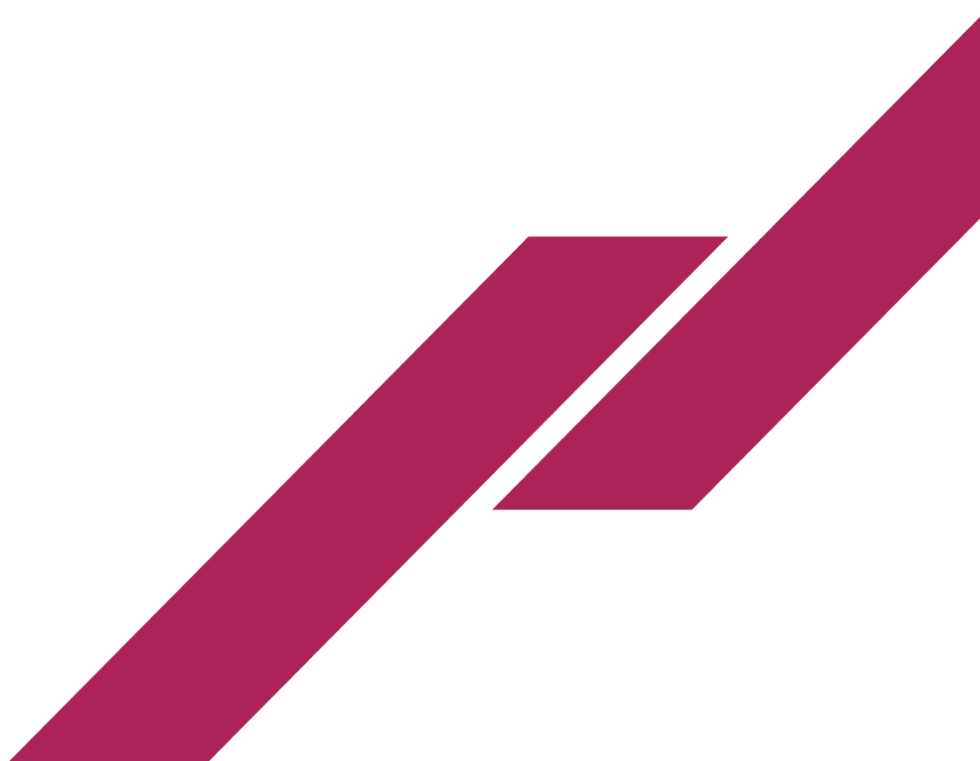


**Annual Financial Statements of
PENDER ALTERNATIVE MUTUAL FUNDS**

And Independent Auditor's Report thereon
Years ended December 31, 2025 and 2024



MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Pender Alternative Mutual Funds (the "Funds") are the responsibility of management. They have been prepared in accordance with IFRS Accounting Standards.

PenderFund Capital Management Ltd. (the "Manager") has developed and maintains a system of internal controls to provide reasonable assurance that all assets are safeguarded and to produce relevant, reliable and timely financial information, including the accompanying financial statements.

The Board of Directors of the Manager is responsible for reviewing and approving the financial statements and for overseeing the Manager's performance of its financial reporting responsibilities. The Board of Directors has approved the accompanying financial statements of the Funds.

These financial statements have been audited by KPMG LLP, Chartered Professional Accountants, on behalf of the unitholders. The auditor's report outlines the scope of their audit and their opinion on the financial statements.

March 30, 2026

(signed) "David Barr"

David Barr
Chief Executive Officer
PenderFund Capital Management Ltd.

(signed) "Amanda Patterson"

Amanda Patterson
Chief Financial Officer and Chief Compliance
Officer
PenderFund Capital Management Ltd.



KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Pender Alternative Mutual Funds

Pender Alternative Absolute Return Fund
Pender Alternative Arbitrage Fund
Pender Alternative Arbitrage Plus Fund
Pender Alternative Multi-Strategy Income Fund
Pender Alternative Special Situations Fund
(collectively, the "Funds")

Opinion

We have audited the financial statements of the Funds, which comprise:

- the statements of financial position as at December 31, 2025 and December 31, 2024
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to the holders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2025 and December 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.



We are independent of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Manager is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Annual Management Report of Fund Performance for each of the Funds filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Management Report of Fund Performance for each of the Funds filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada

March 30, 2026



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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Pender Alternative Select Equity Fund (formerly, Purpose Select Equity Fund)

Opinion

We have audited the financial statements of Pender Alternative Select Equity Fund (formerly, Purpose Select Equity Fund) (the "Fund"), which comprise:

- the statements of financial position as at December 31, 2025
- the statements of comprehensive income for the year then ended
- the statements of changes in net assets attributable to the holders of redeemable units for the year then ended
- the statements of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Matter – Comparative Information

The financial statements for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 31, 2025.

Other Information

The Manager is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Annual Management Report of Fund Performance of the Fund filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Management Report of Fund Performance of the Fund filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada

March 30, 2026

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Pender Alternative Absolute Return Fund

Statements of Financial Position

December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Assets		
Cash	76,665,736	47,731,428
Subscriptions receivable	1,002,012	10,137,788
Interest receivable	13,466,562	9,950,756
Investments	1,004,221,577	814,777,924
	1,095,355,887	882,597,896
Liabilities		
Management and administration fees payable (note 4)	716,522	599,636
Redemptions payable to holders of redeemable units	14,098,113	810,383
Payable for interest and dividends on short securities	1,928,638	1,907,097
Performance fees payable (note 4)	13,892	1,932,144
Derivative liabilities	279,286	3,500,406
Investments sold short	432,948,996	314,710,999
	449,985,447	323,460,665
Net assets attributable to holders of redeemable units	645,370,440	559,137,231
Net assets attributable to holders of redeemable units per class:		
Class A	-	18,790,079
Class A (formerly Class H)	48,964,558	17,741,317
Class AF	5,617,118	7,490,865
Class A (USD)	-	432,353
Class A (USD) (formerly Class H (USD))	910,019	1,099,666
Class E	3,318,859	2,998,177
Class F	-	89,416,188
Class F (formerly Class I)	496,734,211	327,378,069
Class FF	51,035,779	67,933,203
Class F (USD)	-	2,679,181
Class F (USD) (formerly Class I (USD))	17,425,769	13,182,825
Class N	5,294	4,300,877
Class O	21,358,833	5,694,431
	645,370,440	559,137,231

Pender Alternative Absolute Return Fund

Statements of Financial Position (cont'd)

December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Net assets attributable to holders of redeemable units per unit:		
Class A	-	9.26
Class A (formerly Class H)	8.97	9.37
Class AF	9.04	9.44
Class A (USD)	-	13.35
Class A (USD) (formerly Class H (USD))	12.40	13.31
Class E	8.81	9.20
Class F	-	9.28
Class F (formerly Class I)	8.84	9.23
Class FF	9.01	9.41
Class F (USD)	-	13.07
Class F (USD) (formerly Class I (USD))	12.36	13.33
Class N	9.03	9.38
Class O	9.18	9.62

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

Years ended December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Revenue		
Interest for distribution purposes	58,492,357	47,945,187
Dividend income	450,365	429,632
Interest and dividend expense on securities sold short	(15,785,704)	(11,361,985)
Foreign exchange gain (loss)	(1,769,050)	2,804,921
Changes in fair value of investments and derivatives:		
Net realized gain (loss)	(10,452,610)	24,521,575
Net change in unrealized appreciation (depreciation)	(6,023,291)	(14,234,818)
Total revenue	24,912,067	50,104,512
Expenses		
Management fees (note 4)	5,392,152	3,442,812
Administration fees (note 4)	3,627,384	3,051,599
Interest and borrowing fees expense	3,102,609	1,734,819
Transaction costs	58,352	31,174
Performance fees (note 4)	13,892	5,023,144
Independent review committee fees	6,564	8,360
Total expenses	12,200,953	13,291,908
Less: Expenses absorbed by the Manager (note 4)	(6,564)	(8,360)
Net expenses	12,194,389	13,283,548
Increase (decrease) in net assets attributable to holders of redeemable units	12,717,678	36,820,964
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	81,899	928,192
Class A (formerly Class H)	337,798	863,468
Class AF	108,974	555,632
Class A (USD)	(9,436)	53,775
Class A (USD) (formerly Class H (USD))	(16,175)	136,932
Class E	85,199	204,387
Class F	1,460,913	5,378,620
Class F (formerly Class I)	8,974,380	20,004,945
Class FF	1,723,849	5,543,888
Class F (USD)	(56,276)	322,458
Class F (USD) (formerly Class I (USD))	(381,804)	2,072,592
Class N	89,392	349,604
Class O	318,965	406,471
	12,717,678	36,820,964
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	0.04	0.56
Class A (formerly Class H)	0.10	0.58
Class AF	0.15	0.67
Class A (USD)	(0.21)	2.18
Class A (USD) (formerly Class H (USD))	(0.24)	1.86
Class E	0.25	0.74
Class F	0.13	0.61
Class F (formerly Class I)	0.18	0.66
Class FF	0.24	0.75
Class F (USD)	(0.22)	2.08
Class F (USD) (formerly Class I (USD))	(0.22)	1.94
Class N	0.22	0.73
Class O	0.34	0.91

Pender Alternative Absolute Return Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2025 and 2024

Class A	2025 (\$)	2024 (\$)
Balance, beginning of year	18,790,079	12,156,961
Increase (decrease) in net assets attributable to holders of redeemable units	81,899	928,192
Unit transactions:		
Proceeds from issue of redeemable units	13,429,025	16,640,233
Issued on reinvestment of distributions	775,975	1,439,988
Amounts paid on redemption of redeemable units	(32,073,702)	(10,581,693)
	(17,868,702)	7,498,528
Distributions paid from:		
Net investment income	(1,003,276)	(1,000,815)
Realized gains on sale of investments	-	(792,787)
Return of capital	-	-
	(1,003,276)	(1,793,602)
Balance, end of year	-	18,790,079
Class A (formerly Class H)	2025 (\$)	2024 (\$)
Balance, beginning of year	17,741,317	9,405,115
Increase (decrease) in net assets attributable to holders of redeemable units	337,798	863,468
Unit transactions:		
Proceeds from issue of redeemable units	42,362,224	13,833,349
Issued on reinvestment of distributions	1,310,302	1,093,612
Amounts paid on redemption of redeemable units	(11,114,135)	(5,784,773)
	32,558,391	9,142,188
Distributions paid from:		
Net investment income	(1,672,948)	(915,688)
Realized gains on sale of investments	-	(753,766)
Return of capital	-	-
	(1,672,948)	(1,669,454)
Balance, end of year	48,964,558	17,741,317
Class AF	2025 (\$)	2024 (\$)
Balance, beginning of year	7,490,865	8,698,759
Increase (decrease) in net assets attributable to holders of redeemable units	108,974	555,632
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	246,728	531,259
Amounts paid on redemption of redeemable units	(1,839,634)	(1,425,883)
	(1,592,906)	(894,624)
Distributions paid from:		
Net investment income	(389,815)	(561,780)
Realized gains on sale of investments	-	(307,122)
Return of capital	-	-
	(389,815)	(868,902)
Balance, end of year	5,617,118	7,490,865

Pender Alternative Absolute Return Fund

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

Years ended December 31, 2025 and 2024

Class A (USD)	2025 (\$)	2024 (\$)
Balance, beginning of year	432,353	554,907
Increase (decrease) in net assets attributable to holders of redeemable units	(9,436)	53,775
Unit transactions:		
Proceeds from issue of redeemable units	564,894	159,658
Issued on reinvestment of distributions	24,399	34,722
Amounts paid on redemption of redeemable units	(983,337)	(333,328)
	(394,044)	(138,948)
Distributions paid from:		
Net investment income	(28,873)	(17,789)
Realized gains on sale of investments	-	(19,592)
Return of capital	-	-
	(28,873)	(37,381)
Balance, end of year	-	432,353

Class A (USD) (formerly Class H (USD))	2025 (\$)	2024 (\$)
Balance, beginning of year	1,099,666	535,977
Increase (decrease) in net assets attributable to holders of redeemable units	(16,175)	136,932
Unit transactions:		
Proceeds from issue of redeemable units	1,009,140	985,542
Issued on reinvestment of distributions	41,305	108,426
Amounts paid on redemption of redeemable units	(1,181,108)	(554,069)
	(130,663)	539,899
Distributions paid from:		
Net investment income	(42,809)	(63,491)
Realized gains on sale of investments	-	(49,651)
Return of capital	-	-
	(42,809)	(113,142)
Balance, end of year	910,019	1,099,666

Class E	2025 (\$)	2024 (\$)
Balance, beginning of year	2,998,177	2,369,765
Increase (decrease) in net assets attributable to holders of redeemable units	85,199	204,387
Unit transactions:		
Proceeds from issue of redeemable units	843,570	804,816
Issued on reinvestment of distributions	223,473	350,511
Amounts paid on redemption of redeemable units	(607,872)	(380,791)
	459,171	774,536
Distributions paid from:		
Net investment income	(223,688)	(212,064)
Realized gains on sale of investments	-	(138,447)
Return of capital	-	-
	(223,688)	(350,511)
Balance, end of year	3,318,859	2,998,177

Pender Alternative Absolute Return Fund

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

Years ended December 31, 2025 and 2024

Class F	2025 (\$)	2024 (\$)
Balance, beginning of year	89,416,188	56,833,699
Increase (decrease) in net assets attributable to holders of redeemable units	1,460,913	5,378,620
Unit transactions:		
Proceeds from issue of redeemable units	103,543,140	123,477,905
Issued on reinvestment of distributions	4,495,525	6,371,766
Amounts paid on redemption of redeemable units	(192,791,873)	(92,496,040)
	(84,753,208)	37,353,631
Distributions paid from:		
Net investment income	(6,123,893)	(6,206,255)
Realized gains on sale of investments	-	(3,943,507)
Return of capital	-	-
	(6,123,893)	(10,149,762)
Balance, end of year	-	89,416,188

Class F (formerly Class I)	2025 (\$)	2024 (\$)
Balance, beginning of year	327,378,069	234,010,717
Increase (decrease) in net assets attributable to holders of redeemable units	8,974,380	20,004,945
Unit transactions:		
Proceeds from issue of redeemable units	460,353,313	241,686,548
Issued on reinvestment of distributions	18,912,438	24,645,085
Amounts paid on redemption of redeemable units	(289,753,880)	(157,871,869)
	189,511,871	108,459,764
Distributions paid from:		
Net investment income	(29,130,109)	(21,407,668)
Realized gains on sale of investments	-	(13,689,689)
Return of capital	-	-
	(29,130,109)	(35,097,357)
Balance, end of year	496,734,211	327,378,069

Class FF	2025 (\$)	2024 (\$)
Balance, beginning of year	67,933,203	73,805,414
Increase (decrease) in net assets attributable to holders of redeemable units	1,723,849	5,543,888
Unit transactions:		
Proceeds from issue of redeemable units	206,065	140,800
Issued on reinvestment of distributions	3,657,419	6,857,853
Amounts paid on redemption of redeemable units	(17,910,149)	(9,764,722)
	(14,046,665)	(2,766,069)
Distributions paid from:		
Net investment income	(4,574,608)	(5,746,704)
Realized gains on sale of investments	-	(2,903,326)
Return of capital	-	-
	(4,574,608)	(8,650,030)
Balance, end of year	51,035,779	67,933,203

Pender Alternative Absolute Return Fund

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

Years ended December 31, 2025 and 2024

Class F (USD)	2025 (\$)	2024 (\$)
Balance, beginning of year	2,679,181	1,268,550
Increase (decrease) in net assets attributable to holders of redeemable units	(56,276)	322,458
Unit transactions:		
Proceeds from issue of redeemable units	4,165,125	2,984,790
Issued on reinvestment of distributions	152,263	197,037
Amounts paid on redemption of redeemable units	(6,747,927)	(1,829,983)
	(2,430,539)	1,351,844
Distributions paid from:		
Net investment income	(192,366)	(139,598)
Realized gains on sale of investments	-	(124,073)
Return of capital	-	-
	(192,366)	(263,671)
Balance, end of year	-	2,679,181

Class F (USD) (formerly Class I (USD))	2025 (\$)	2024 (\$)
Balance, beginning of year	13,182,825	10,512,261
Increase (decrease) in net assets attributable to holders of redeemable units	(381,804)	2,072,592
Unit transactions:		
Proceeds from issue of redeemable units	32,290,601	23,368,115
Issued on reinvestment of distributions	856,870	460,651
Amounts paid on redemption of redeemable units	(27,122,610)	(21,931,851)
	6,024,861	1,896,915
Distributions paid from:		
Net investment income	(1,400,113)	(1,081,306)
Realized gains on sale of investments	-	(217,637)
Return of capital	-	-
	(1,400,113)	(1,298,943)
Balance, end of year	17,425,769	13,182,825

Class N	2025 (\$)	2024 (\$)
Balance, beginning of year	4,300,877	4,795,515
Increase (decrease) in net assets attributable to holders of redeemable units	89,392	349,604
Unit transactions:		
Proceeds from issue of redeemable units	843,977	885,660
Issued on reinvestment of distributions	31,388	36,470
Amounts paid on redemption of redeemable units	(5,012,296)	(1,219,038)
	(4,136,931)	(296,908)
Distributions paid from:		
Net investment income	(248,044)	(365,223)
Realized gains on sale of investments	-	(182,111)
Return of capital	-	-
	(248,044)	(547,334)
Balance, end of year	5,294	4,300,877

