.03 | 0.03 | 0.03 | 0.03 | 0.02 | 0.04 | 0.03 | 2.42 |

Since Inception returns and distributions are from Aug 2013. All returns greater than a year are annual compounded returns.

SECTOR ALLOCATION (%)



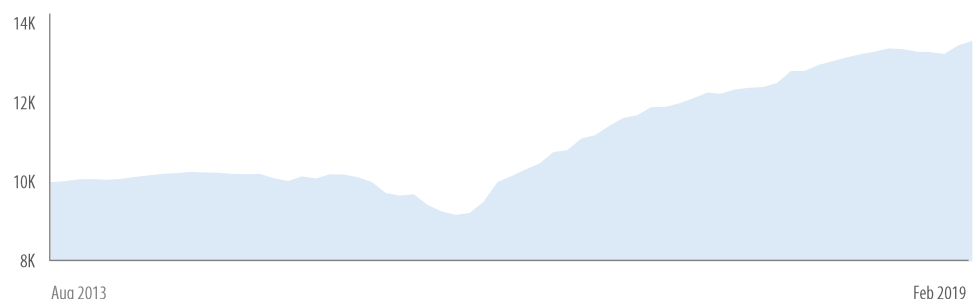
ASSET ALLOCATION (%)



CURRENCY ALLOCATION (%)



GROWTH OF \$10K



TOP 10 HOLDINGS

| | |
|---------------------------------------|--|
| Verisign, 4.625%, 01-May-23 | VeriSign, Inc. provides domain name registry services and Internet infrastructure in the United States and internationally. |
| Venator Fin Sarl, 5.750%, 15-Jul-25 | Venator Finance S.A.R.L. is based in The Woodlands, Texas. |
| Sunpower Corp, 4.000%, 15-Jan-23 | SunPower Corporation researches, develops, manufactures, and delivers solar solutions worldwide. |
| Louisiana-Pacific, 4.875%, 15-Sep-24 | Louisiana-Pacific Corporation, together with its subsidiaries, manufactures building products primarily for use in new home construction, repair and remodeling, and outdoor structure markets. |
| Mcdonalds Corp, 3.125%, 04-Mar-25 | McDonald's Corporation operates and franchises McDonald's restaurants in the United States and internationally. |
| Dean Foods, 6.500%, 15-Mar-23 | Dean Foods Company, a food and beverage company, processes and distributes milk, and other dairy and dairy case products in the United States. |
| Osisko Gold Royal, 4.000%, 31-Dec-22 | Osisko Gold Royalties Ltd acquires and manages precious metal and other royalties, streams, and similar interests in Canada and internationally. |
| U S Treasury Note, 2.875%, 31-Oct-23 | United States Department of The Treasury (The Treasury Department) is a government institution that provides monetary circulation, economic planning, and financial policies formulation services to the Government of United States of America. |
| Cndn National Rail, 2.750%, 18-Feb-21 | Canadian National Railway Company engages in rail and related transportation business. |
| Element Financial, 5.125%, 30-Jun-19 | Element Fleet Management Corp. operates as a fleet management company in Canada, the United States, and internationally. |

Source: Capital IQ

PORTFOLIO MANAGER(S)

GEOFF CASTLE, MBA

Mr. Castle has been managing the Pender Corporate Bond Fund since he joined Pender in September 2015. He began investing in 2000 and is an experienced investor in both public mutual funds and proprietary investment funds for ultra-high net worth individuals, with industry experience in trade credit and general corporate management. As a fixed income manager, his focus is on seeking enhanced yield opportunities in situations where substantial margins of safety exist. Mr. Castle holds a BA from UBC and an MBA from the Richard Ivey School of Business at the University of Western Ontario. He is a member of the CFA Institute.

ABOUT PENDER

Pender is an independent, employee-owned, value-based investment firm located in Vancouver. We have built a team of specialist Portfolio Managers who manage a suite of niche investment funds. Our goal is to create value for our investors by generating superior risk-adjusted returns, while protecting capital and minimizing downside risk. We believe that small and nimble funds, with concentrated portfolios of value-based investments, run by managers who are invested alongside unitholders, best achieve our goal of outperforming the index and peers.

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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the simplified prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in net asset value and assumes reinvestment of all distributions and are net of all management and administrative fees, but do not take into account sales, redemption or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. This commentary is intended for information purposes only and does not constitute an offer to buy or sell our products or services nor is it intended as investment and/or financial advice on any subject matter and is provided for your information only. Every effort has been made to ensure the accuracy of its contents. Feb 28/19.