

354,9

232,5

238,8

134,8

107,7

86,8

4,0545

PENDER LIQUID ALTERNATIVES

Know Your **Product**

PENDER ALTERNATIVE ARBITRAGE FUND

Pender Alternative Arbitrage Fund — Class F
(formerly Class I)

November 25, 2025

This document contains key information you should know about Pender Alternative Arbitrage Fund. You can find more detailed information in the fund's simplified prospectus. Ask your representative for a copy, contact PenderFund Capital Management Ltd. (Pender) at 1-866-377-4743 or info@penderfund.com or visit www.penderfund.com.

Before you invest in any fund, consider how it would work with your other investments and your tolerance for risk.

As approved in a unitholder vote, components of the Management Expense Ratio (MER) will change. Management fees will increase and administrative fees will decrease by an equal or larger percentage. Refer to amendments to the Simplified Prospectus for further details.

This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: Increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

Quick facts

| | | | |
|---|-----------------|----------------------------|---|
| Fund code: | PGF2150 | Fund manager: | PenderFund Capital Management Ltd. |
| Date class started: | August 25, 2021 | Portfolio manager: | PenderFund Capital Management Ltd. |
| Total value of the fund on September 30, 2025: | \$10.6 million | Distributions: | Net income and net capital gains annually. Automatically reinvested in additional units; cash upon request. |
| Management expense ratio (MER): | 2.99% | Minimum investment: | \$500 initial, \$0 additional |

What does the fund invest in?

The fund invests primarily in North American securities. The fund may also invest in foreign and other securities. The fund will use alternative investment strategies including the use of leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage must not exceed 300% the fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws.

The charts below give you a snapshot of the fund's investments on September 30, 2025. The fund's investments will change.

Top 10 investments - (September 30, 2025)

| | |
|---|--------------|
| 1. Mercer Park Opportunities Corp. | 5.1% |
| 2. Launch One Acquisition Corp. | 3.9% |
| 3. Drugs Made In America Acquisition II Corp. | 2.9% |
| 4. McEwen Inc. | -2.6% |
| 5. Sandstorm Gold Ltd. | 2.5% |
| 6. Royal Gold, Inc. | -2.5% |
| 7. Canadian Gold Corp. | 2.3% |
| 8. Valence Merger Corp. I | 2.3% |
| 9. Horizon Copper Corp. | 2.2% |
| 10. RF Capital Group Inc. | 2.2% |
| Total percentage of top 10 investments | 18.3% |
| Total number of investments | 169 |

Investment mix - (September 30, 2025)

| | |
|------------------------|-------|
| Financial Services | 53.0% |
| Health Care | 11.7% |
| Industrials | 5.8% |
| Cash | 4.8% |
| Real Estate | 4.8% |
| Information Technology | 4.7% |
| Consumer Discretionary | 4.5% |
| Materials | 4.3% |
| Communication Services | 2.9% |
| Utilities | 2.0% |
| Insurance | 1.2% |
| Energy | 0.7% |
| Banks | 0.6% |
| Exchange-Traded Funds | -1.0% |

How risky is it?

The value of the fund can go down as well as up. You could lose money. One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

Risk rating

Pender has rated the volatility of Class F of the fund as low.

This rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.

| | | | | |
|-----|---------------|--------|----------------|------|
| Low | Low to Medium | Medium | Medium to High | High |
|-----|---------------|--------|----------------|------|

For more information about the risk rating and specific risks that can affect the fund's returns, see the section titled "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund" in the fund's simplified prospectus.

No guarantees

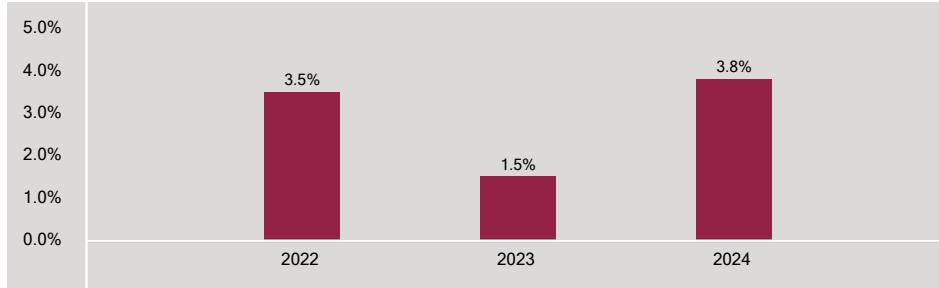
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

How has the fund performed?