Pender Alternative Absolute Return Fund

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

Years ended December 31, 2025 and 2024

Class O	2025 (\$)	2024 (\$)
Balance, beginning of year	5,694,431	3,757,149
Increase (decrease) in net assets attributable to holders of redeemable units	318,965	406,471
Unit transactions:		
Proceeds from issue of redeemable units	15,758,295	2,066,270
Issued on reinvestment of distributions	694,702	632,731
Amounts paid on redemption of redeemable units	(412,858)	(535,459)
	16,040,139	2,163,542
Distributions paid from:		
Net investment income	(694,702)	(401,861)
Realized gains on sale of investments	-	(230,870)
Return of capital	-	-
	(694,702)	(632,731)
Balance, end of year	21,358,833	5,694,431
Total Fund	2025 (\$)	2024 (\$)
Balance, beginning of year	559,137,231	418,704,789
Increase (decrease) in net assets attributable to holders of redeemable units	12,717,678	36,820,964
Unit transactions:		
Proceeds from issue of redeemable units	675,369,369	427,033,686
Issued on reinvestment of distributions	31,422,787	42,760,111
Amounts paid on redemption of redeemable units	(587,551,381)	(304,709,499)
	119,240,775	165,084,298
Distributions paid from:		
Net investment income	(45,725,244)	(38,120,242)
Realized gains on sale of investments	-	(23,352,578)
Return of capital	-	-
	(45,725,244)	(61,472,820)
Balance, end of year	645,370,440	559,137,231

Pender Alternative Absolute Return Fund

Statements of Cash Flows

Years ended December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	12,717,678	36,820,964
Adjustments for:		
Interest for distribution purposes	(58,492,357)	(47,945,187)
Dividend income	(450,365)	(429,632)
Interest and dividend expense on securities sold short	15,785,704	11,361,985
Foreign exchange (gain) loss	1,769,050	(2,804,921)
Net realized (gain) loss on sale of investments	9,711,160	(30,158,625)
Net change in unrealized (appreciation) depreciation of investments	9,244,411	7,216,028
Derivative assets and liabilities	(3,221,120)	7,018,790
Performance fees payable	(1,918,252)	1,642,470
Management and administration fees payable	116,886	171,303
	(14,737,205)	(17,106,825)
Proceeds on disposal of investments	3,167,318,513	2,007,799,780
Amounts paid on purchase of investments and securities sold short	(3,257,479,740)	(2,116,733,098)
Interest and dividend expense paid on securities sold short	(15,764,163)	(11,512,235)
Dividends received	450,365	429,632
Interest received	54,976,551	43,711,901
	(65,235,679)	(93,410,845)
Financing:		
Proceeds from issue of redeemable units	518,289,286	382,076,335
Amounts paid on redemption of redeemable units	(408,047,792)	(267,412,976)
Distributions paid to unitholders	(14,302,457)	(18,712,709)
	95,939,037	95,950,650
Net increase (decrease) in cash	30,703,358	2,539,805
Cash (Bank overdraft), beginning of year	47,731,428	42,386,702
Effect of exchange rate fluctuations on cash	(1,769,050)	2,804,921
Cash (Bank overdraft), end of year	76,665,736	47,731,428

Pender Alternative Absolute Return Fund

Schedule of Investment Portfolio

December 31, 2025

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
LONG POSITIONS				
Corporate bonds and loans:				
Canada (68.1%):				
AltaGas Ltd., Variable Rate, Callable, 7.20%, 2054/10/15	USD	1,000,000	1,358,441	1,422,696
Athabasca Oil Corp., Callable, 6.75%, 2029/08/09	CAD	14,000,000	14,029,556	14,405,417
ATS Corp., Callable, 6.50%, 2032/08/21	CAD	27,000,000	27,053,750	27,554,063
Boyd Group Services Inc., Callable, 5.50%, 2030/11/06	CAD	10,000,000	10,000,000	10,025,300
Boyd Group Services Inc., Callable, 5.75%, 2033/09/04	CAD	7,000,000	7,000,000	7,108,792
Cardinal Energy Ltd., Callable, 7.75%, 2030/03/31	CAD	3,000,000	3,000,000	3,051,600
Cardinal Energy Ltd., Callable, 8.25%, 2030/09/30	CAD	3,000,000	3,000,000	3,063,000
CES Energy Solutions Corp., 6.88%, 2029/05/24	CAD	6,000,000	6,121,250	6,200,000
Chemtrade Logistics Inc., Callable, 6.38%, 2029/08/28	CAD	18,650,000	18,683,026	19,236,698
Chemtrade Logistics Inc., Callable, 5.75%, 2032/10/01	CAD	10,000,000	10,000,000	10,086,667
Cooper Equipment Rentals Ltd., Callable, 7.45%, 2029/07/04	CAD	9,000,000	8,992,500	8,973,000
Doman Building Materials Group Ltd., Callable, 7.50%, 2029/09/17	CAD	3,000,000	3,045,000	3,066,555
Enbridge Inc., Callable, 6.63%, 2078/04/12	CAD	1,097,000	1,070,178	1,159,288
Enbridge Inc., Discount Note, 2.79%, 2026/01/29	CAD	40,000,000	39,872,000	39,872,000
Enbridge Inc., Discount Note, 2.82%, 2026/02/04	CAD	25,000,000	24,928,750	24,928,750
Enbridge Inc., Restricted, Callable, 5.00%, 2082/01/19	CAD	3,000,000	2,573,850	2,990,047
Fiera Capital Corp., Callable, 7.75%, 2030/06/30	CAD	939,000	942,052	968,391
Keyera Corp., Series 'A', Variable Rate, Convertible, Callable, 6.00%, 2055/10/15	CAD	5,000,000	4,999,800	5,019,031
Keyera Corp., Variable Rate, Convertible, Callable, 6.88%, 2079/06/13	CAD	1,000,000	955,625	1,064,610
Kruger Products Inc., Callable, 5.38%, 2029/04/09	CAD	780,000	748,800	780,244
Kruger Products Inc., Callable, 6.25%, 2032/12/10	CAD	7,000,000	7,000,000	7,019,040
Mattr Corp., Callable, 7.25%, 2031/04/02	CAD	14,000,000	14,112,109	14,285,833
MDA Space Ltd., Callable, 7.00%, 2030/12/23	CAD	17,000,000	17,000,000	17,174,250
North American Construction Group Ltd., Callable, 7.75%, 2030/05/01	CAD	1,000,000	1,000,000	1,032,917
Northland Power Inc., Callable, 9.25%, 2083/06/30	CAD	2,000,000	1,980,280	2,189,590
Ritchie Bros. Holdings Inc., Callable, 6.75%, 2028/03/15	USD	3,825,000	5,498,563	5,365,031
Rogers Sugar Inc., Convertible, Callable, 6.00%, 2030/06/30	CAD	5,000,000	5,000,000	5,339,500
Saturn Oil & Gas Inc., Callable, 9.63%, 2029/06/15	USD	4,436,000	6,070,603	5,997,972
Secure Waste Infrastructure Corp., 6.75%, 2029/03/22	CAD	16,315,000	16,557,604	16,882,626
Secure Waste Infrastructure Corp., 5.75%, 2032/11/20	CAD	9,000,000	9,000,000	8,988,750
Sleep Country Canada Inc., Callable, 6.63%, 2032/11/28	CAD	17,000,000	16,975,000	17,325,833
Sollio Groupe Coopératif, Callable, 5.88%, 2032/11/03	CAD	10,000,000	10,000,000	9,872,300
Sunoco L.P., Callable, 4.38%, 2029/03/26	CAD	5,500,000	5,469,150	5,410,405
Surge Energy Inc., Callable, 8.50%, 2029/09/05	CAD	14,000,000	14,045,000	14,131,250
Tamarack Valley Energy Ltd., Callable, 7.25%, 2027/05/10	CAD	20,000,000	20,134,627	20,331,250
Tamarack Valley Energy Ltd., Callable, 6.88%, 2030/07/25	CAD	11,000,000	11,000,000	11,258,457
Teine Energy Ltd., Callable, 6.88%, 2029/04/15	USD	3,027,000	3,759,120	4,149,121
TELUS Corp., Series 'CAT', Variable Rate, Convertible, Callable, 5.38%, 2056/06/09	CAD	3,000,000	3,000,000	3,001,200
TELUS Corp., Series 'CAU', Variable Rate, Convertible, Callable, 5.88%, 2056/06/09	CAD	4,000,000	4,000,000	4,005,960
Tenaz Energy Corp., Callable, 12.00%, 2029/11/14	CAD	12,000,000	12,000,000	13,200,000

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

Pender Alternative Absolute Return Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
LONG POSITIONS (cont'd)				
Corporate bonds and loans: (cont'd)				
Canada (68.1%): (cont'd)				
Tenaz Energy Corp., Series 'OCT', Callable, 12.00%, 2029/11/14	CAD	10,000,000	10,840,700	11,000,000
Vermilion Energy Inc., Callable, 7.25%, 2033/02/15	USD	6,602,000	8,411,028	8,533,648
Videotron Ltd., Callable, 3.63%, 2028/06/15	CAD	16,000	13,880	16,021
Wolf Midstream Canada L.P., Callable, 6.40%, 2029/07/18	CAD	18,000,000	18,076,919	18,801,450
Wolf Midstream Canada L.P., Callable, 5.95%, 2033/07/18	CAD	22,611,000	22,803,795	23,252,924
			432,122,956	439,541,477
United States (54.8%):				
Ashton Woods USA LLC, Callable, 6.88%, 2033/08/01	USD	9,000,000	12,372,348	12,373,149
Blue Racer Midstream LLC, Callable, 6.63%, 2026/07/15	USD	23,776,000	32,583,099	32,785,430
Cedar Fair L.P., Callable, 6.50%, 2028/10/01	USD	2,000,000	2,735,691	2,691,824
Cedar Fair L.P., Callable, 5.25%, 2029/07/15	USD	150,000	189,051	192,155
Celanese US Holdings LLC, Callable, 1.40%, 2026/08/05	USD	4,147,000	5,614,128	5,605,363
Celanese US Holdings LLC, Callable, 7.38%, 2034/02/15	USD	1,500,000	2,096,063	2,094,765
Century Aluminum Co., Callable, 6.88%, 2032/08/01	USD	4,000,000	5,506,418	5,671,144
Charter Communications Operating LLC, Term Loan, 6.56%, 2031/12/15	USD	1,737	2,474	2,388
Cipher Compute LLC, Callable, 7.13%, 2030/11/15	USD	12,995,000	18,416,882	18,188,249
Enerflex Inc., Callable, 6.88%, 2031/01/15	USD	1,000,000	1,413,052	1,404,289
Hilton Domestic Operating Company Inc., Callable, 6.13%, 2032/04/01	USD	8,000,000	11,260,261	11,376,979
Hilton Domestic Operating Company Inc., Callable, 5.88%, 2033/03/15	USD	1,000,000	1,374,124	1,417,220
Hilton Domestic Operating Company Inc., Callable, 5.75%, 2033/09/15	USD	2,739,000	3,731,166	3,849,340
Hilton Domestic Operating Company Inc., Callable, 5.50%, 2034/03/31	USD	500,000	698,925	691,903
Hilton USA Trust, Class 'A', Series '16-HHV', 3.72%, 2038/11/05	USD	5,000,000	6,764,962	6,817,378
Hilton USA Trust, Class 'D', Series '16-HHV', 4.33%, 2038/11/05	USD	920,000	1,150,625	1,252,523
Hilton USA Trust, Class 'E', Series '16-HHV', 4.19%, 2038/11/05	USD	3,745,000	4,664,641	5,086,484
Hilton USA Trust, Class 'F', Series '16-HHV', 4.33%, 2038/11/05	USD	30,444,000	38,897,140	40,991,185
Hudson Yards, Class 'F', Series '25-SPRL', 7.40%, 2040/01/13	USD	600,000	861,570	839,452
Macy's Retail Holdings LLC, 6.38%, 2037/03/15	USD	6,155,000	7,093,787	8,031,985
Marriott Ownership Resorts Inc., Callable, 6.50%, 2033/10/01	USD	2,317,000	3,124,165	3,060,559
Millrose Properties Inc., Callable, 6.38%, 2030/08/01	USD	2,000,000	2,768,578	2,810,672
New Flyer Holdings Inc., Callable, 9.25%, 2030/07/01	USD	4,000,000	5,582,490	5,928,241
Park Intermediate Holdings LLC, Callable, 5.88%, 2028/10/01	USD	14,000,000	19,516,634	19,243,947
Peak Achievement Athletics Inc., Callable, 6.13%, 2033/09/11	CAD	30,400,000	30,422,000	30,352,500
RHP Hotel Properties L.P., Term Loan, 5.66%, 2030/05/18	USD	1,752,278	2,387,373	2,410,356
Rivian Holdings LLC, Callable, 10.00%, 2031/01/15	USD	17,399,000	22,640,250	23,494,097
SESI LLC, Callable, 7.88%, 2030/09/30	USD	1,000,000	1,391,700	1,352,107

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

Pender Alternative Absolute Return Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
LONG POSITIONS (cont'd)				
Corporate bonds and loans: (cont'd)				
United States (54.8%): (cont'd)				
Six Flags Entertainment Corp., Callable, 6.63%, 2032/05/01	USD	2,500,000	3,425,038	3,462,271
Six Flags Entertainment Corp., Callable, 7.25%, 2031/05/15	USD	6,000,000	8,071,144	7,908,255
Sunoco L.P., Callable, 6.00%, 2027/04/15	USD	3,598,000	5,012,127	4,963,325
Sunoco L.P., Callable, 6.00%, 2028/06/22	CAD	45,000,000	45,329,850	45,053,730
Sunoco L.P., Callable, 4.50%, 2029/10/01	USD	3,522,000	4,735,978	4,722,370
Sunoco L.P., Callable, 6.63%, 2032/08/15	USD	1,600,000	2,304,086	2,267,424
Sunoco L.P., Variable Rate, Convertible, Perpetual, 7.88%, 2030/09/18	USD	1,000,000	1,382,550	1,411,036
THOR Industries, Inc., Term Loan, 6.58%, 2030/11/15	USD	111,111	152,655	152,506
Under Armour Inc., Callable, 7.25%, 2030/07/15	USD	6,100,000	8,367,056	8,401,614
WULF Compute LLC, Callable, 7.75%, 2030/10/15	USD	15,000,000	21,374,487	21,226,659
ZF North America Capital Inc., Callable, 6.88%, 2028/04/14	USD	2,750,000	3,826,234	3,866,216
			349,240,802	353,451,090
Foreign (1.5%):				
Stena International SA, Callable, 7.25%, 2031/01/15	USD	2,500,000	3,356,623	3,511,498
Stena International SA, Callable, 7.63%, 2031/02/15	USD	4,225,000	5,696,834	5,977,918
			9,053,457	9,489,416
Total corporate bonds and loans (124.4%)			790,417,215	802,481,983
Government bonds (29.0%):				
Government of Canada, 2.70%, 2026/01/14	CAD	45,000,000	44,444,700	44,444,700
United States Treasury, 3.57%, 2026/02/17	USD	50,000,000	68,381,174	68,246,922
United States Treasury, 3.60%, 2026/04/21	USD	40,000,000	54,366,291	54,259,555
United States Treasury, 3.59%, 2026/04/28	USD	15,000,000	20,308,855	20,350,370
			187,501,020	187,301,547
Equities (1.6%):				
Keyera Corp.	CAD	242,500	9,904,530	10,306,250
			9,904,530	10,306,250
Preferred shares (0.6%):				
Brookfield Corp., Series '54', Variable Rate, Perpetual	CAD	59,900	1,497,500	1,557,400
Enbridge Inc., Series 'H', 7.22%	CAD	26,800	423,780	620,956
Enbridge Inc., Series 'N', 7.30%	CAD	15,000	257,850	365,700
Enbridge Inc., Series 'R', 7.40%	CAD	22,500	401,697	528,525
Enbridge Inc., Series '3', 6.98%	CAD	25,300	354,332	546,480
Enbridge Inc., Series '7', 7.17%	CAD	22,400	348,096	512,736
			3,283,255	4,131,797
Total long positions (155.6%)			991,106,020	1,004,221,577
SHORT POSITIONS				
Corporate bonds and loans:				
Canada (-1.7%):				
Allied Properties REIT, Callable, 3.10%, 2032/02/06	CAD	(6,000,000)	(5,208,740)	(5,474,577)
Rogers Communications Inc., Variable Rate, Convertible, Callable, 5.63%, 2055/04/15	CAD	(2,000,000)	(1,960,000)	(2,044,931)
Superior Plus L.P., Callable, 4.50%, 2029/03/15	USD	(2,726,000)	(3,506,637)	(3,640,212)
			(10,675,377)	(11,159,720)

Pender Alternative Absolute Return Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares / Face value (\$)	Cost (\$)	Fair value (\$)
SHORT POSITIONS (cont'd)				
Corporate bonds and loans: (cont'd)				
United States (-22.2%):				
Asbury Automotive Group, Inc., Callable, 4.63%, 2029/11/15	USD	(5,000,000)	(6,255,885)	(6,757,569)
Asbury Automotive Group, Inc., Callable, 4.75%, 2030/03/01	USD	(2,000,000)	(2,484,504)	(2,715,534)
Ball Corporation, Callable, 3.13%, 2031/09/15	USD	(16,696,000)	(18,566,826)	(21,136,126)
Celanese US Holdings LLC, Callable, 6.70%, 2033/11/15	USD	(1,792,000)	(2,736,856)	(2,603,029)
Park Intermediate Holdings LLC, Callable, 4.88%, 2029/05/15	USD	(20,131,000)	(26,385,910)	(27,002,632)
RLJ Lodging Trust L.P., Callable, 4.00%, 2029/09/15	USD	(20,913,000)	(25,341,041)	(27,234,970)
Sirius XM Holdings Inc., Callable, 4.13%, 2030/07/01	USD	(2,000,000)	(2,361,835)	(2,612,706)
Sirius XM Holdings Inc., Callable, 3.88%, 2031/09/01	USD	(10,000,000)	(11,305,303)	(12,643,686)
THOR Industries, Inc., Callable, 4.00%, 2029/10/15	USD	(4,787,000)	(5,714,166)	(6,338,053)
TransDigm Inc., Callable, 6.00%, 2033/01/15	USD	(3,000,000)	(4,231,101)	(4,217,624)
WESCO Distribution Inc., Callable, 6.38%, 2033/03/15	USD	(4,400,000)	(6,113,654)	(6,309,228)
XHR L.P., Callable, 4.88%, 2029/06/01	USD	(3,000,000)	(3,906,942)	(4,062,716)
Yum! Brands, Inc., Callable, 3.63%, 2031/03/15	USD	(15,180,000)	(18,138,549)	(19,733,873)
			(133,542,572)	(143,367,746)
Total corporate bonds and loans (-23.9%)			(144,217,949)	(154,527,466)
Government bonds (-3.8%):				
United States Treasury, 1.25%, 2031/08/15	USD	(2,600,000)	(3,179,290)	(3,109,169)
United States Treasury, 1.38%, 2031/11/15	USD	(6,000,000)	(7,303,384)	(7,178,225)
United States Treasury, 1.88%, 2032/02/15	USD	(3,000,000)	(3,560,190)	(3,674,360)
United States Treasury, 2.88%, 2032/05/15	USD	(6,000,000)	(7,715,818)	(7,777,211)
United States Treasury, 4.13%, 2032/11/15	USD	(2,000,000)	(2,816,444)	(2,781,076)
			(24,575,126)	(24,520,041)
Exchange-traded fund(s) (-36.5%):				
Invesco QQQ Trust, Series '1'	USD	(45,000)	(25,069,423)	(37,942,704)
iShares Broad USD High Yield Corporate Bond ETF	USD	(710,000)	(36,329,946)	(36,441,821)
iShares iBoxx High Yield Corporate Bond ETF	USD	(325,000)	(33,927,612)	(35,967,330)
iShares Russell 2000 ETF	USD	(115,000)	(30,689,729)	(38,854,694)
SPDR Bloomberg High Yield Bond ETF	USD	(260,000)	(33,191,341)	(34,690,652)
Vanguard S&P 500 ETF	USD	(60,000)	(52,110,868)	(51,646,036)
			(211,318,919)	(235,543,237)
Equities (-2.9%):				
Artis Real Estate Investment Trust	CAD	(351,900)	(2,639,593)	(2,818,719)
Keyera Corp.	CAD	(242,500)	(10,801,216)	(10,670,000)
Rivian Automotive Inc., Class 'A'	USD	(180,000)	(3,831,825)	(4,869,533)
			(17,272,634)	(18,358,252)
Total short positions (-67.1%)			(397,384,628)	(432,948,996)
Less: Transaction costs included in cost of investments			(22,050)	
Total investments (88.5%)			593,699,342	571,272,581