This section tells you how Class F units of the fund have performed over the past 3 calendar years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

YEAR-BY-YEAR RETURNS

This chart shows how Class F units of the fund have performed in each of the past 3 calendar years. The fund did not drop in value in any of those years. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.



BEST and WORST 3-MONTH RETURNS

This table shows the best and worst returns for Class F units of the fund in a 3-month period over the past 3 years. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

| | Return | 3 months ended | If you invested \$1,000 at the beginning of the period |
|---------------------|--------|----------------|--|
| Best return | 2.9% | June 30, 2025 | Your investment would rise to \$1,029. |
| Worst return | -1.3% | May 31, 2023 | Your investment would drop to \$987. |

AVERAGE RETURN

The annual compounded return of Class F units of the fund was 3.8% since inception. If you had invested \$1,000 in the fund since inception, your investment would be now worth \$1,161.

Who is this fund for?

This fund is suitable for investors who want modest capital growth. This fund is suitable for investors who want to invest in a portfolio of securities focused on merger arbitrage. Investors in this fund should have a long-term investment time horizon and a low tolerance for investment risk. Do not invest in this fund if you are seeking a long only equity investment strategy focused on maximizing returns.

A word about tax

In general, you pay income tax on your share of the fund's earnings and on any gains you realize from redeeming your investment. The amount of tax depends on the tax rules and rates that apply to you, and whether you hold the fund in a registered plan, such as an RRSP or TFSA.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell Class F units of the fund. The fees and expenses – including any commissions – can vary among classes of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

1. SALES CHARGES

There are no sales charges for Class F units of the fund.

2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the fund's returns. The fund will pay to the Manager a performance fee in relation to Class F units that is equal to 15% of the amount by which the total return of the Class F units exceeds its high-water mark for the period since the performance fee was last paid, exclusive of taxes. The performance fee is calculated as described in the Simplified Prospectus on a daily basis and paid annually. As of June 30, 2025, the expenses of Class F were 3.34% of the value of this class. This equals \$33.40 for every \$1,000 invested. Performance fees were 1.74% of the expenses, this equals \$17.40 for every \$1,000 invested.

| | Annual rate (as a % of the class' value) |
|--|---|
| Management expense ratio (MER) | 2.99% |
| This is the total of the fund's management fee (including, if applicable, the trailing commission) and administration fee. | |
| Trading expense ratio (TER) | 0.35% |
| These are the fund's trading costs for this class. | |
| Fund expenses | 3.34% |

More about the trailing commission

No trailing commission is paid by Pender to your representative's firm in respect of Class F securities.

3. OTHER FEES

You may have to pay other fees when you buy, hold, sell or switch units of the fund.

| Fee | What you pay |
|-------------------------------|---|
| Short-term trading fee | You may be charged up to 2.00% of the value of units you sell or switch within 30 days of buying them. This fee goes to the fund. |
| Switch fee | Your representative's firm may charge you up to 2.00% of the value of units you switch to another class of the fund or to another fund managed by Pender. |
| Fee-based account fee | You may pay a fee-based account fee, which is negotiated between you and your representative, and paid directly to your representative's firm. Investors who purchase this class of the fund generally participate in an eligible fee-based program with their representative's firm. |

What if I change my mind?

Under the securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund units within two business days after you receive a simplified prospectus or Fund Facts document; or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you will also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document; or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

For more information

Contact Pender or your representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents, which can be found on our website at www.penderfund.com or on the SEDAR+ website at www.sedarplus.ca.

PenderFund Capital Management Ltd.
1066 W. Hastings St., Suite 1830
Vancouver, BC V6E 3X2
Toll Free: 1-866-377-4743
Fax: 604-563-3199
Email: info@penderfund.com
www.penderfund.com

To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at www.securities-administrators.ca.



Forward thinking. Finding value.