Pender Alternative Absolute Return Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Contract rate	Pay - USD	Receive - CAD	Unrealized gain (loss)
Derivative liabilities:				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2026/01/22	1.37	60,000,000	82,008,400	(279,286)
Total derivative liabilities (0.0%):				(279,286)
Cash (Bank overdraft) (11.9%)				76,665,736
Other assets less liabilities (-0.4%)				(2,288,591)
Total net assets attributable to holders of redeemable units (100.0%)				645,370,440

Pender Alternative Arbitrage Fund

Statements of Financial Position

December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Assets		
Cash	709,845	1,827,359
Receivable for investments sold	316,246	248,124
Subscriptions receivable	27,324	-
Dividends receivable	3,583	3,155
Interest receivable	1,216	8,618
Investments	10,848,804	14,084,582
	11,907,018	16,171,838
Liabilities		
Management and administration fees payable (note 4)	6,566	11,550
Redemptions payable to holders of redeemable units	36,579	-
Payable for interest and dividends on short securities	4,241	956
Performance fees payable (note 4)	25,547	12,272
Derivative liabilities	22,994	303,330
Investments sold short	1,500,564	1,110,495
	1,596,491	1,438,603
Net assets attributable to holders of redeemable units	10,310,527	14,733,235
Net assets attributable to holders of redeemable units per class:		
Class A	-	92,172
Class A (formerly Class H)	73,698	173,157
Class AF	525,278	1,975,943
Class E	177,544	265,846
Class F	-	1,017,553
Class F (formerly Class I)	2,136,964	1,409,539
Class FF	5,380,447	6,504,799
Class F (USD)	-	15,339
Class F (USD) (formerly Class I (USD))	23,410	457,452
Class O	1,993,186	2,821,435
	10,310,527	14,733,235

Pender Alternative Arbitrage Fund

Statements of Financial Position (cont'd)

December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Net assets attributable to holders of redeemable units per unit:		
Class A	-	9.66
Class A (formerly Class H)	9.08	9.71
Class AF	9.51	10.06
Class E	8.85	9.04
Class F	-	10.03
Class F (formerly Class I)	9.67	10.16
Class FF	9.79	10.11
Class F (USD)	-	13.81
Class F (USD) (formerly Class I (USD))	13.64	13.46
Class O	9.82	10.17

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

Years ended December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Revenue		
Interest for distribution purposes	65,266	292,692
Dividend income	292,900	299,308
Interest and dividend expense on securities sold short	(33,181)	(51,026)
Foreign exchange gain (loss)	(184,104)	404,780
Changes in fair value of investments and derivatives:		
Net realized gain (loss)	952,217	604,700
Net change in unrealized appreciation (depreciation)	(119,193)	(260,861)
Total revenue	973,905	1,289,593
Expenses		
Performance fees (note 4)	120,547	122,272
Administration fees (note 4)	51,534	90,936
Management fees (note 4)	49,016	70,601
Transaction costs	31,063	50,611
Interest and borrowing fees expense	9,585	17,652
Withholding taxes (note 6)	8,098	39,246
Independent review committee fees	81	186
Total expenses	269,924	391,504
Less: Fees waived and expenses absorbed by the Manager (note 4)	(81)	(186)
Net expenses	269,843	391,318
Increase (decrease) in net assets attributable to holders of redeemable units	704,062	898,275
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	3,338	3,223
Class A (formerly Class H)	5,699	5,555
Class AF	83,258	76,019
Class E	11,913	7,711
Class F	31,218	59,430
Class F (formerly Class I)	70,315	74,209
Class FF	320,070	395,618
Class F (USD)	298	1,840
Class F (USD) (formerly Class I (USD))	3,151	56,212
Class O	174,802	218,458
	704,062	898,275
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	0.51	0.28
Class A (formerly Class H)	0.52	0.32
Class AF	0.58	0.35
Class E	0.54	0.40
Class F	0.49	0.40
Class F (formerly Class I)	0.49	0.41
Class FF	0.57	0.46
Class F (USD)	0.27	1.71
Class F (USD) (formerly Class I (USD))	0.93	1.68
Class O	0.81	0.63

Pender Alternative Arbitrage Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2025 and 2024

Class A	2025 (\$)	2024 (\$)
Balance, beginning of year	92,172	131,552
Increase (decrease) in net assets attributable to holders of redeemable units	3,338	3,223
Unit transactions:		
Proceeds from issue of redeemable units	-	40,290
Issued on reinvestment of distributions	-	1,688
Amounts paid on redemption of redeemable units	(95,510)	(82,702)
	(95,510)	(40,724)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(1,879)
Return of capital	-	-
	-	(1,879)
Balance, end of year	-	92,172
Class A (formerly Class H)	2025 (\$)	2024 (\$)
Balance, beginning of year	173,157	176,338
Increase (decrease) in net assets attributable to holders of redeemable units	5,699	5,555
Unit transactions:		
Proceeds from issue of redeemable units	47,750	5,000
Issued on reinvestment of distributions	7,615	6,967
Amounts paid on redemption of redeemable units	(152,908)	(13,736)
	(97,543)	(1,769)
Distributions paid from:		
Net investment income	-	(680)
Realized gains on sale of investments	(7,615)	(6,287)
Return of capital	-	-
	(7,615)	(6,967)
Balance, end of year	73,698	173,157
Class AF	2025 (\$)	2024 (\$)
Balance, beginning of year	1,975,943	2,465,820
Increase (decrease) in net assets attributable to holders of redeemable units	83,258	76,019
Unit transactions:		
Proceeds from issue of redeemable units	119	-
Issued on reinvestment of distributions	56,816	61,434
Amounts paid on redemption of redeemable units	(1,521,737)	(561,760)
	(1,464,802)	(500,326)
Distributions paid from:		
Net investment income	-	(6,469)
Realized gains on sale of investments	(69,121)	(59,101)
Return of capital	-	-
	(69,121)	(65,570)
Balance, end of year	525,278	1,975,943

Pender Alternative Arbitrage Fund

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

Years ended December 31, 2025 and 2024

Class E	2025 (\$)	2024 (\$)
Balance, beginning of year	265,846	169,732
Increase (decrease) in net assets attributable to holders of redeemable units	11,913	7,711
Unit transactions:		
Proceeds from issue of redeemable units	40	97,261
Issued on reinvestment of distributions	13,206	18,967
Amounts paid on redemption of redeemable units	(100,255)	(8,858)
	(87,009)	107,370
Distributions paid from:		
Net investment income	(2,408)	(5,235)
Realized gains on sale of investments	(10,798)	(13,732)
Return of capital	-	-
	(13,206)	(18,967)
Balance, end of year	177,544	265,846

Class F	2025 (\$)	2024 (\$)
Balance, beginning of year	1,017,553	1,679,004
Increase (decrease) in net assets attributable to holders of redeemable units	31,218	59,430
Unit transactions:		
Proceeds from issue of redeemable units	51,901	240,721
Issued on reinvestment of distributions	-	13,840
Amounts paid on redemption of redeemable units	(1,100,672)	(956,536)
	(1,048,771)	(701,975)
Distributions paid from:		
Net investment income	-	(446)
Realized gains on sale of investments	-	(18,460)
Return of capital	-	-
	-	(18,906)
Balance, end of year	-	1,017,553

Class F (formerly Class I)	2025 (\$)	2024 (\$)
Balance, beginning of year	1,409,539	2,705,799
Increase (decrease) in net assets attributable to holders of redeemable units	70,315	74,209
Unit transactions:		
Proceeds from issue of redeemable units	1,664,132	279,543
Issued on reinvestment of distributions	107,182	13,323
Amounts paid on redemption of redeemable units	(968,769)	(1,647,171)
	802,545	(1,354,305)
Distributions paid from:		
Net investment income	(22,628)	(2,435)
Realized gains on sale of investments	(122,807)	(13,729)
Return of capital	-	-
	(145,435)	(16,164)
Balance, end of year	2,136,964	1,409,539

Pender Alternative Arbitrage Fund

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

Years ended December 31, 2025 and 2024

Class FF	2025 (\$)	2024 (\$)
Balance, beginning of year	6,504,799	10,264,913
Increase (decrease) in net assets attributable to holders of redeemable units	320,070	395,618
Unit transactions:		
Proceeds from issue of redeemable units	1,218	27,827
Issued on reinvestment of distributions	412,469	232,804
Amounts paid on redemption of redeemable units	(1,414,336)	(4,168,011)
	(1,000,649)	(3,907,380)
Distributions paid from:		
Net investment income	(71,131)	(80,955)
Realized gains on sale of investments	(372,642)	(167,397)
Return of capital	-	-
	(443,773)	(248,352)
Balance, end of year	5,380,447	6,504,799

Class F (USD)	2025 (\$)	2024 (\$)
Balance, beginning of year	15,339	13,499
Increase (decrease) in net assets attributable to holders of redeemable units	298	1,840
Unit transactions:		
Proceeds from issue of redeemable units	521	-
Issued on reinvestment of distributions	-	510
Amounts paid on redemption of redeemable units	(16,158)	-
	(15,637)	510
Distributions paid from:		
Net investment income	-	(141)
Realized gains on sale of investments	-	(369)
Return of capital	-	-
	-	(510)
Balance, end of year	-	15,339

Class F (USD) (formerly Class I (USD))	2025 (\$)	2024 (\$)
Balance, beginning of year	457,452	399,993
Increase (decrease) in net assets attributable to holders of redeemable units	3,151	56,212
Unit transactions:		
Proceeds from issue of redeemable units	50,608	17,077
Issued on reinvestment of distributions	-	264
Amounts paid on redemption of redeemable units	(487,801)	-
	(437,193)	17,341
Distributions paid from:		
Net investment income	-	(4,704)
Realized gains on sale of investments	-	(11,390)
Return of capital	-	-
	-	(16,094)
Balance, end of year	23,410	457,452

Pender Alternative Arbitrage Fund

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

Years ended December 31, 2025 and 2024

Class O	2025 (\$)	2024 (\$)
Balance, beginning of year	2,821,435	4,039,879
Increase (decrease) in net assets attributable to holders of redeemable units	174,802	218,458
Unit transactions:		
Proceeds from issue of redeemable units	5,449	-
Issued on reinvestment of distributions	203,645	145,294
Amounts paid on redemption of redeemable units	(1,008,500)	(1,436,902)
	(799,406)	(1,291,608)
Distributions paid from:		
Net investment income	(56,660)	(88,452)
Realized gains on sale of investments	(146,985)	(56,842)
Return of capital	-	-
	(203,645)	(145,294)
Balance, end of year	1,993,186	2,821,435
	2025 (\$)	2024 (\$)
Total Fund		
Balance, beginning of year	14,733,235	22,046,529
Increase (decrease) in net assets attributable to holders of redeemable units	704,062	898,275
Unit transactions:		
Proceeds from issue of redeemable units	1,821,738	707,719
Issued on reinvestment of distributions	800,933	495,091
Amounts paid on redemption of redeemable units	(6,866,646)	(8,875,676)
	(4,243,975)	(7,672,866)
Distributions paid from:		
Net investment income	(152,827)	(189,517)
Realized gains on sale of investments	(729,968)	(349,186)
Return of capital	-	-
	(882,795)	(538,703)
Balance, end of year	10,310,527	14,733,235

Pender Alternative Arbitrage Fund

Statements of Cash Flows

Years ended December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	704,062	898,275
Adjustments for:		
Interest for distribution purposes	(65,266)	(292,692)
Dividend income	(292,900)	(299,308)
Interest and dividend expense on securities sold short	33,181	51,026
Foreign exchange (gain) loss	184,104	(404,780)
Net realized (gain) loss on sale of investments	(802,022)	(1,249,541)
Net change in unrealized (appreciation) depreciation of investments	399,529	(522,484)
Derivative assets and liabilities	(280,336)	783,345
Performance fees payable	13,275	(19,456)
Management and administration fees payable	(4,984)	(4,986)
	(111,357)	(1,060,601)
Proceeds on disposal of investments	45,384,972	71,019,013
Amounts paid on purchase of investments and securities sold short	(41,424,754)	(72,350,525)
Interest and dividend expense paid on securities sold short	(29,896)	(52,420)
Dividends received	292,472	296,153
Interest received	72,668	284,074
	4,184,105	(1,864,306)
Financing:		
Proceeds from issue of redeemable units	996,120	160,860
Amounts paid on redemption of redeemable units	(6,031,773)	(8,431,959)
Distributions paid to unitholders	(81,862)	(43,612)
	(5,117,515)	(8,314,711)
Net increase (decrease) in cash	(933,410)	(10,179,017)
Cash (Bank overdraft), beginning of period	1,827,359	11,601,596
Effect of exchange rate fluctuations on cash	(184,104)	404,780
Cash (Bank overdraft), end of period	709,845	1,827,359

Pender Alternative Arbitrage Fund

Schedule of Investment Portfolio

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
LONG POSITIONS				
Equities:				
Banks (4.7%):				
Blue Foundry Bancorp		4,600	76,918	78,480
Berkshire Hills Bancorp Inc.		36	1,314	1,303
Cadence Bank		1,625	90,948	95,550
Comerica Inc.		524	61,354	62,521
FineMark Holdings Inc.		2,011	114,776	105,081
First Savings Financial Group Inc.		83	3,666	3,630
Laurentian Bank of Canada		1,900	76,095	76,570
LINKBANCORP Inc.		1,080	12,610	12,244
Middlefield Banc Corp.		142	6,927	6,732
MidWestOne Financial Group Inc.		869	47,751	45,921
			492,359	488,032
Communication services (3.0%):				
Eventbrite Inc., Class 'A'		14,661	90,263	89,547
TEGNA Inc.		1,000	29,126	26,641
Thunderbird Entertainment Group Inc.		975	1,512	1,531
Warner Bros. Discovery Inc.		3,100	122,564	122,626
TrueCar Inc.		22,300	74,461	69,174
			317,926	309,519
Consumer discretionary (6.0%):				
Denny's Corp.		16,800	144,499	143,426
Golden Entertainment Inc.		1,900	71,435	70,907
Inspirato Inc.		12,900	74,240	73,834
Smart Share Global Ltd., ADR		29,700	50,567	47,695
Soho House & Co Inc., Class 'A'		22,600	277,582	277,935
Udemy Inc.		77	644	618
			618,967	614,415
Consumer staples (2.2%):				
Neighbourly Pharmacy Inc., Rights		24,100	1,253	1,253
Premium Brands Holdings Corp.		2,000	194,999	203,480
TRUBAR Inc.		15,800	24,868	25,122
			221,120	229,855
Energy (2.3%):				
Cool Company Ltd.		33	437	437
Gulf Island Fabrication Inc.		3,397	56,161	55,811
Keyera Corp.		4,300	175,675	182,750
			232,273	238,998
Financial services (52.3%):				
1RT Acquisition Corp., Class 'A'		2,000	27,178	28,000
Acropolis Infrastructure Acquisition Corp., Rights		15,500	-	-
Activate Energy Acquisition Corp.		1,300	18,147	17,843
American Drive Acquisition Co.		1,000	13,782	13,712
Arogo Capital Acquisition Corp., Class 'A'		9	129	25
Bitcoin Treasury Corp.		23,584	189,657	120,278
Bain Capital GSS Investment Corp.		3,600	50,101	50,499
BEST SPAC I Acquisition Corp., Class 'A'		3,800	51,746	52,835
Blue Water Acquisition Corp. III, Class 'A'		7,000	95,227	99,153
Cantaloupe Inc.		7,000	104,788	102,035
Cantor Equity Partners III Inc., Class 'A'		1,500	20,451	21,000

Pender Alternative Arbitrage Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
LONG POSITIONS (cont'd)				
Equities: (cont'd)				
Financial services (52.3%): (cont'd)				
Cantor Equity Partners IV Inc., Class 'A'		3,630	50,473	51,219
Cantor Equity Partners V Inc., Class 'A'		1,800	25,371	25,324
Cartesian Growth Corp. III, Class 'A'		7,600	105,533	107,339
Chenghe Acquisition III Co.		3,600	49,498	49,659
Churchill Capital Corp. XI		800	11,028	11,211
Crane Harbor Acquisition Corp. II		1,100	15,132	15,196
D. Boral ARC Acquisition I Corp., Class 'A'		10,900	149,606	150,057
Diamond Hill Investment Group		300	70,237	69,794
DigitalBridge Group Inc.		5,000	104,550	105,275
Drugs Made In America Acquisition II Corp.		10,700	149,185	146,863
ECN Capital Corp.		67,400	204,703	204,896
EQV Ventures Acquisition Corp. II, Class 'A'		8,000	108,712	110,133
Fifth Era Acquisition Corp. I, Class 'A'		3,925	56,785	55,219
FIGX Capital Acquisition Corp., Class 'A'		1,800	24,658	24,854
Forge Global Holdings Inc.		500	30,920	30,580
FutureCrest Acquisition Corp.		1,800	25,087	25,299
Galata Acquisition Corp. II		3,500	48,253	48,376
Graf Global Corp., Class 'A'		4,800	65,372	70,857
Green Dot Corp., Class 'A'		1,264	20,474	22,224
Guardian Capital Group Ltd., Class 'A'		1,383	92,279	93,145
HCM III Acquisition Corp., Class 'A'		1,400	19,417	19,331
Highview Merger Corp.		6,600	91,075	91,766
Inflection Point Acquisition Corp. III, Class 'A'		1,800	24,951	25,052
International Money Express Inc.		3,500	72,634	73,788
Iron Horse Acquisition II Corp.		1,000	13,785	13,643
ITHAX Acquisition Corp. III		2,400	33,042	32,809
Janus Henderson Group PLC		700	45,751	45,705
Launch One Acquisition Corp.		6,800	92,335	98,840
Launchpad Cadenza Acquisition Corp. I		1,000	13,782	13,698
Leapfrog Acquisition Corp.		1,320	18,251	18,127
LightWave Acquisition Corp., Class 'A'		3,700	50,758	51,038
M3-Brigade Acquisition VI Corp.		3,584	49,411	49,684
MAK Acquisition Corp.		25,500	356,416	345,624
McKinley Acquisition Corp.		6,600	90,893	91,494
Mercer Park Opportunities Corp.		36,600	502,609	524,456
Mercer Park Opportunities Corp., Rights, 2029/07/15		40,900	-	14,175
Miluna Acquisition Corp.		449	6,253	6,157
New Providence Acquisition Corp. III, Class 'A'		5,110	71,037	71,961
OTG Acquisition Corp. I		800	11,076	11,189
Oxley Bridge Acquisition Ltd., Class 'A'		1,900	26,065	26,235
Perimeter Acquisition Corp. I, Class 'A'		1,700	23,685	23,987
Pioneer Acquisition I Corp., Class 'A'		6,420	88,701	88,646
Range Capital Acquisition Corp. II		3,600	50,233	50,400
Renatus Tactical Acquisition Corp. I, Class 'A'		5,300	76,737	77,619
Republic Digital Acquisition Co., Class 'A'		2,000	27,685	27,794
SIM Acquisition Corp. I, Class 'A'		7,249	98,215	105,366
Sizzle Acquisition Corp. II, Class 'A'		9,451	135,079	131,795
Social Commerce Partners Corp.		1,000	13,693	13,726

Pender Alternative Arbitrage Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
LONG POSITIONS (cont'd)				
Equities: (cont'd)				
Financial services (52.3%): (cont'd)				
Solaris Capital Acquisition Corp., Class 'A'		10,800	147,947	148,977
Soulpower Acquisition Corp., Class 'A'		11,227	159,684	156,408
Thayer Ventures Acquisition Corp. II, Class 'A'		9,500	132,625	131,957
Titan Acquisition Corp., Class 'A'		13,700	192,084	192,928
Trailblazer Acquisition Corp.		3,300	45,753	46,291
Valuence Merger Corp. I, Class 'A'		14,106	223,796	240,078
Vine Hill Capital Investment Corp. II		5,000	68,908	68,772
Vine Hill Capital Investment Corp., Class 'A'		11,610	156,549	171,623
Voyager Acquisition Corp.		2,400	32,803	35,148
Wen Acquisition Corp., Class 'A'		4,000	55,926	55,451
WonderFi Technologies Inc.		194,588	66,818	58,376
			5,365,524	5,373,014
Health care (9.3%):				
Abiomed Inc., Rights		400	565	560
Adverum Biotechnologies Inc., Rights		8,500	9,382	9,333
Akero Therapeutics Inc., Rights		1,700	1,525	1,517
Amicus Therapeutics Inc.		2,500	48,930	48,863
Avadel Pharmaceuticals plc		1,586	50,015	46,911
Avidity Biosciences Inc.		1,000	97,750	99,002
Blueprint Medicines Corp., Rights		800	504	505
Checkpoint Therapeutics Inc., Rights		37,300	8,189	8,191
Cidara Therapeutics Inc.		200	61,029	60,637
dentalcorp Holdings Ltd.		23,800	259,807	260,847
Elevation Oncology Inc., Rights		72,400	496	497
Fonar Corp.		1,600	41,038	40,759
Fusion Pharmaceuticals Inc., Rights		18,300	13,779	13,815
HilleVax Inc., Rights		21,300	4,114	4,093
Hologic Inc.		1,000	103,881	102,241
Icosavax Inc., Rights		15,482	6,554	6,587
LENSAR Inc.		6,500	128,775	103,758
Mirati Therapeutics Inc., Rights		3,630	3,493	3,473
Miromatrix Medical Inc., Rights		33,785	6,477	6,492
OptiNose Inc., Rights		9,900	8,236	8,153
Quipt Home Medical Corp.		21,123	101,929	102,581
Sage Therapeutics Inc., Rights		10,600	2,632	2,619
Verve Therapeutics Inc., Rights		6,500	5,625	5,621
Vigil Neuroscience Inc., Rights		20,500	1,409	1,407
Zynerba Pharmaceuticals Inc., Rights		45,850	12,190	12,215
			978,324	950,677
Industrials (6.8%):				
Air Lease Corp.		1,709	151,759	150,664
American Woodmark Corp.		600	52,181	44,388
Chart Industries Inc.		400	109,793	113,224
CSG Systems International Inc.		700	76,508	73,683
Dayforce Inc.		1,700	163,606	161,373
GDI Integrated Facility Services Inc.		689	24,807	24,976
Hillenbrand Inc.		3,100	136,551	134,966
			715,205	703,274

Pender Alternative Arbitrage Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
LONG POSITIONS (cont'd)				
Equities: (cont'd)				
Information technology (4.5%):				
Bel Fuse Inc., Class 'A'		400	83,177	83,341
Clearwater Analytics Holdings Inc., Class 'A'		1,500	49,664	49,659
CyberArk Software Ltd.		200	117,840	122,448
Jamf Holding Corp.		2,838	50,847	50,678
SEMrush Holdings Inc., Class 'A'		2,950	48,263	48,143
Synchronoss Technologies Inc.		8,900	105,121	104,566
			454,912	458,835
Insurance (1.5%):				
Aspen Insurance Holdings Ltd., Class 'A'		600	30,080	30,553
Brighthouse Financial Inc.		600	54,969	53,357
ProAssurance Corp.		2,127	69,807	70,533
			154,856	154,443
Materials (4.3%):				
Alta Copper Corp.		75,500	104,450	104,190
Aura Minerals Inc., Rights		218,865	5,034	5,034
Canadian Gold Corp.		208,422	66,343	118,801
Canfor Pulp Products Inc.		62,300	30,869	30,839
Imaflex Inc.		21,600	49,356	49,680
Lithium Royalty Corp.		3,865	36,221	36,756
Olympic Steel Inc.		35	1,790	2,055
Orogen Royalties Inc.		7,810	15,230	20,228
Probe Gold Inc.		21,400	77,789	78,538
			387,082	446,121
Real estate (6.5%):				
Alexander & Baldwin Inc.		2,600	74,473	73,657
Anywhere Real Estate Inc.		1,800	26,420	34,984
City Office REIT Inc.		13,600	129,121	130,480
InterRent REIT		11,600	153,946	153,004
Kennedy-Wilson Holdings Inc.		4,700	64,407	62,381
Orion Properties Inc.		13,600	47,052	42,187
Plymouth Industrial REIT Inc.		1,700	51,248	51,053
Sotherly Hotels Inc.		42,156	126,049	124,402
			672,716	672,148
Utilities (1.8%):				
NorthWestern Energy Group, Inc.		800	64,786	70,868
TXNM Energy, Inc.		1,400	111,016	113,142
			175,802	184,010
Total equities (long) (105.2%)			10,787,066	10,823,341
Warrants (0.2%):				
1RT Acquisition Corp., Class 'A', strike price \$11.50, expiry 2031/06/20	USD	500	-	398
Cartesian Growth Corp. III, Class 'A', strike price \$11.50, expiry 2030/05/02	USD	3,414	-	3,750
EQV Ventures Acquisition Corp. II, strike price \$11.50, expiry 2031/06/30	USD	2,254	-	1,083
MAK Acquisition Corp., strike price \$1.00, 2026/12/11	USD	12,750	264	6,825
Mercer Park Opportunities Corp., strike price \$11.00, expiry 2029/08/29	USD	40,900	-	11,227

Pender Alternative Arbitrage Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
LONG POSITIONS (cont'd)				
Warrants (0.2%): (cont'd)				
Republic Digital Acquisition Co., Class 'A', strike price \$11.50, 2026/03/05	USD	1,000	-	824
SIM Acquisition Corp. I, Class 'A', strike price \$11.50, expiry 2029/08/28	USD	4,586	649	1,356
			913	25,463
Total long positions (105.4%)			10,787,979	10,848,804
SHORT POSITIONS				
Equities:				
Banks (-4.0%):				
Burke & Herbert Financial Services Corp.		(146)	(12,972)	(12,486)
Commerce Bancshares Inc.		(1,454)	(116,906)	(104,454)
Farmers National Banc Corp.		(367)	(7,042)	(6,710)
Fifth Third Bancorp		(980)	(62,198)	(62,964)
First Merchants Corp.		(71)	(3,723)	(3,652)
Fulton Financial Corp.		(2,990)	(79,041)	(79,329)
Huntington Bancshares Inc.		(4,019)	(92,007)	(95,707)
Nicolet Bankshares Inc.		(266)	(46,448)	(44,286)
			(420,337)	(409,588)
Communication services (0.0%):				
Blue Ant Media Corp.		(105)	(869)	(827)
			(869)	(827)
Consumer discretionary (0.0%):				
Coursera Inc.		(61)	(667)	(616)
			(667)	(616)
Consumer staples (-2.0%):				
Premium Brands Holdings Corp.		(2,000)	(195,488)	(203,421)
			(195,488)	(203,421)
Energy (-1.9%):				
California Resources Corp.		(26)	(1,698)	(1,596)
Keyera Corp.		(4,300)	(190,622)	(189,200)
			(192,320)	(190,796)
Industrials (-0.5%):				
Masterbrand Inc.		(3,089)	(53,168)	(46,808)
			(53,168)	(46,808)
Information Technology (-2.0%):				
Bel Fuse Inc., Class 'B'		(400)	(94,215)	(93,130)
Palo Alto Networks Inc.		(441)	(109,189)	(111,495)
			(203,404)	(204,625)
Materials (-1.4%):				
Altius Minerals Corp.		(620)	(24,646)	(25,321)
McEwen Inc.		(4,691)	(70,355)	(119,527)
Ryerson Holding Corp.		(41)	(1,261)	(1,416)
			(96,262)	(146,264)
Real estate (-1.0%):				
Compass Inc., Class 'A'		(2,584)	(29,164)	(37,488)
VICI Properties Inc.		(1,712)	(65,691)	(66,077)
			(94,855)	(103,565)

Pender Alternative Arbitrage Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
SHORT POSITIONS (cont'd)				
Equities: (cont'd)				
Utilities (-0.7%):				
Black Hills Corp.		(785)	(66,251)	(74,797)
			(66,251)	(74,797)
Total equities (short) (-13.5%)			(1,323,621)	(1,381,307)
Exchange-traded fund(s): (-1.2%):				
iShares Bitcoin Trust ETF		(1,750)	(145,950)	(119,257)
			(145,950)	(119,257)
Total short positions (-14.7%)			(1,469,571)	(1,500,564)
Less: Transaction costs included in cost of investments			(6,590)	
Total investments (90.7%)			9,311,818	9,348,240
	Contract rate	Pay - USD	Receive - CAD	Unrealized gain (loss)
Derivative liabilities:				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2026/01/22	1.37	6,771,500	9,263,857	(22,994)
Total derivative liabilities (-0.2%)				(22,994)
Cash (Bank overdraft) (6.9%)				709,845
Other assets less liabilities (2.6%)				275,436
Total net assets attributable to holders of redeemable units (100.0%)				10,310,527

Pender Alternative Arbitrage Plus Fund

Statements of Financial Position

December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Assets		
Receivable for investments sold	801,386	338,676
Subscriptions receivable	100,000	-
Dividends receivable	10,153	4,413
Derivative assets	30,961	-
Investments	30,570,413	18,592,349
	31,512,913	18,935,438
Liabilities		
Bank overdraft	1,450,937	4,685,092
Management and administration fees payable (note 4)	10,265	10,518
Redemptions payable to holders of redeemable units	375,000	109,482
Payable for interest and dividends on short securities	28,965	16,641
Performance fees payable (note 4)	22,284	5,675
Derivative liabilities	-	369,462
Investments sold short	7,626,523	1,463,058
	9,513,974	6,659,928
Net assets attributable to holders of redeemable units	21,998,939	12,275,510
Net assets attributable to holders of redeemable units per class:		
Class A	54,216	44,465
Class E	223,173	163,513
Class F	-	1,119,838
Class F (formerly Class I)	9,559,994	8,376,795
Class F (USD)	7,808	104,299
Class O	12,153,748	2,466,600
	21,998,939	12,275,510
Net assets attributable to holders of redeemable units per unit:		
Class A	10.04	10.34
Class E	10.48	10.50
Class F	-	10.50
Class F (formerly Class I)	10.60	10.69
Class F (USD)	15.68	15.33
Class O	11.07	10.58

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 Plus Fund

Statements of Comprehensive Income

Years ended December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Revenue		
Interest for distribution purposes	39,862	22,522
Dividend income	415,654	364,283
Interest and dividend expense on securities sold short	(69,184)	(61,902)
Foreign exchange gain (loss)	(284,999)	163,855
Changes in fair value of investments and derivatives:		
Net realized gain (loss)	1,315,565	693,083
Net change in unrealized appreciation (depreciation)	(188,925)	(9,636)
Total revenue	1,227,973	1,172,205
Expenses		
Interest and borrowing fees expense	183,476	235,366
Performance fees (note 4)	130,308	87,675
Management fees (note 4)	71,158	72,976
Transaction costs	57,312	61,195
Administration fees (note 4)	49,914	62,554
Withholding taxes (note 6)	11,252	48,226
Independent review committee fees	97	147
Income tax (refund)	(951)	-
Total expenses	502,566	568,139
Less: Fees waived and expenses absorbed by the Manager (note 4)	(97)	(147)
Net expenses	502,469	567,992
Increase (decrease) in net assets attributable to holders of redeemable units	725,504	604,213
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	2,290	1,465
Class E	10,669	7,705
Class F	62,290	48,332
Class F (formerly Class I)	474,187	397,110
Class F (USD)	4,075	8,940
Class I (USD)	-	373
Class O	171,993	140,288
	725,504	604,213
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	0.50	0.33
Class E	0.66	0.50
Class F	0.63	0.43
Class F (formerly Class I)	0.61	0.43
Class F (USD)	0.69	2.24
Class I (USD)	-	0.74
Class O	0.63	0.66

Pender Alternative Arbitrage Plus Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2025 and 2024

Class A	2025 (\$)	2024 (\$)
Balance, beginning of year	44,465	40,502
Increase (decrease) in net assets attributable to holders of redeemable units	2,290	1,465
Unit transactions:		
Proceeds from issue of redeemable units	20,500	7,000
Issued on reinvestment of distributions	3,589	144
Amounts paid on redemption of redeemable units	(13,039)	(4,502)
	11,050	2,642
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(3,589)	(144)
Return of capital	-	-
	(3,589)	(144)
Balance, end of year	54,216	44,465
Class E	2025 (\$)	2024 (\$)
Balance, beginning of year	163,513	152,422
Increase (decrease) in net assets attributable to holders of redeemable units	10,669	7,705
Unit transactions:		
Proceeds from issue of redeemable units	48,991	8,497
Issued on reinvestment of distributions	12,599	3,427
Amounts paid on redemption of redeemable units	-	(5,111)
	61,590	6,813
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(12,599)	(3,427)
Return of capital	-	-
	(12,599)	(3,427)
Balance, end of year	223,173	163,513
Class F	2025 (\$)	2024 (\$)
Balance, beginning of year	1,119,838	1,208,283
Increase (decrease) in net assets attributable to holders of redeemable units	62,290	48,332
Unit transactions:		
Proceeds from issue of redeemable units	52,300	84,001
Issued on reinvestment of distributions	-	8,282
Amounts paid on redemption of redeemable units	(1,234,428)	(220,055)
	(1,182,128)	(127,772)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(9,005)
Return of capital	-	-
	-	(9,005)
Balance, end of year	-	1,119,838

Pender Alternative Arbitrage Plus Fund

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

Years ended December 31, 2025 and 2024

Class F (formerly Class I)	2025 (\$)	2024 (\$)
Balance, beginning of year	8,376,795	12,768,298
Increase (decrease) in net assets attributable to holders of redeemable units	474,187	397,110
Unit transactions:		
Proceeds from issue of redeemable units	2,685,077	464,420
Issued on reinvestment of distributions	617,000	3,732
Amounts paid on redemption of redeemable units	(1,971,948)	(5,253,033)
	1,330,129	(4,784,881)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(621,117)	(3,732)
Return of capital	-	-
	(621,117)	(3,732)
Balance, end of year	9,559,994	8,376,795

Class F (USD)	2025 (\$)	2024 (\$)
Balance, beginning of year	104,299	6,694
Increase (decrease) in net assets attributable to holders of redeemable units	4,075	8,940
Unit transactions:		
Proceeds from issue of redeemable units	-	88,665
Issued on reinvestment of distributions	-	841
Amounts paid on redemption of redeemable units	(100,566)	-
	(100,566)	89,506
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	(841)
Return of capital	-	-
	-	(841)
Balance, end of year	7,808	104,299