LIQUID ALTERNATIVE

March 31, 2026 / Class F

Pender Alternative Arbitrage Fund

NET ASSET VALUE

| | |
|--------------------------|----------------|
| Class F | |
| NAV Per Unit | \$9.67 |
| Beta | 0.47 |
| Total Holdings | 192 |
| Total Net Assets of Fund | \$9.52 Million |

FUND FACTS

| | |
|----------------|-------------------------------|
| Asset Class | Alternative Merger Arbitrage |
| Fund Inception | September 2021 |
| Valuations | Daily |
| Eligibility | Canada-wide, Registered Plans |
| Distributions | DRIP Annually, Cash Optional |

FUND INFO

MERs at 2025-12-31 before performance fee.

| Class | Code | MER | MGMT Fee |
|---------|----------|-------|----------|
| A | PGF 2140 | 2.09% | 1.80% |
| F | PGF 2150 | 1.25% | 0.95% |
| F (USD) | PGF 2151 | 1.31% | 0.95% |

PERFORMANCE FEE

15% of the amount by which the total return of the class of units exceeds its high water mark.

The Fund is subject to a performance fee, refer to penderfund.com for the 'MER including performance fee'.

MINIMUM INVESTMENT

| Class | Initial Investment | Subsequent Investment |
|---------|--------------------|-----------------------|
| A | \$500 | \$0 |
| F | \$500 | \$0 |
| F (USD) | \$500 | \$0 |

FUND OVERVIEW

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

The Pender Alternative Arbitrage Fund aims to produce consistent and low volatility absolute returns by investing primarily in merger arbitrage opportunities. This low-risk strategy can be used to provide diversification benefits to clients with low correlation to traditional equity and fixed income investments.

PERFORMANCE

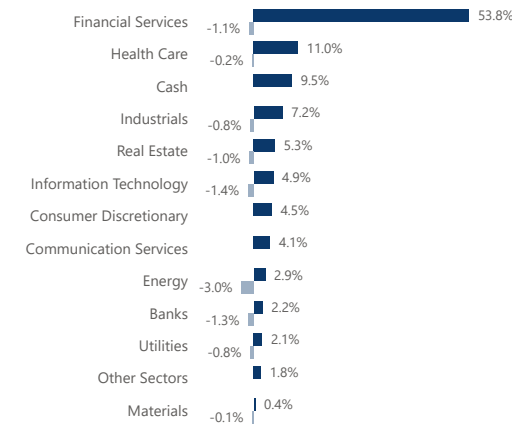
| 1 Mo. | 3 Mo. | 6 Mo. | 1 Yr. | 2 Yr. | 3 Yr. | 5 Yr. | 10 Yr. | Since Inception |
|-------|-------|-------|-------|-------|-------|-------|--------|-----------------|
| -0.5% | -0.1% | 0.5% | 3.6% | 3.8% | 3.3% | - | - | 3.4% |

ANNUAL PERFORMANCE

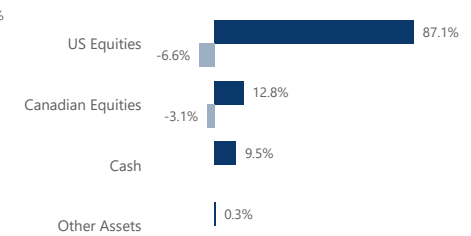
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | YTD |
|------|------|------|------|------|------|------|------|-------|
| - | - | - | - | 3.5% | 1.5% | 3.8% | 5.0% | -0.1% |

Since Inception returns are from September 2021. All returns greater than a year are annual compounded returns.

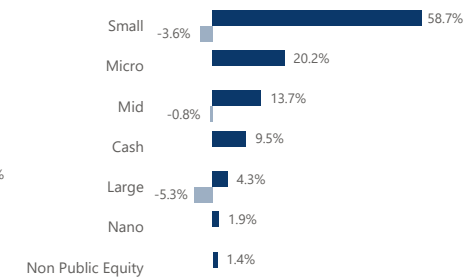
SECTOR ALLOCATION



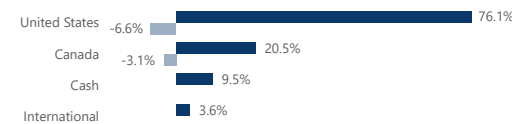
ASSET ALLOCATION



MARKET CAP



GEOGRAPHY



GROWTH OF \$10K



TOP 10 HOLDINGS (LONG)