Class I (USD)	2025 (\$)	2024 (\$)
Balance, beginning of year	-	6,802
Increase (decrease) in net assets attributable to holders of redeemable units	-	373
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(7,175)
	-	(7,175)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	-	-

Pender Alternative Arbitrage Plus Fund

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

Years ended December 31, 2025 and 2024

Class O	2025 (\$)	2024 (\$)
Balance, beginning of year	2,466,600	2,191,696
Increase (decrease) in net assets attributable to holders of redeemable units	171,993	140,288
Unit transactions:		
Proceeds from issue of redeemable units	11,166,000	538,789
Issued on reinvestment of distributions	360,257	82,086
Amounts paid on redemption of redeemable units	(1,650,845)	(404,173)
	9,875,412	216,702
Distributions paid from:		
Net investment income	(15,678)	-
Realized gains on sale of investments	(344,579)	(82,086)
Return of capital	-	-
	(360,257)	(82,086)
Balance, end of year	12,153,748	2,466,600
Total Fund	2025 (\$)	2024 (\$)
Balance, beginning of year	12,275,510	16,374,697
Increase (decrease) in net assets attributable to holders of redeemable units	725,504	604,213
Unit transactions:		
Proceeds from issue of redeemable units	13,972,868	1,191,372
Issued on reinvestment of distributions	993,445	98,512
Amounts paid on redemption of redeemable units	(4,970,826)	(5,894,049)
	9,995,487	(4,604,165)
Distributions paid from:		
Net investment income	(15,678)	-
Realized gains on sale of investments	(981,884)	(99,235)
Return of capital	-	-
	(997,562)	(99,235)
Balance, end of year	21,998,939	12,275,510

Pender Alternative Arbitrage Plus Fund

Statements of Cash Flows

Years ended December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	725,504	604,213
Adjustments for:		
Interest for distribution purposes	(39,862)	(22,522)
Dividend income	(415,654)	(364,283)
Interest and dividend expense on securities sold short	69,184	61,902
Foreign exchange (gain) loss	284,999	(163,855)
Net realized (gain) loss on sale of investments	(964,709)	(1,469,586)
Net change in unrealized (appreciation) depreciation of investments	589,348	(649,433)
Derivative assets and liabilities	(400,423)	659,069
Performance fees payable	16,609	(11,300)
Management and administration fees payable	(253)	(4,471)
	(135,257)	(1,360,266)
Proceeds on disposal of investments	72,003,644	84,703,465
Amounts paid on purchase of investments and securities sold short	(77,905,592)	(87,661,203)
Interest and dividend expense paid on securities sold short	(56,860)	(45,920)
Dividends received	409,914	359,870
Interest received	39,862	22,522
	(5,644,289)	(3,981,532)
Financing:		
Proceeds from issue of redeemable units	12,816,726	1,197,067
Amounts paid on redemption of redeemable units	(3,649,166)	(6,223,482)
Distributions paid to unitholders	(4,117)	(723)
	9,163,443	(5,027,138)
Net increase (decrease) in cash	3,519,154	(9,008,670)
Cash (Bank overdraft), beginning of year	(4,685,092)	4,159,723
Effect of exchange rate fluctuations on cash	(284,999)	163,855
Cash (Bank overdraft), end of year	(1,450,937)	(4,685,092)

Pender Alternative Arbitrage Plus Fund

Schedule of Investment Portfolio

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
LONG POSITIONS				
Equities:				
Banks (6.1%):				
Berkshire Hills Bancorp Inc.		80	2,920	2,896
Blue Foundry Bancorp.		17,000	288,311	290,034
Cadence Bank		6,350	364,971	373,380
Comerica Inc.		1,873	220,751	223,478
FineMark Holdings Inc.		4,589	259,176	239,789
First Savings Financial Group Inc.		317	14,001	13,862
LINKBANCORP Inc.		4,095	47,813	46,426
Middlefield Banc Corp.		462	22,652	21,902
MidWestOne Financial Group Inc.		2,436	134,905	128,726
			1,355,500	1,340,493
Communication services (5.7%):				
Eventbrite Inc., Class 'A'		77,139	472,986	471,153
TEGNA Inc.		3,500	98,578	93,244
Thunderbird Entertainment Group Inc.		2,725	4,225	4,278
TrueCar Inc.		74,800	245,168	232,027
Warner Bros. Discovery Inc.		11,600	458,625	458,860
			1,279,582	1,259,562
Consumer discretionary (9.2%):				
Denny's Corp.		46,700	401,974	398,690
Golden Entertainment Inc.		6,600	248,142	246,310
Inspirato Inc.		46,200	265,882	264,427
Soho House & Co Inc., Class 'A'		76,395	940,975	939,508
Smart Share Global Ltd., ADR		101,800	183,083	163,479
Udemy Inc.		298	2,493	2,393
			2,042,549	2,014,807
Consumer staples (3.6%):				
Neighbourly Pharmacy Inc., Rights		31,400	1,633	1,633
Premium Brands Holdings Corp.		7,000	682,500	712,181
TRUBAR Inc.		50,100	78,981	79,659
			763,114	793,473
Energy (3.0%):				
Cool Company Ltd.		67	887	887
Gulf Island Fabrication Inc.		9,125	150,889	149,918
Keyera Corp.		12,100	505,242	514,250
			657,018	665,055
Financial services (58.3%):				
1RT Acquisition Corp., Class 'A'		3,000	40,767	42,000
Acropolis Infrastructure Acquisition Corp., Rights		18,900	-	-
Activate Energy Acquisition Corp.		3,700	51,648	50,784
American Drive Acquisition Co.		4,000	55,126	54,847
Arogo Capital Acquisition Corp., Class 'A'		17	243	47
Bain Capital GSS Investment Corp.		6,400	89,069	89,776
BEST SPAC I Acquisition Corp., Class 'A'		8,000	108,990	111,231
Bitcoin Treasury Corp.		89,058	611,449	454,196
Blue Water Acquisition Corp. III, Class 'A'		15,500	210,860	219,553
Cantaloupe Inc.		23,800	353,429	346,920
Cantor Equity Partners III Inc., Class 'A'		5,700	79,087	79,800
Cantor Equity Partners IV Inc., Class 'A'		6,370	88,572	89,880

Pender Alternative Arbitrage Plus Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
LONG POSITIONS (cont'd)				
Equities: (cont'd)				
Financial services (58.3%): (cont'd)				
Cantor Equity Partners V Inc., Class 'A'		3,200	45,104	45,020
Cartesian Growth Corp. III, Class 'A'		15,100	209,770	213,265
Chenghe Acquisition III Co.		6,400	87,997	88,282
Churchill Capital Corp. XI		1,700	23,434	23,823
Crane Harbor Acquisition Corp. II		3,900	53,650	53,877
DigitalBridge Group Inc.		19,700	411,927	414,782
D. Boral ARC Acquisition I Corp., Class 'A'		18,500	253,922	254,684
Diamond Hill Investment Group		1,000	233,901	232,647
Drugs Made In America Acquisition II Corp.		39,000	543,758	535,295
ECN Capital Corp.		228,300	693,466	694,032
EQV Ventures Acquisition Corp. II, Class 'A'		12,000	163,068	165,200
Fifth Era Acquisition Corp. I, Class 'A'		6,175	89,337	86,874
FIGX Capital Acquisition Corp., Class 'A'		7,200	99,338	99,417
Forge Global Holdings Inc.		1,800	111,086	110,089
FutureCrest Acquisition Corp.		3,200	44,598	44,976
Galata Acquisition Corp. II		6,500	89,612	89,840
Graf Global Corp., Class 'A'		5,200	70,819	76,761
Green Dot Corp., Class 'A'		5,436	92,527	95,578
Guardian Capital Group Ltd., Class 'A'		4,717	315,726	317,690
HCM III Acquisition Corp., Class 'A'		5,800	80,551	80,086
Highview Merger Corp.		11,400	157,311	158,505
Inflection Point Acquisition Corp. III, Class 'A'		3,200	44,357	44,537
International Money Express Inc.		11,600	243,033	244,555
Iron Horse Acquisition II Corp.		4,000	55,138	54,573
ITHAX Acquisition Corp. III		7,600	104,633	103,897
Janus Henderson Group PLC		2,800	183,005	182,818
Launch One Acquisition Corp.		24,600	334,035	357,568
Launchpad Cadenza Acquisition Corp. I		4,000	55,126	54,792
Laurentian Bank of Canada		7,100	284,491	286,130
Leapfrog Acquisition Corp.		3,680	50,882	50,535
LightWave Acquisition Corp., Class 'A'		6,496	89,138	89,607
M3-Brigade Acquisition VI Corp.		6,803	93,789	94,308
MAK Acquisition Corp.		44,500	621,983	603,150
McKinley Acquisition Corp.		11,400	156,996	158,035
Mercer Park Opportunities Corp.		46,500	638,561	666,318
Mercer Park Opportunities Corp., Rights, 2029/7/15		46,500	-	16,115
Miluna Acquisition Corp.		957	13,329	13,122
New Providence Acquisition Corp. III, Class 'A'		9,200	127,917	129,558
OTG Acquisition Corp. I		1,700	23,536	23,777
Oxley Bridge Acquisition Ltd., Class 'A'		7,200	99,173	99,417
Perimeter Acquisition Corp. I, Class 'A'		6,300	87,775	88,892
Pioneer Acquisition I Corp., Class 'A'		10,980	151,693	151,610
Range Capital Acquisition Corp. II		13,720	189,585	192,080
Renatus Tactical Acquisition Corp. I, Class 'A'		17,200	249,034	251,896
Republic Digital Acquisition Co., Class 'A'		8,600	120,054	119,515
SIM Acquisition Corp. I, Class 'A'		13,151	178,179	191,154
Sizzle Acquisition Corp. II, Class 'A'		34,191	481,466	476,797
Social Commerce Partners Corp.		4,000	54,772	54,902

Pender Alternative Arbitrage Plus Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
LONG POSITIONS (cont'd)				
Equities: (cont'd)				
Financial services (58.3%): (cont'd)				
Solaris Capital Acquisition Corp., Class 'A'		18,300	250,922	252,433
Soulpower Acquisition Corp., Class 'A'		18,824	267,234	262,244
Thayer Ventures Acquisition Corp. II, Class 'A'		26,500	369,728	368,090
Titan Acquisition Corp., Class 'A'		22,900	320,721	322,486
Trailblazer Acquisition Corp.		6,700	92,892	93,984
Valuence Merger Corp. I, Class 'A'		19,329	308,656	328,972
Vine Hill Capital Investment Corp. II		20,000	275,630	275,086
Vine Hill Capital Investment Corp., Class 'A'		13,390	180,550	197,936
Voyager Acquisition Corp.		5,500	77,800	80,548
Wen Acquisition Corp., Class 'A'		13,600	189,731	188,533
WonderFi Technologies Inc.		803,712	258,502	241,114
			12,884,188	12,830,841
Health care (14.4%):				
Abiomed Inc., Rights		140	198	196
Adverum Biotechnologies Inc., Rights		20,900	23,068	22,949
Akero Therapeutics Inc., Rights		4,800	4,305	4,282
Amicus Therapeutics Inc.		9,400	183,988	183,724
Avadel Pharmaceuticals plc		6,418	197,294	189,835
Avidity Biosciences Inc.		3,500	344,065	346,507
Blueprint Medicines Corp., Rights		1,400	881	884
Checkpoint Therapeutics Inc., Rights		59,300	13,018	13,023
Cidara Therapeutics Inc.		700	213,415	212,228
dentalcorp Holdings Ltd.		87,300	954,042	956,807
Elevation Oncology Inc., Rights		123,300	845	846
Fonar Corp.		6,500	166,716	165,584
Fusion Pharmaceuticals Inc., Rights		21,100	15,865	15,928
HilleVax Inc., Rights		38,400	7,417	7,379
Hologic Inc.		3,400	352,754	347,620
Icosavax Inc., Rights		19,106	8,088	8,129
LENSAR Inc.		18,100	358,253	288,926
Mirati Therapeutics Inc., Rights		4,840	4,658	4,630
Miromatrix Medical Inc., Rights		39,648	7,601	7,619
OptiNose Inc.		15,700	13,061	12,929
Quipt Home Medical Corp.		71,506	345,053	347,260
Sage Therapeutics Inc., Rights		17,800	4,420	4,398
Verve Therapeutics Inc., Rights		10,900	9,432	9,425
Vigil Neuroscience Inc., Rights		34,500	2,370	2,368
Zynerba Pharmaceuticals Inc., Rights		52,594	13,983	14,012
			3,244,790	3,167,488
Industrials (10.9%):				
Air Lease Corp.		5,917	525,011	521,636
American Woodmark Corp.		1,200	104,362	88,777
Chart Industries Inc.		1,400	389,235	396,285
CSG Systems International Inc.		2,800	302,292	294,730
Dayforce Inc.		5,900	567,312	560,061
GDI Integrated Facility Services Inc.		2,511	90,409	91,024

Pender Alternative Arbitrage Plus Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
LONG POSITIONS (cont'd)				
Equities: (cont'd)				
Industrials (10.9%): (cont'd)				
Hillenbrand Inc.		10,300	453,860	448,434
HNI Corp.		1	55	58
			2,432,536	2,401,005
Information technology (7.4%):				
Bel Fuse Inc., Class 'A'		1,200	249,530	250,024
Clearwater Analytics Holdings Inc., Class 'A'		5,600	185,411	185,393
CyberArk Software Ltd.		800	481,977	489,792
Jamf Holding Corp.		10,462	187,283	186,819
SEMrush Holdings Inc., Class 'A'		10,313	168,675	168,304
Synchronoss Technologies Inc.		30,100	353,783	353,646
			1,626,659	1,633,978
Insurance (2.4%):				
Aspen Insurance Holdings Ltd., Class 'A'		2,200	111,039	112,028
Brighthouse Financial Inc.		2,000	182,400	177,855
ProAssurance Corp.		7,274	241,654	241,212
			535,093	531,095
Materials (6.0%):				
Alta Copper Corp.		253,200	350,290	349,416
Aura Minerals Inc., Rights		308,635	7,099	7,099
Canadian Gold Corp.		483,026	154,126	275,325
Canfor Pulp Products Inc.		212,500	105,293	105,188
Imaflex Inc.		81,400	185,999	187,220
Lithium Royalty Corp.		14,710	137,856	139,892
Olympic Steel Inc.		74	3,784	4,346
Orogen Royalties Inc.		12,114	23,622	31,375
Probe Gold Inc.		59,800	217,373	219,466
			1,185,442	1,319,327
Real estate (9.1%):				
Alexander & Baldwin Inc.		9,800	280,511	277,628
Anywhere Real Estate Inc.		6,700	113,647	130,217
City Office REIT Inc.		45,100	429,882	432,695
InterRent REIT		19,800	262,740	261,162
Kennedy-Wilson Holdings Inc.		16,500	225,852	218,997
Orion Properties Inc.		23,400	80,957	72,586
Plymouth Industrial REIT Inc.		6,300	189,738	189,198
Sotherly Hotels Inc.		142,642	427,570	420,934
			2,010,897	2,003,417
Utilities (2.6%):				
NorthWestern Energy Group, Inc.		2,100	170,068	186,027
PNM Resources Inc.		4,800	383,593	387,916
			553,661	573,943
Total equities (long) (138.7%)			30,571,029	30,534,484
Warrants (0.2%):				
1RT Acquisition Corp., Class 'A', strike price \$11.50, expiry 2031/06/20	USD	750	-	597
Cartesian Growth Corp. III, Class 'A', strike price \$11.50, expiry 2030/05/02	USD	5,729	-	6,292
EQV Ventures Acquisition Corp. II, strike price \$11.50, expiry 2031/06/30	USD	3,382	-	1,625

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

Pender Alternative Arbitrage Plus Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
LONG POSITIONS (cont'd)				
Warrants (0.2%): (cont'd)				
MAK Acquisition Corp., strike price \$1.00, 2026/12/11	USD	22,250	461	11,910
Mercer Park Opportunities Corp., strike price \$11.00, expiry 2029/08/29	USD	46,500	-	12,765
Republic Digital Acquisition Co., Class 'A', strike price \$11.50, 2026/03/05	USD	1,500	-	1,235
SIM Acquisition Corp. I, Class 'A', strike price \$11.50, expiry 2029/08/28	USD	5,092	721	1,505
			1,182	35,929
Total long positions (138.9%)			30,572,211	30,570,413
SHORT POSITIONS				
Short-term investments (-12.7%):				
United States Treasury, 3.61%, 2026/03/12		(1,032,000)	(1,409,047)	(1,404,391)
United States Treasury, 3.59%, 2026/06/11		(1,031,000)	(1,395,358)	(1,390,748)
			(2,804,405)	(2,795,139)
Equities:				
Banks (-6.1%):				
Burke & Herbert Financial Services Corp.		(552)	(49,047)	(47,209)
Commerce Bancshares Inc.		(3,322)	(263,895)	(238,650)
Farmers National Banc Corp.		(1,205)	(23,196)	(22,030)
Fifth Third Bancorp.		(3,505)	(223,908)	(225,193)
First Merchants Corp.		(269)	(14,104)	(13,838)
Fulton Financial Corp.		(11,049)	(296,254)	(293,145)
Huntington Bancshares Inc.		(15,713)	(369,286)	(374,185)
Nicolet Bankshares Inc.		(747)	(131,434)	(124,368)
			(1,371,124)	(1,338,618)
Communication services (0.0%):				
Blue Ant Media Corp.		(295)	(2,440)	(2,325)
			(2,440)	(2,325)
Consumer discretionary (0.0%):				
Coursera Inc.		(239)	(2,614)	(2,414)
			(2,614)	(2,414)
Consumer staples (-3.2%):				
Premium Brands Holdings Corp.		(7,000)	(684,208)	(711,971)
			(684,208)	(711,971)
Energy (-2.4%):				
California Resources Corp.		(74)	(4,856)	(4,541)
Keyera Corp.		(12,100)	(535,293)	(532,400)
			(540,149)	(536,941)
Industrials (-0.4%):				
Masterbrand Inc.		(6,179)	(106,353)	(93,630)
			(106,353)	(93,630)
Information technology (-3.4%):				
Bel Fuse Inc., Class 'B'		(1,200)	(282,644)	(279,391)
Palo Alto Networks Inc.		(1,850)	(464,725)	(467,724)
			(747,369)	(747,115)
Materials (-1.7%):				
Altius Minerals Corp.		(2,360)	(93,813)	(96,382)