| | |
|--|------|
| MAK Acquisition Corp. | 3.9% |
| Mercer Park Opportunities Corp. | 3.4% |
| Keyera Corp. | 2.9% |
| ECN Capital Corp. | 2.4% |
| Titan Acquisition Corp | 2.1% |
| Nathan's Famous, Inc. | 1.9% |
| Vine Hill Capital Investment Corp. | 1.9% |
| Soulpower Acquisition Corporation | 1.7% |
| Air Lease Corporation | 1.6% |
| InterRent Real Estate Investment Trust | 1.6% |

TOP 10 HOLDINGS (SHORT)

| | |
|-------------------------------|-------|
| Keyera Corp. | -3.1% |
| Bel Fuse Inc. | -1.4% |
| iShares Bitcoin Trust ETF | -1.1% |
| VICI Properties Inc. | -1.0% |
| Fulton Financial Corporation | -0.9% |
| Black Hills Corporation | -0.8% |
| CECO Environmental Corp. | -0.4% |
| The Brink's Company | -0.4% |
| Community West Bancshares | -0.3% |
| Boston Scientific Corporation | -0.2% |

PORTFOLIO MANAGER(S)

Amar Pandya, CFA

Amar is a Portfolio Manager of several of Pender's alternative investment funds and began his investment career in 2011 in the Portfolio Management Training Program at a large global financial services company. He moved to pursue his passion for equities becoming an APM at a large-cap equity value firm before being drawn to Pender and the west coast in 2017. As an advocate of a contrarian value investing approach, Amar has expertise in event driven special situations with a primary focus on M&A and balance sheet driven special situations. He holds a Bachelor of Commerce degree in Finance (Honours) from the University of Manitoba. He earned his Chartered Financial Analyst designation in 2015.

About Pender

Pender was founded in 2003 and is an independent, employee-owned investment firm located in Vancouver, British Columbia. Our goal is to protect and grow wealth for our investors over time. We have a talented investment team of expert analysts, security selectors and independent thinkers who actively manage our suite of differentiated investment funds, exploiting inefficient parts of the investing universe to achieve our goal.

PenderFund Capital Management Ltd.
1830-1066 West Hastings Street
Vancouver, BC V6E 3X2

Toll Free: 1-866-377-4743
Tel: (604)-688-1511
Fax: (604)-563-3199
penderfund.com

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PenderFund Capital Management Ltd.

Commissions, trailing commissions, management fees and expenses plus applicable taxes 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. Where the performance of a particular class of a fund is displayed, other classes are available and fees and performance may differ in those other classes. This sheet 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. ©Copyright PenderFund Capital Management Ltd. All rights reserved. March 31, 2026

NAV PER UNIT

| | |
|----------------|--------|
| Class A | \$9.05 |
| Class F | \$9.67 |
| Class F (US\$) | \$9.96 |

SUPPLEMENTAL INFORMATION

| | |
|--------------------|-------|
| Alpha | -1.22 |
| Beta | 0.30 |
| Correlation | 0.55 |
| Sharpe | -0.18 |
| Standard Deviation | 2.13 |
| Up Capture | 52 |
| Down Capture | 65 |

Supplemental Information Statistics are calculated based on class A units of the fund since the fund's inception date. The actual results for class F units should be substantially similar to above units. Supplemental statistics are calculated using the FTSE TMX Canada Bond Universe Index.

TOP 10 HOLDINGS **18.7%**

| | |
|------------------------------------|-------|
| MAK Acquisition Corp. | 3.9% |
| Mercer Park Opportunities Corp. | 3.4% |
| Keyera Corp. | -3.1% |
| Keyera Corp. | 2.9% |
| ECN Capital Corp. | 2.4% |
| Titan Acquisition Corp | 2.1% |
| Nathan's Famous, Inc. | 1.9% |
| Vine Hill Capital Investment Corp. | 1.9% |
| Soulpower Acquisition Corporation | 1.7% |
| Air Lease Corporation | 1.6% |



Amar Pandya, CFA Portfolio Manager

Amar Pandya is a Portfolio Manager at Pender and began his investment career in 2011 in the Portfolio Management Training Program at a large global financial services company. He moved to pursue his passion for equities becoming an Associate Portfolio Manager at a large-cap equity value firm before joining Pender in 2017. Amar has developed an expertise in event driven investing with a primary focus on M&A and balance sheet driven special situations. Amar holds a Bachelor of Commerce degree in Finance (Honours) from the University of Manitoba. He earned his Chartered Financial Analyst designation in 2015 and is actively involved with CFA Society Vancouver where he serves as Co-Chair of the Programs Committee.