Pender Alternative Arbitrage Plus Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
SHORT POSITIONS (cont'd)				
Equities: (cont'd)				
Materials (-1.7%): (cont'd)				
McEwen Inc.		(10,870)	(163,587)	(276,968)
Ryerson Holding Corp.		(88)	(2,706)	(3,039)
			(260,106)	(376,389)
Real estate (-1.7%):				
Compass Inc., Class 'A'		(9,621)	(122,771)	(139,580)
VICI Properties Inc.		(5,952)	(228,384)	(229,724)
			(351,155)	(369,304)
Utilities (-0.9%):				
Black Hills Corp.		(2,058)	(173,684)	(196,091)
			(173,684)	(196,091)
Total equities (short) (-19.8%)			(4,239,202)	(4,374,798)
Exchange-traded fund(s) (-2.1%):				
iShares Bitcoin Trust ETF		(6,700)	(518,790)	(456,586)
			(518,790)	(456,586)
Total short positions (-34.6%)			(7,562,397)	(7,626,523)
Less: Transaction costs included in cost of investments			(19,910)	
Total investments (104.3%)			22,989,904	22,943,890
	Contract rate	Pay - USD	Receive - CAD	Unrealized gain (loss)
Derivative assets:				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2026/01/22	1.37	12,898,200	17,720,344	30,961
Total derivative assets (0.1%)				30,961
Cash (Bank overdraft) (-6.6%)				(1,450,937)
Other assets less liabilities (2.2%)				475,025
Total net assets attributable to holders of redeemable units (100.0%)				21,998,939

Pender Alternative Multi-Strategy Income Fund

Statements of Financial Position

December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Assets		
Cash	379,512	46,737
Subscriptions receivable	834,276	-
Dividends receivable	2,988	-
Investments	48,861,984	3,274,747
	50,078,760	3,321,484
Liabilities		
Management and administration fees payable (note 4)	40,302	5,216
Redemptions payable to holders of redeemable units	20,277	3,223
Accrued expenses	-	95
Performance fees payable (note 4)	233,845	33,284
	294,424	41,818
Net assets attributable to holders of redeemable units	49,784,336	3,279,666
Net assets attributable to holders of redeemable units per class:		
Class A	3,171,531	1,379,927
Class E	2,290,247	-
Class F	-	1,300,500
Class F (formerly Class I)	44,316,797	593,919
Class O	5,761	5,320
	49,784,336	3,279,666
Net assets attributable to holders of redeemable units per unit:		
Class A	12.88	12.90
Class E	10.20	-
Class F	-	14.23
Class F (formerly Class I)	9.69	9.65
Class O	10.78	10.46

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

Years ended December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Revenue		
Distributions from underlying funds	508,482	174,281
Interest for distribution purposes	4,078	-
Dividend income	10,405	-
Changes in fair value of investments:		
Net realized gain (loss)	319,081	(99,380)
Net change in unrealized appreciation (depreciation)	(17,425)	303,132
Total revenue	824,621	378,033
Expenses		
Performance fees (note 4)	233,845	33,284
Management fees (note 4)	91,560	44,865
Administration fees (note 4)	45,733	23,257
Transaction costs	1,103	1,034
Independent review committee	246	49
Interest and borrowing fees expense	-	192
Total expenses	372,487	102,681
Less: Expenses absorbed by the Manager (note 4)	(246)	(49)
Net expenses	372,241	102,632
Increase (decrease) in net assets attributable to holders of redeemable units	452,380	275,401
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	61,601	126,886
Class E	107,426	-
Class F	72,829	112,817
Class F (formerly Class I)	186,080	35,115
Class O	24,444	583
	452,380	275,401
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	0.54	0.92
Class E	0.49	-
Class F	0.86	1.12
Class F (formerly Class I)	0.28	0.75
Class O	0.77	1.07

Pender Alternative Multi-Strategy Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2025 and 2024

Class A	2025 (\$)	2024 (\$)
Balance, beginning of year	1,379,927	2,119,623
Increase (decrease) in net assets attributable to holders of redeemable units	61,601	126,886
Unit transactions:		
Proceeds from issue of redeemable units	2,247,790	8,100
Issued on reinvestment of distributions	72,600	-
Amounts paid on redemption of redeemable units	(512,507)	(874,682)
	1,807,883	(866,582)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	(77,880)	-
	(77,880)	-
Balance, end of year	3,171,531	1,379,927
Class E	2025 (\$)	2024 (\$)
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	107,426	-
Unit transactions:		
Proceeds from issue of redeemable units	2,182,821	-
Issued on reinvestment of distributions	64,415	-
Amounts paid on redemption of redeemable units	-	-
	2,247,236	-
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	(64,415)	-
	(64,415)	-
Balance, end of period	2,290,247	-
Class F	2025 (\$)	2024 (\$)
Balance, beginning of year	1,300,500	1,530,094
Increase (decrease) in net assets attributable to holders of redeemable units	72,829	112,817
Unit transactions:		
Proceeds from issue of redeemable units	722,335	26,120
Issued on reinvestment of distributions	52,991	-
Amounts paid on redemption of redeemable units	(2,094,644)	(368,531)
	(1,319,318)	(342,411)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	(54,011)	-
	(54,011)	-
Balance, end of year	-	1,300,500

Pender Alternative Multi-Strategy Income Fund

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

Years ended December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Class F (formerly Class I)		
Balance, beginning of year	593,919	340,100
Increase (decrease) in net assets attributable to holders of redeemable units	186,080	35,115
Unit transactions:		
Proceeds from issue of redeemable units	44,817,139	257,206
Issued on reinvestment of distributions	322,340	-
Amounts paid on redemption of redeemable units	(1,234,080)	(38,502)
	43,905,399	218,704
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	(368,601)	-
	(368,601)	-
Balance, end of year	44,316,797	593,919
Class O		
Balance, beginning of year	5,320	4,700
Increase (decrease) in net assets attributable to holders of redeemable units	24,444	583
Unit transactions:		
Proceeds from issue of redeemable units	2,155,457	5,000
Issued on reinvestment of distributions	13,894	-
Amounts paid on redemption of redeemable units	(2,179,460)	(4,963)
	(10,109)	37
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	(13,894)	-
	(13,894)	-
Balance, end of year	5,761	5,320
Total Fund		
Balance, beginning of year	3,279,666	3,994,517
Increase (decrease) in net assets attributable to holders of redeemable units	452,380	275,401
Unit transactions:		
Proceeds from issue of redeemable units	52,125,542	296,426
Issued on reinvestment of distributions	526,240	-
Amounts paid on redemption of redeemable units	(6,020,691)	(1,286,678)
	46,631,091	(990,252)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	(578,801)	-
	(578,801)	-
Balance, end of year	49,784,336	3,279,666

Pender Alternative Multi-Strategy Income Fund

Statements of Cash Flows

Years ended December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	452,380	275,401
Adjustments for:		
Distributions from underlying funds	(508,482)	(174,281)
Interest for distribution purposes	(4,078)	-
Dividend income	(10,405)	-
Net realized (gain) loss on sale of investments	(319,081)	99,380
Net change in unrealized (appreciation) depreciation of investments	17,425	(303,132)
Performance fees payable	200,561	9,658
Management and administration fees payable	35,086	(790)
Accrued expenses	(95)	(147)
	(136,689)	(93,911)
Proceeds on disposal of investments	2,399,233	2,209,488
Amounts paid on purchase of investments	(47,684,814)	(1,235,770)
Dividends received	7,417	-
Distributions from underlying funds	508,482	174,281
Interest received	4,078	-
	(44,902,293)	1,054,088
Financing:		
Proceeds from issue of redeemable units	47,346,200	208,401
Amounts paid on redemption of redeemable units	(2,058,571)	(1,233,117)
Distributions paid to unitholders	(52,561)	-
	45,235,068	(1,024,716)
Net increase (decrease) in cash	332,775	29,372
Cash (Bank overdraft), beginning of year	46,737	17,365
Effect of exchange rate fluctuations on cash	-	-
Cash (Bank overdraft), end of year	379,512	46,737

Pender Alternative Multi-Strategy Income Fund

Schedule of Investment Portfolio

December 31, 2025

	Number of units	Cost (\$)	Fair value (\$)
Mutual funds:			
Pender Alternative Absolute Return Fund, Class 'O'	1,753,656	16,258,564	16,094,707
Pender Alternative Arbitrage Plus Fund, Class 'O'	1,097,887	12,374,452	12,148,783
Pender Corporate Bond Fund, Class 'O'	1,557,618	19,106,836	19,397,640
Total mutual funds (95.6%)		47,739,852	47,641,130
Exchange-traded fund(s):			
Purpose USD Cash Management Fund	12,200	1,221,541	1,220,854
Total exchange-traded fund(s) (2.5%)		1,221,541	1,220,854
Less: Transaction costs included in cost of investments		(120)	
Total investments (98.1%)		48,961,273	48,861,984
Cash (Bank overdraft) (0.8%)			379,512
Other assets less liabilities (1.1%)			542,840
Total net assets attributable to holders of redeemable units (100.0%)			49,784,336

Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund)

Statements of Financial Position

December 31, 2025

	2025 (\$)	2024 (\$)
Assets		
Cash	1,496,043	6,906,058
Subscriptions receivable	2,900	24,007
Dividends receivable	13,106	26,279
Other receivable	-	19,797
Investments	48,551,669	35,585,239
	50,063,718	42,561,380
Liabilities		
Management and administration fees payable (note 4)	104,018	248,406
Distributions payable to holders of redeemable units	-	7,180,332
Payable for interest and dividends on short securities	5,222	-
Performance fees payable (note 4)	208,798	20,134
Investments sold short	4,009,500	756,100
	4,327,538	8,204,972
Net assets attributable to holders of redeemable units	45,736,180	34,356,408
Net assets attributable to holders of redeemable units per class:		
Class A	1,424,567	1,068,385
Class F	44,305,602	33,288,023
Class O	6,011	-
	45,736,180	34,356,408
Net assets attributable to holders of redeemable units per unit:		
Class A	23.82	19.11
Class F	32.25	25.93
Class O	10.55	-

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

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund)

Statements of Comprehensive Income

Years ended December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Revenue		
Distributions from underlying funds	-	123,686
Interest for distribution purposes	-	57,837
Dividend income	574,625	448,573
Securities lending income (note 5)	6,844	-
Interest and dividend expense on securities sold short	(47,634)	(27,235)
Foreign exchange gain (loss)	(53,670)	22,013
Changes in fair value of investments:		
Net realized gain (loss)	5,860,201	7,790,473
Net change in unrealized appreciation (depreciation)	7,947,273	(544,973)
Total revenue	14,287,639	7,870,374
Expenses		
Management fees (note 4)	425,026	513,715
Performance fees (note 4)	389,798	20,040
Transaction costs	148,301	468,789
Administration fees (note 4)	128,682	125,362
Interest and borrowing fees expense	25,078	47,494
Withholding taxes (note 6)	12,362	6,059
Independent review committee	430	4,758
Total expenses	1,129,677	1,186,217
Less: Fees waived and expenses absorbed by the Manager (note 4)	(10,143)	(183,173)
Net expenses	1,119,534	1,003,044
Increase (decrease) in net assets attributable to holders of redeemable units	13,168,105	6,867,330
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	449,317	195,034
Class F	12,717,777	6,672,296
Class O	1,011	-
	13,168,105	6,867,330
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	7.55	3.35
Class F	10.29	4.75
Class O	2.02	-

Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2025 and 2024

Class A	2025 (\$)	2024 (\$)
Balance, beginning of year	1,068,385	932,994
Increase (decrease) in net assets attributable to holders of redeemable units	449,317	195,034
Unit transactions:		
Proceeds from issue of redeemable units	452,164	-
Issued on reinvestment of distributions	156,541	222,549
Amounts paid on redemption of redeemable units	(545,299)	(59,643)
	63,406	162,906
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(156,541)	(222,549)
Return of capital	-	-
	(156,541)	(222,549)
Balance, end of year	1,424,567	1,068,385
Class F	2025 (\$)	2024 (\$)
Balance, beginning of year	33,288,023	32,536,838
Increase (decrease) in net assets attributable to holders of redeemable units	12,717,777	6,672,296
Unit transactions:		
Proceeds from issue of redeemable units	1,268,166	43,000
Issued on reinvestment of distributions	5,021,819	6,957,783
Amounts paid on redemption of redeemable units	(2,968,364)	(5,964,111)
	3,321,621	1,036,672
Distributions paid from:		
Net investment income	-	(24,007)
Realized gains on sale of investments	(5,021,819)	(6,933,776)
Return of capital	-	-
	(5,021,819)	(6,957,783)
Balance, end of year	44,305,602	33,288,023
Class O	2025 (\$)	2024 (\$)
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	1,011	-
Unit transactions:		
Proceeds from issue of redeemable units	5,000	-
Issued on reinvestment of distributions	734	-
Amounts paid on redemption of redeemable units	-	-
	5,734	-
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	(734)	-
Return of capital	-	-
	(734)	-
Balance, end of period	6,011	-

Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund)

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

Years ended December 31, 2025 and 2024

Total Fund	2025 (\$)	2024 (\$)
Balance, beginning of year	34,356,408	33,469,832
Increase (decrease) in net assets attributable to holders of redeemable units	13,168,105	6,867,330
Unit transactions:		
Proceeds from issue of redeemable units	1,725,330	43,000
Issued on reinvestment of distributions	5,179,094	7,180,332
Amounts paid on redemption of redeemable units	(3,513,663)	(6,023,754)
	3,390,761	1,199,578
Distributions paid from:		
Net investment income	-	(24,007)
Realized gains on sale of investments	(5,179,094)	(7,156,325)
Return of capital	-	-
	(5,179,094)	(7,180,332)
Balance, end of year	45,736,180	34,356,408

Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund)

Statements of Cash Flows

Years ended December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	13,168,105	6,867,330
Adjustments for:		
Distributions from underlying funds	-	(123,686)
Interest for distribution purposes	-	(57,837)
Dividend income	(574,625)	(448,573)
Interest and dividend expense on securities sold short	47,634	27,235
Foreign exchange (gain) loss	53,670	(22,013)
Net realized (gain) loss on sale of investments	(6,314,284)	(7,790,473)
Net change in unrealized (appreciation) depreciation of investments	(7,947,273)	544,973
Other receivable	19,797	824
Derivative assets and liabilities	453,781	-
Performance fees payable	188,664	20,134
Management and administration fees payable	(144,388)	181,352
Accrued expenses	-	(158,970)
	(1,048,919)	(959,704)
Proceeds on disposal of investments	93,183,688	174,100,194
Amounts paid on purchase of investments and securities sold short	(89,088,942)	(168,254,257)
Interest and dividend expense paid on securities sold short	(42,412)	(27,235)
Dividends received	587,798	485,278
Interest received	-	215,772
	3,591,213	5,560,048
Financing:		
Proceeds from issue of redeemable units	1,746,437	18,993
Amounts paid on redemption of redeemable units	(3,513,663)	(6,023,754)
Distributions paid to unitholders	(7,180,332)	7,180,332
	(8,947,558)	1,175,571
Net increase (decrease) in cash	(5,356,345)	6,735,619
Cash (Bank overdraft), beginning of year	6,906,058	148,426
Effect of exchange rate fluctuations on cash	(53,670)	22,013
Cash (Bank overdraft), end of year	1,496,043	6,906,058

Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund)

Schedule of Investment Portfolio

December 31, 2025

	Issue currency	Number of shares / units	Cost (\$)	Fair value (\$)
LONG POSITIONS				
Closed end fund (1.2%):				
Sprott Physical Uranium Trust		21,000	491,917	561,141
			491,917	561,141
Equities:				
Communication services (2.3%):				
Telesat Corp.		26,153	800,600	1,044,582
			800,600	1,044,582
Energy (28.9%):				
ACT Energy Technologies Ltd.		198,157	1,210,595	988,803
Atha Energy Corp.		610,000	619,289	372,100
Cameco Corp.		7,300	837,737	917,464
Cenovus Energy Inc.		40,000	939,854	928,800
IsoEnergy Ltd.		100,000	1,097,898	1,249,000
Keyera Corp., Subscription Receipts		25,000	978,750	1,062,500
NexGen Energy Ltd.		197,700	2,043,468	2,496,952
Stampede Drilling Inc.		1,000,000	330,250	125,000
Stamper Oil & Gas Corp.		1,500,000	300,000	150,000
Surge Energy Inc.		50,000	308,075	345,000
Tenaz Energy Corp.		50,000	330,000	1,325,000
Tourmaline Oil Corp.		20,700	1,288,581	1,274,499
Valeura Energy Inc.		100,000	550,928	818,000
Whitecap Resources Inc.		100,000	1,029,307	1,150,000
			11,864,732	13,203,118
Financial services (6.5%):				
Brookfield Corp., Class 'A'		10,500	552,168	661,710
Evercore Inc., Class 'A'		3,000	941,645	1,401,030
Bitcoin Treasury Corp.		81,254	812,540	414,395
Mastercard Inc., Class 'A'		500	337,498	391,781
Total Metals Corp.		166,666	150,000	111,666
			2,793,851	2,980,582
Health care (1.8%):				
AstraZeneca PLC, ADR		3,330	360,583	420,174
Hydrex Farms Ltd.		113,000	-	-
Intercure Ltd.		1,977	10,843	2,469
Xenon Pharmaceuticals Inc.		6,850	351,960	421,396
			723,386	844,039
Industrials (9.7%):				
AtkinsRéalis Group Inc.		10,000	1,002,569	886,000
ATS Corp.		20,000	681,636	756,200
Hammond Power Solutions Inc.		3,000	365,594	478,440
MDA Space Ltd.		10,000	315,711	266,400
Volatus Aerospace Inc.		1,200,000	720,000	660,000
Waste Connections Inc.		3,000	561,056	722,160
Xtract One Technologies Inc.		897,700	617,835	646,344
			4,264,401	4,415,544
Information technology (9.5%):				
Alida Inc., Preferred, Series '2'		221,602	775,607	828,791
Calian Group Ltd.		10,000	492,374	555,200
FRNT Financial Inc.		583,333	300,000	145,833
G2 Goldfields Inc.		96,716	139,131	616,081

Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund)

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares / units	Cost (\$)	Fair value (\$)
LONG POSITIONS (cont'd)				
Equities: (cont'd)				
Information technology (9.5%): (cont'd)				
NVIDIA Corp.		3,500	889,490	895,932
ON Semiconductor Corp.		5,800	457,812	431,077
Tantalus Systems Holding Inc.		100,000	461,500	468,000
Texas Instruments Inc.		1,800	456,544	428,623
			3,972,458	4,369,537
Insurance (1.2%):				
Trisura Group Ltd.		12,420	448,307	530,582
			448,307	530,582
Materials (34.1%):				
Alamos Gold Inc., Class 'A'		10,000	99,867	529,530
Algoma Steel Group Inc.		50,000	300,500	282,500
Allied Gold Corp.		27,000	738,450	849,150
Americas Gold and Silver Corp.		53,400	53,400	375,936
Banyan Gold Corp.		900,000	643,200	819,000
Blue Moon Metals Inc.		130,000	429,000	624,000
Capitan Silver Corp.		117,000	237,510	257,400
Foran Mining Corp.		150,000	517,313	756,000
Fortune Bay Corp.		300,000	300,000	213,000
Fuerte Metals Corp.		127,766	137,987	801,093
Gladiator Metals Corp.		460,000	453,661	519,800
Gold X2 Mining Inc.		1,000,000	311,224	670,000
Goliath Resources Ltd.		135,000	405,000	337,500
Graphite One Inc.		333,333	308,461	663,333
Group Eleven Resources Corp.		1,001,890	387,481	741,399
Guanajuato Silver Co. Ltd.		500,000	250,000	335,000
Heliostar Metals Ltd.		50,000	138,000	126,500
Kinross Gold Corp.		18,000	-	1,800
Lundin Mining Corp.		52,500	731,325	1,548,751
Miata Metals Corp.		520,800	249,984	213,528
Radisson Mining Resources Inc., Class 'A'		400,000	240,000	360,000
Rio2 Ltd.		300,900	667,998	995,979
Roxmore Resources Inc.		115,000	230,000	247,250
Sitka Gold Corp.		1,499,000	1,255,435	1,454,031
Snowline Gold Corp.		18,800	132,464	326,368
Southern Cross Gold Consolidated Ltd.		50,000	225,000	529,500
Vizsla Silver Corp.		83,000	342,014	623,151
Western Copper and Gold Corp.		68,500	126,727	251,395
Yukon Metals Corp.		272,500	149,875	125,350
			10,061,876	15,578,244
Utilities (4.1%)				
Brookfield Renewable Partners L.P.		30,000	974,202	1,112,700
Talen Energy Corp.		1,500	855,801	771,730
			1,830,003	1,884,430
Total equities (long) (98.1%)			36,759,614	44,850,658
Exchange-traded fund(s) (5.4%):				
Purpose Cash Management Fund		9,329	933,849	933,553

Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund)

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares / units	Cost (\$)	Fair value (\$)
LONG POSITIONS (cont'd)				
Exchange-traded fund(s) (5.4%): (cont'd)				
Purpose USD Cash Management Fund		5,000	693,699	686,412
Purpose Bitcoin ETF		40,000	687,363	851,530
			2,314,911	2,471,495
Warrants (1.5%):				
Axcap Ventures Inc., strike price \$0.20, expiry 2029/12/10	CAD	1,150,000	-	17,250
Craft 1861 Global Holdings Inc., strike price \$11.50, expiry 2026/05/01	USD	16,500	4,200	-
Denarius Metals Corp., strike price \$0.66, expiry 2030/06/19	CAD	909,000	-	45,450
Encore Energy Corp., strike price \$4.05, expiry 2026/02/10	CAD	23,437	-	-
First Mining Gold Corp., strike price \$0.20, expiry 2027/09/26	CAD	300,000	-	99,000
FRNT Financial Inc., strike price \$0.90, expiry 2027/05/21	CAD	166,667	-	-
Graphite One Inc., strike price \$1.00, expiry 2026/12/24	CAD	333,333	-	330,000
Guanajuato Silver Co. Ltd., strike price \$1.00, expiry 2038/10/10	CAD	250,000	-	5,000
Lion One Metals Ltd., strike price \$0.41, expiry 2028/02/14	CAD	550,000	-	-
Osisko Development Corp., strike price \$8.55, expiry 2026/03/02	CAD	38,000	-	-
Stamper Oil & Gas Corp., strike price \$0.35, expiry 2028/08/18	CAD	750,000	-	-
Total Metals Corp. strike price \$1.15, expiry 2028/12/18	CAD	166,666	-	-
Xtract One Technologies Inc., strike price \$0.95, expiry 2028/11/10	CAD	333,350	-	-
Xtract One Technologies Inc., strike price \$0.64, expiry 2027/04/24	CAD	981,000	-	171,675
Yukon Metals Corp., strike price \$0.80, expiry 2028/04/09	CAD	136,250	-	-
			4,200	668,375
Total long positions (106.2%)			39,570,642	48,551,669
SHORT POSITIONS				
Equities:				
Energy (-2.4%):				
Keyera Corp.		(25,000)	(1,103,046)	(1,100,000)
			(1,103,046)	(1,100,000)
Materials (-3.0%)				
First Quantum Minerals Ltd.		(23,000)	(550,390)	(846,400)
Southern Cross Gold Consolidated Ltd.		(50,000)	(299,000)	(529,500)
			(849,390)	(1,375,900)
Total equities (short) (-5.4%)			(1,952,436)	(2,475,900)
Exchange-traded fund(s) (-3.4%):				
iShares S&P/TSX Global Gold Index ETF		(30,000)	(1,531,200)	(1,533,600)
			(1,531,200)	(1,533,600)
Total short positions (-8.8%)			(3,483,636)	(4,009,500)

Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund)

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares / units	Cost (\$)	Fair value (\$)
Less: Transaction costs included in cost of investments			(34,339)	
Total investments (97.4%)			36,052,667	44,542,169
Cash (Bank overdraft) (3.3%)				1,496,043
Other assets less liabilities (-0.7%)				(302,032)
Total net assets attributable to holders of redeemable units (100.0%)				45,736,180

Pender Alternative Special Situations Fund

Statements of Financial Position

December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Assets		
Receivable for investments sold	-	127,068
Subscriptions receivable	55,940	21,000
Dividends receivable	3,514	690
Investments	6,576,638	3,212,879
	6,636,092	3,361,637
Liabilities		
Bank overdraft	301,994	323,618
Distributions payable to holders of redeemable units	725	495
Payable for interest and dividends on short securities	1,253	-
Accrued expenses	-	2,193
Investments sold short	844,853	13,335
	1,148,825	339,641
Net assets attributable to holders of redeemable units	5,487,267	3,021,996
Net assets attributable to holders of redeemable units per class:		
Class A	629,527	410,585
Class E	490,274	301,303
Class F	-	1,287,512
Class F (formerly Class I)	4,357,793	1,015,528
Class O	9,673	7,068
	5,487,267	3,021,996
Net assets attributable to holders of redeemable units per unit:		
Class A	32.25	23.58
Class E	17.19	12.57
Class F	-	23.58
Class F (formerly Class I)	17.18	12.56
Class O	17.19	12.57

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

Years ended December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Revenue		
Interest for distribution purposes	5,406	-
Dividend income	28,823	21,549
Interest and dividend expense on securities sold short	(3,504)	(348)
Foreign exchange gain (loss)	6,476	8,337
Changes in fair value of investments:		
Net realized gain (loss)	210,570	117,308
Net change in unrealized appreciation (depreciation)	997,342	388,744
Total revenue	1,245,113	535,590
Expenses		
Performance fees (note 4)	248,422	101,849
Management fees (note 4)	68,426	27,299
Administration fees (note 4)	31,986	17,794
Interest and borrowing fees expense	24,300	16,594
Transaction costs	9,959	10,898
Withholding taxes (note 6)	170	5
Independent review committee fees	45	44
Total expenses	383,308	174,483
Less: Fees waived and expenses absorbed by the Manager (note 4)	(348,879)	(146,986)
Net expenses	34,429	27,497
Increase (decrease) in net assets attributable to holders of redeemable units	1,210,684	508,093
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	154,777	76,466
Class E	130,656	74,868
Class F	439,216	172,885
Class F (formerly Class I)	483,430	157,770
Class H	-	24,669
Class O	2,605	1,435
	1,210,684	508,093
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	8.78	4.71
Class E	4.89	2.52
Class F	7.00	4.18
Class F (formerly Class I)	4.96	2.27
Class H	-	2.49
Class O	4.63	2.56

Pender Alternative Special Situations Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2025 and 2024

Class A	2025 (\$)	2024 (\$)
Balance, beginning of year	410,585	314,038
Increase (decrease) in net assets attributable to holders of redeemable units	154,777	76,466
Unit transactions:		
Proceeds from issue of redeemable units	98,190	70,842
Issued on reinvestment of distributions	346	1,082
Amounts paid on redemption of redeemable units	(33,957)	(50,675)
	64,579	21,249
Distributions paid from:		
Net investment income	(414)	(1,168)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(414)	(1,168)
Balance, end of year	629,527	410,585
Class E	2025 (\$)	2024 (\$)
Balance, beginning of year	301,303	294,135
Increase (decrease) in net assets attributable to holders of redeemable units	130,656	74,868
Unit transactions:		
Proceeds from issue of redeemable units	84,952	48,733
Issued on reinvestment of distributions	315	858
Amounts paid on redemption of redeemable units	(26,637)	(116,433)
	58,630	(66,842)
Distributions paid from:		
Net investment income	(315)	(858)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(315)	(858)
Balance, end of year	490,274	301,303
Class F	2025 (\$)	2024 (\$)
Balance, beginning of year	1,287,512	283,184
Increase (decrease) in net assets attributable to holders of redeemable units	439,216	172,885
Unit transactions:		
Proceeds from issue of redeemable units	475,045	1,324,334
Issued on reinvestment of distributions	-	3,206
Amounts paid on redemption of redeemable units	(2,201,773)	(492,482)
	(1,726,728)	835,058
Distributions paid from:		
Net investment income	-	(3,615)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	(3,615)
Balance, end of year	-	1,287,512

Pender Alternative Special Situations Fund

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

Years ended December 31, 2025 and 2024

Class F (formerly Class I)	2025 (\$)	2024 (\$)
Balance, beginning of year	1,015,528	493,644
Increase (decrease) in net assets attributable to holders of redeemable units	483,430	157,770
Unit transactions:		
Proceeds from issue of redeemable units	3,181,587	364,114
Issued on reinvestment of distributions	2,041	2,891
Amounts paid on redemption of redeemable units	(322,095)	-
	2,861,533	367,005
Distributions paid from:		
Net investment income	(2,698)	(2,891)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(2,698)	(2,891)
Balance, end of year	4,357,793	1,015,528

Class H	2025 (\$)	2024 (\$)
Balance, beginning of year	-	314,960
Increase (decrease) in net assets attributable to holders of redeemable units	-	24,669
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(339,629)
	-	(339,629)
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	-
Balance, end of year	-	-

Class O	2025 (\$)	2024 (\$)
Balance, beginning of year	7,068	5,633
Increase (decrease) in net assets attributable to holders of redeemable units	2,605	1,435
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	7	20
Amounts paid on redemption of redeemable units	-	-
	7	20
Distributions paid from:		
Net investment income	(7)	(20)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(7)	(20)
Balance, end of year	9,673	7,068

Pender Alternative Special Situations Fund

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

Years ended December 31, 2025 and 2024

Total Fund	2025 (\$)	2024 (\$)
Balance, beginning of year	3,021,996	1,705,594
Increase (decrease) in net assets attributable to holders of redeemable units	1,210,684	508,093
Unit transactions:		
Proceeds from issue of redeemable units	3,839,774	1,808,023
Issued on reinvestment of distributions	2,709	8,057
Amounts paid on redemption of redeemable units	(2,584,462)	(999,219)
	1,258,021	816,861
Distributions paid from:		
Net investment income	(3,434)	(8,552)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(3,434)	(8,552)
Balance, end of year	5,487,267	3,021,996

Pender Alternative Special Situations Fund

Statements of Cash Flows

Years ended December 31, 2025 and 2024

	2025 (\$)	2024 (\$)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	1,210,684	508,093
Adjustments for:		
Interest for distribution purposes	(5,406)	-
Dividend income	(28,823)	(21,549)
Interest and dividend expense on securities sold short	3,504	348
Foreign exchange (gain) loss	(6,476)	(8,337)
Net realized (gain) loss on sale of investments	(210,570)	(117,308)
Net change in unrealized (appreciation) depreciation of investments	(997,342)	(388,744)
Due from manager	-	2,013
Other receivable	-	60
Accrued expenses	(2,193)	2,191
	(36,622)	(23,233)
Proceeds on disposal of investments	4,514,217	2,722,394
Amounts paid on purchase of investments and securities sold short	(5,711,478)	(3,582,087)
Interest and dividend expense paid on securities sold short	(2,251)	(348)
Dividends received	25,999	25,478
Interest received	5,406	-
	(1,204,729)	(857,796)
Financing:		
Proceeds from issue of redeemable units	2,068,358	1,787,023
Amounts paid on redemption of redeemable units	(847,986)	(999,766)
Distributions paid to unitholders	(495)	-
	1,219,877	787,257
Net increase (decrease) in cash	15,148	(70,539)
Cash (Bank overdraft), beginning of year	(323,618)	(261,416)
Effect of exchange rate fluctuations on cash	6,476	8,337
Cash (Bank overdraft), end of year	(301,994)	(323,618)

Pender Alternative Special Situations Fund

Schedule of Investment Portfolio

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
LONG POSITIONS				
Closed end fund (0.9%):				
Sprott Physical Uranium Trust		1,750	33,784	46,953
			33,784	46,953
Equities:				
Communication services (7.0%):				
Telesat Corp., Class 'A'		7,600	168,696	300,731
Warner Bros. Discovery Inc.		2,100	83,027	83,069
			251,723	383,800
Consumer discretionary (2.2%):				
Canada Goose Holdings Inc.		3,300	63,723	58,707
D2L Inc.		4,668	52,328	63,065
			116,051	121,772
Consumer staples (4.0%):				
Glass House Brands Inc.		17,910	117,739	217,554
			117,739	217,554
Energy (21.9%):				
Advantage Energy Ltd.		12,000	123,134	140,880
ARC Resources Ltd.		3,120	32,763	80,340
Athabasca Oil Corp.		15,300	22,065	107,559
IsoEnergy Ltd.		11,600	117,510	144,884
Logan Energy Corp.		208,499	152,204	177,224
McDermott International Ltd.		3,780	67,606	113,882
NexGen Energy Ltd.		21,600	209,964	272,808
Saturn Oil & Gas Inc.		46,100	108,335	112,023
Uranium Energy Corp.		3,300	56,574	52,904
			890,155	1,202,504
Financial services (12.8%):				
Bitcoin Treasury Corp.		65,258	504,278	332,815
Burford Capital Ltd.		7,700	104,718	94,272
Mercer Park Opportunities Corp.		7,700	105,740	110,337
Mercer Park Opportunities Corp., Rights, 2029/07/15		7,700	-	2,669
Partners Value Investments L.P.		9,000	57,317	162,000
			772,053	702,093
Health care (5.4%):				
kneat.com inc.		15,300	68,803	75,276
Maravai LifeSciences Holdings Inc., Class 'A'		15,500	66,773	69,142
Profound Medical Corp.		9,400	104,163	101,238
WELL Health Technologies Corp.		12,200	54,729	48,678
			294,468	294,334
Industrials (9.2%):				
AG Growth International Inc.		2,200	44,462	51,040
Hammond Power Solutions Inc.		500	57,968	79,740
MDA Space Ltd.		6,491	147,433	172,920
Xtract One Technologies Inc.		281,300	210,976	202,536
			460,839	506,236
Information technology (21.7%):				
Carrier Connect Data Solutions Inc.		214,285	150,000	306,428
Coveo Solutions Inc.		14,200	96,844	94,004
GitLab Inc., Class 'A'		2,100	133,310	108,175

Pender Alternative Special Situations Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
LONG POSITIONS (cont'd)				
Equities: (cont'd)				
Information technology (21.7%): (cont'd)				
Intermap Technologies Corp.		61,200	160,811	113,220
JFrog Ltd.		1,500	60,742	128,594
Kinaxis Inc.		300	46,287	51,924
Kraken Robotics Inc.		35,289	56,462	225,850
Sangoma Technologies Corp.		7,900	59,629	54,431
Sylogist Ltd.		8,460	47,672	48,814
Thinkific Labs Inc.		29,649	72,917	57,519
			884,674	1,188,959
Materials (28.1%):				
5N Plus Inc.		17,600	75,285	311,871
Asante Gold Corp.		89,300	200,925	147,345
Blue Moon Metals Inc.		26,800	88,440	128,640
Faraday Copper Corp.		55,700	61,270	152,061
Fireweed Metals Corp.		41,000	73,800	111,110
Highlander Silver Corp.		28,334	57,190	150,454
LunR Royalties Corp.		1,650	2,376	21,533
Montage Gold Corp.		14,300	27,261	141,284
Neo Performance Materials Inc.		4,800	87,711	74,688
NGEx Minerals Ltd.		6,600	162,624	168,960
Sitka Gold Corp.		138,200	164,047	134,054
			1,000,929	1,542,000
Total equities (long) (112.3%)			4,788,631	6,159,252
Exchange-traded fund(s) (3.6%):				
AdvisorShares Pure US Cannabis ETF		23,100	117,871	149,652
Amplify Alternative Harvest ETF		1,200	57,107	49,066
			174,978	198,718
Warrants (3.1%):				
Carrier Connection Data Solutions Inc., strike price \$1.00, expiry 2027/11/10	CAD	107,143	-	46,071
Glass House Brand Inc., strike price \$5.00, expiry 2027/08/31	USD	24,000	-	123,530
Mercer Park Opportunities Corp., strike price \$11.00, expiry 2029/08/29	USD	7,700	-	2,114
Xtract One Technologies Inc., strike price \$0.95, expiry 2028/11/10	CAD	166,650	-	-
			-	171,715
Total long positions (119.9%)			4,997,393	6,576,638

Pender Alternative Special Situations Fund

Schedule of Investment Portfolio (cont'd)

December 31, 2025

	Issue currency	Number of shares	Cost (\$)	Fair value (\$)
SHORT POSITIONS				
Exchange-traded fund(s) (-15.4%):				
Invesco QQQ Trust, Series '1'		(160)	(119,987)	(134,907)
iShares Bitcoin Trust ETF		(4,050)	(347,092)	(275,997)
iShares Core S&P/TSX Capped Composite Index ETF		(3,000)	(137,781)	(151,650)
iShares Russell 2000 ETF		(420)	(129,111)	(141,904)
SPDR S&P 500 ETF Trust		(150)	(127,896)	(140,395)
			(861,867)	(844,853)
Total short positions (-15.4%)			(861,867)	(844,853)
Less: Transaction costs included in cost of investments			(7,559)	
Total investments (104.5%)			4,127,967	5,731,785
Cash (Bank overdraft) (-5.5%)				(301,994)
Other assets less liabilities (1.0%)				57,476
Total net assets attributable to holders of redeemable units (100.0%)				5,487,267

PENDER ALTERNATIVE MUTUAL FUNDS: Notes to Financial Statements

Year ended December 31, 2025

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 (formerly H), AF, A (USD) (formerly H (USD)), E, F (formerly I), FF, F (USD) (formerly I (USD)), N, O
Alternative Arbitrage Fund	September 8, 2021	A (formerly H), AF, E, F (formerly I), FF, F (USD) (formerly I (USD)), O
Alternative Arbitrage Plus Fund	September 1, 2022	A, E, F (formerly I), F (USD), O
Alternative Multi-Strategy Income Fund	September 21, 2009	A, E, F (formerly I), O
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	February 1, 2007	A, F, O
Alternative Special Situations Fund	July 10, 2020	A, E, F (formerly I), O

Effective June 28, 2024, Class I (USD) units of the Pender Alternative Arbitrage Plus Fund and Class H units of the Pender Alternative Special Situations Fund were closed. Effective June 27, 2025, Class E units of the Pender Alternative Multi-Strategy Income Fund commenced operations.