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Dion Steyn
Vice President
National Retail Sales
+1 604 364 2738
dsteyn@penderfund.com



Derek Trudel
Vice President
National Accounts
+1 647 551 1483
dtrudel@penderfund.com



Lucy Nair
Manager
Inside Sales
+1 778 945 1147
lnair@penderfund.com

Cam Poynton
Business Development
Associate
+1 778 926 8731
cpoynton@penderfund.com

Amy Smith
Bilingual Business
Development Associate
+1 416 518 8683
asmith@penderfund.com

WESTERN CANADA



Sara Embury
Regional Vice President
Western Canada
+1 604 630 5450
sembury@penderfund.com



Rupina Baek
Senior Business Development
Manager, British Columbia,
Saskatchewan and Calgary
+1 778 681 0710
rbaek@penderfund.com



Ian Collins
Senior District Vice President
Vancouver and Calgary
+1 604 219 9598
icollins@penderfund.com



Matthew MacDonald
Business Development Manager
BC & Calgary
+1 778 628 0534
mmacdonald@penderfund.com



Cecelia Clarke
Senior District Vice President,
Northern Alberta and Manitoba
+1 825 777 0177
cclarke@penderfund.com



Tyler Lam
Business Development Manager
Northern Alberta and Manitoba
+1 587 341 7039
tlam@penderfund.com



Stephen McDermott
Senior District Vice President
Vancouver Island and Vancouver
+1 778 678 0092
smcdermott@penderfund.com



Vivian Sherin
Business Development Manager
British Columbia and Ontario
+1 236 558 9732
vsherin@penderfund.com

ONTARIO



Ben Myers
Regional Vice President
Central and Eastern Canada

+1 647 203 2736
bmyers@penderfund.com



Haydn Sitrler
Business Development Manager
Ontario

+1 437 423 7039
hsitrler@penderfund.com



Josh Rowland, CFA
District Vice President
Ontario

+1 905 439 0369
jrowland@penderfund.com



Maydeline Yang
Business Development Manager
Ontario

+1 437 423 7288
myang@penderfund.com



Michael Young, CFA
District Vice President
Southwest Ontario

+1 437 238 4589
myoung@penderfund.com



Vivian Sherin
Business Development Manager
British Columbia and Ontario

+1 236 558 9732
vsherin@penderfund.com

QUÉBEC



Laurent Galarneau
District Vice President
Québec

+1 514 835 8423
lgalarneau@penderfund.com



Adam Hadji
Senior Business Development
Manager, Québec

+1 438 466 1376
ahadji@penderfund.com



Cédric Rioux
District Vice President
Québec

+1 514 349 0777
crioux@penderfund.com

PENDER

PenderFund Capital Management Ltd.

Pender was founded in 2003 and is an independent, employee-owned investment firm located in Vancouver, British Columbia. Our goal is to protect and grow wealth for our investors over time. We have a talented investment team of expert analysts, security selectors and independent thinkers who actively manage our suite of differentiated investment funds, exploiting inefficient parts of the investing universe to achieve our goal.

This brochure is subject to the Disclaimer found here: www.penderfund.com/disclaimer

Standard Performance Data for Pender Funds may be found here:

Equity Funds: www.penderfund.com/equity

Fixed Income Funds: www.penderfund.com/fixed-income

Balanced Funds: www.penderfund.com/balanced

Liquid Alternative Funds: www.penderfund.com/liquid-alternative-funds

Standard Performance Information for Funds that have been launched within the last 12 months will be available one year after inception.

For more information on Pender Ventures please visit: www.penderventures.com

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