Effective August 28, 2025, PenderFund Capital Management Ltd. became the Manager and the Trustee of the Alternative Select Equity Fund (formerly Purpose Select Equity Fund). Prior to August 28, 2025, Purpose Investments Inc., (the “Initial Manager”), having an office at 130 Adelaide Street, Suite 3100, P.O. Box 109, Toronto, Ontario, M5H 3P5, was the manager and trustee of the Fund. The Fund was created on February 1, 2007, established by declaration of trust under the laws of the Province of Ontario. All information for 2024 included in these financial statements is as reported by the Initial Manager.

On December 5, 2025, certain classes of units of the Funds were terminated as shown in the table below. Upon the classes' termination, unless unitholders of the terminating classes elected to redeem their units, such units were merged and converted into units of another class of the same Fund. In connection with the class terminations, the continuing classes administration fees were reduced. A special meeting of unitholders was held on November 21, 2025 to approve increases to the management fee of the continuing classes. The combined fee changes resulted in either lower or equal combined fees for the continuing classes before applicable taxes such as GST or HST.

Classes Terminated

Alternative Absolute Return Fund

Class A	2,128,558 Class A units with a Net Asset Value of \$18,852,420 were converted and merged into 3,428,518 Class H units, which were subsequently renamed as Class A units.
Class A (USD)	43,374 Class A (USD) units with a Net Asset Value of \$390,498 were converted and merged into 49,877 Class H (USD) units, which were subsequently renamed as Class A (USD) units
Class F	8,950,642 Class F units with a Net Asset Value of \$79,303,519 were converted and merged into 53,283,972 Class I units, which were subsequently renamed as Class F units
Class F (USD)	253,146 Class F (USD) units with a Net Asset Value of \$2,228,183 were converted and merged into 1,005,539 Class I (USD) units, which were subsequently renamed as Class F (USD) units

Alternative Arbitrage Fund

Class A	2,775 Class A units with a Net Asset Value of \$27,884 were converted and merged into 4,621 Class H units, which were subsequently renamed as Class A units
Class F	42,433 Class F units with a Net Asset Value of \$445,864 were converted and merged into 150,692 Class I units, which were subsequently renamed as Class F units
Class F (USD)	1,111 Class F (USD) units with a Net Asset Value of \$11,308 were converted and merged into 576 Class I (USD) units, which were subsequently renamed as Class F (USD) units

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

Year ended December 31, 2025

Classes Terminated

Alternative Arbitrage Plus Fund

Class F

82,162 Class F units with a Net Asset Value of \$911,590 were converted and merged into 789,227 Class I units, which were subsequently renamed as Class F units

Alternative Multi-Strategy Income Fund

Class F

84,645 Class F units with a Net Asset Value of \$1,216,944 were converted and merged into 2,265,901 Class I units, which were subsequently renamed as Class F units

Alternative Special Situations Fund

Class F

56,313 Class F units with a Net Asset Value of \$1,723,688 were converted and merged into 121,274 Class I units, which were subsequently renamed as Class F units

Each of the Funds is an open-end investment trust governed under the laws of the Province of British Columbia pursuant to the Twenty-Fifth Amended and Restated Mutual Fund Trust Agreement dated December 5, 2025 (previously the Twenty-Fourth Amended and Restated Mutual Fund Trust Agreement dated August 28, 2025).

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 Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund). The Bank of Nova Scotia is the custodian and provides prime brokerage services of the other Funds. The Toronto-Dominion Bank provides prime brokerage services to the Pender Alternative Absolute Return Fund. CIBC Mellon Trust Company provides prime brokerage services to the Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund).

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 March 30, 2026.

(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.

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

Year ended December 31, 2025

3. Material accounting policy information:

The material accounting policy information set out below has 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, bank overdraft, management and administration fees payable, distributions payable to holders of redeemable units, redemptions payable to holders of redeemable units, payable for interest and dividends on short securities, accrued expenses, 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 (cont'd)

Year ended December 31, 2025

(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 "Interest and dividend 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 redeemable units are classified as financial liabilities because they provide unitholders with the right to require redemption for cash, subject to available liquidity, at a unit price determined in accordance with the Funds valuation policies at each redemption date. The redeemable units are designated at fair value through profit or loss, as they are managed and their performance is evaluated on a fair value basis.

(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) Securities lending transactions:

The Funds are permitted to enter into securities lending transactions as set out in the Funds' Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

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

Year ended December 31, 2025

Securities lending transactions are administered by Canadian Imperial Bank of Commerce and The Bank of New York Mellon (collectively the "Securities Lending Agent") for Pender Alternative Multi-Strategy Income Fund. The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statements of Comprehensive Income as securities lending income and recognized when earned.

(e) 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.

(f) Income recognition:

Distributions from underlying funds and interest for distribution purposes shown on the Statements of Comprehensive Income are 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.

(g) 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.

(h) New standards and interpretations not yet adopted:

The International Accounting Standards Board issued IFRS 18, "Presentation and Disclosure in Financial Statements" on April 9, 2024, which will replace IAS 1, "Presentation of Financial Statements". This new standard, effective for annual periods beginning on or after January 1, 2027, aims to improve financial statement comparability and transparency by introducing a more structured statement of comprehensive income. Key changes include new categories for revenue and expenses (operating, investing, and financing), defined subtotals like operating profit, and requirements for management-defined performance measures. It is anticipated the Funds' classification of revenue and expenses, particularly within the operating category, will be impacted. The Funds' increase (decrease) in net assets attributable to holders of redeemable units is not expected to change as a result of applying IFRS 18. The Manager is currently assessing the implications of IFRS 18 and its impact on the Funds' financial statements and disclosures.

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

Year ended December 31, 2025

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. On November 21, 2025, a special meeting of unitholders was held to approve increases to the management fee effective December 5, 2025. A corresponding decrease in administration fees equal to or higher than the management fee occurred simultaneously. The annual management fee percentages before applicable taxes such as GST or HST of the remaining classes December 31, 2025 and 2024 are as follows:

2025	Class A (formerly H)/A (USD) (formerly H (USD)) (%)	Class AF (%)	Class F (formerly I)/F (USD) (formerly I (USD)) (%)	Class FF (%)
Alternative Absolute Return Fund	1.80	1.45	0.95	0.45
Alternative Arbitrage Fund	1.80	1.45	0.95	0.45
Alternative Arbitrage Plus Fund	1.80	-	0.95	-
Alternative Multi-Strategy Income Fund	1.95	-	0.95	-
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	2.00	-	1.00	-
Alternative Special Situations Fund*	2.10	-	1.10	-

2025 (cont'd)	Class N (%)
Alternative Absolute Return Fund	0.60
Alternative Arbitrage Fund	-
Alternative Arbitrage Plus Fund	-
Alternative Multi-Strategy Income Fund	-
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	-
Alternative Special Situations Fund*	-

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 Select Equity Fund (formerly Purpose Select Equity Fund)	2.00	-	1.00	-
Alternative Special Situations Fund*	1.95	-	0.95	-

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 Select Equity Fund (formerly Purpose Select Equity Fund)	-	-	-
Alternative Special Situations Fund*	-	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.

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

Year ended December 31, 2025

(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 0.20% with the exception of the Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund) which is 0.30%. Effective August 28, 2025, Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund) adopted an administration fee rate of 0.30%, prior to this date and under its previous manager, the Fund was responsible for direct operating costs.

Effective December 5, 2025, administration fees were reduced for all Funds, with the exception of Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund), from 0.50% to 0.20% in combination with class terminations and management fee increases that occurred on the same day. 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 on December 31, 2025 and 2024 (with the exception of Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund) for 2024) for each class does not exceed the percentage of average NAV set out in the Fund's offering documents, as follows:

	Class A (formerly H)/A (USD) (formerly H (USD)) (%)	Class AF (%)	Class E (%)	Class F (formerly I)/F (USD) (formerly I (USD)) (%)
2025				
Alternative Absolute Return Fund	2.00	1.65	0.20	1.15
Alternative Arbitrage Fund	2.00	1.65	0.20	1.15
Alternative Arbitrage Plus Fund	2.00	-	0.20	1.15
Alternative Multi-Strategy Income Fund	2.15	-	0.20	1.15
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	2.30	-	-	1.30
Alternative Special Situations Fund*	2.30	-	0.20	1.30

		Class FF (%)	Class N (%)
2025 (cont'd)			
Alternative Absolute Return Fund		0.65	0.80
Alternative Arbitrage Fund		0.65	-
Alternative Arbitrage Plus Fund		-	-
Alternative Multi-Strategy Income Fund		-	-
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)		-	-
Alternative Special Situations Fund*		-	-

	Class A/A (USD) (%)	Class AF (%)	Class E (%)	Class F/F (USD) (%)
2024				
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

	Class FF (%)	Class H/H (USD) (%)	Class I/I (USD) (%)	Class N (%)
2024 (cont'd)				
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 (cont'd)

Year ended December 31, 2025

*The Manager may, at its discretion, reduce or waive management fees, administration fees, and reimburse the Funds for any expenses. The Manager has waived all management fees, 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. 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. For the Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund) is equal to 20% of the amount by which the total return of the class of units exceeds the total percentage increase or decrease of the Fund's benchmark plus a 2% hurdle rate, for the period since the performance fee was last paid, subject to accumulation in years 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.

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 December 31, 2025 and 2024, are as follows:

2025	Class A (\$)	Class A (USD) (\$)	Class AF (\$)	Class E (\$)
Alternative Absolute Return Fund				
HWM	9.37	9.26	9.44	9.20
Adjusted HWM	8.86	8.79	8.89	8.55
Alternative Arbitrage Fund				
HWM	9.08	-	9.51	8.85
Alternative Arbitrage Plus Fund				
HWM	10.04	-	-	10.48
Alternative Multi-Strategy Income Fund				
HWM	12.88	-	-	10.20
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)				
HWM	12.65	-	-	-
Adjusted HWM	9.71	-	-	-
Alternative Special Situations Fund				
HWM	32.27	-	-	17.20

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

Year ended December 31, 2025

2025 (cont'd)	Class F (\$)	Class F (USD) (\$)	Class FF (\$)	Class N (\$)
Alternative Absolute Return Fund				
HWM	9.23	9.01	9.41	9.38
Adjusted HWM	8.65	-	8.76	8.80
Alternative Arbitrage Fund				
HWM	9.67	9.94	9.79	-
Alternative Arbitrage Plus Fund				
HWM	10.60	11.42	-	-
Alternative Multi-Strategy Income Fund				
HWM	9.69	-	-	-
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)				
HWM	32.25	-	-	-
Adjusted HWM	-	-	-	-
Alternative Special Situations Fund				
HWM	17.19	-	-	-
<hr/>				
2024	Class A (\$)	Class A (USD) (\$)	Class AF (\$)	Class E (\$)
Alternative Absolute Return Fund				
HWM	9.26	9.29	9.44	9.20
Alternative Arbitrage Fund				
HWM	9.66	-	10.06	9.04
Alternative Arbitrage Plus Fund				
HWM	10.34	-	-	10.50
Alternative Multi-Strategy Income Fund				
HWM	12.90	-	-	-
Alternative Special Situations Fund				
HWM	23.58	-	-	12.57
<hr/>				
2024 (cont'd)	Class F (\$)	Class F (USD) (\$)	Class FF (\$)	Class H (\$)
Alternative Absolute Return Fund				
HWM	9.28	9.04	9.41	9.37
Alternative Arbitrage Fund				
HWM	10.03	9.61	10.11	9.71
Alternative Arbitrage Plus Fund				
HWM	10.50	10.66	-	-
Alternative Multi-Strategy Income Fund				
HWM	14.23	-	-	-
Alternative Special Situations Fund				
HWM	23.58	-	-	-

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

Year ended December 31, 2025

2024 (cont'd)	Class H (USD) (\$)	Class I (\$)	Class I (USD) (\$)	Class N (\$)
Alternative Absolute Return Fund				
HWM	9.26	9.23	9.24	9.38
Alternative Arbitrage Fund				
HWM	-	10.16	9.37	-
Alternative Arbitrage Plus Fund				
HWM	-	10.69	-	-
Alternative Multi-Strategy Income Fund				
HWM	-	9.65	-	-
Alternative Special Situations Fund				
HWM	-	12.56	-	-

As at December 31, 2025 and 2024, the Funds incurred the following performance fees:

	2025 (\$)	2024 (\$)
Alternative Absolute Return Fund	13,892	5,023,144
Alternative Arbitrage Fund	120,547	122,272
Alternative Arbitrage Plus Fund	130,308	87,675
Alternative Multi-Strategy Income Fund	233,845	33,284
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	389,798	20,040
Alternative Special Situations Fund	248,422	101,849

For the year ended December 31, 2025, the Manager waived all performance fees of \$248,422 (December 31, 2024 - \$101,849) for the Pender Alternative Special Situations Fund.

(d) Amounts payable to the Manager:

As at December 31, 2025 and 2024, 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:

	2025 (\$)	2024 (\$)
Alternative Absolute Return Fund	730,414	2,531,780
Alternative Arbitrage Fund	32,113	23,822
Alternative Arbitrage Plus Fund	32,549	16,193
Alternative Multi-Strategy Income Fund	274,147	38,500
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	312,816	268,540

The Pender Alternative Special Situations Fund did not have any amounts payable to the Manager for the year ended December 31, 2025 (December 31, 2024 - \$nil).

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

Year ended December 31, 2025

(e) Related party holdings:

As at December 31, 2025 and 2024, 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.

	2025 (%)	2024 (%)
Alternative Absolute Return Fund	<1	1
Alternative Arbitrage Fund	<1	2
Alternative Arbitrage Plus Fund	<1	1
Alternative Multi-Strategy Income Fund	4	<1
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	3	-
Alternative Special Situations Fund	-	11

As at December 31, 2025 and 2024, 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.

	2025 (%)	2024 (%)
Alternative Absolute Return Fund	3	1
Alternative Arbitrage Fund	19	19
Alternative Arbitrage Plus Fund	54	20

5. Securities lending transactions:

The Funds did not have any securities loaned or collateral received as at December 31, 2025 and 2024.

The following table presents a reconciliation of the gross amount generated from securities lending transactions to the securities lending income earned for the year ended December 31, 2025. Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund) did not have any securities lending income earned for the year ended December 31, 2024. The remaining Funds did not have any securities lending income earned for the years ended December 31, 2025 and 2024.

	Gross income (\$)	Withholding taxes (\$)	Agent fees (\$)	Net income (\$)
2025				
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	16,253	-	(9,409)	6,844

6. 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 year, withholding tax rates were between 0% and 35% (2024 - between 0% and 35%).

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

Year ended December 31, 2025

7. 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 years ended December 31, 2025 and 2024 were as follows:

2025	Outstanding units, beginning of year	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of year
Alternative Absolute Return Fund:					
Class A	2,028,546	1,459,657	85,583	(3,573,786)	-
Class A (formerly Class H)	1,893,112	4,642,189	143,480	(1,218,353)	5,460,428
Class AF	793,497	-	26,686	(199,019)	621,164
Class A (USD)	32,386	42,776	1,901	(77,063)	-
Class A (USD) (formerly Class H (USD))	82,606	78,880	3,247	(91,363)	73,370
Class E	325,972	92,165	24,884	(66,354)	376,667
Class F	9,638,654	11,258,150	494,775	(21,391,579)	-
Class F (formerly Class I)	35,460,558	50,941,156	2,098,081	(32,313,695)	56,186,100
Class FF	7,221,730	22,530	397,153	(1,978,223)	5,663,190
Class F (USD)	204,996	329,263	12,218	(546,477)	-
Class F (USD) (formerly Class I (USD))	988,712	2,497,389	67,156	(2,143,489)	1,409,768
Class N	458,694	89,585	3,394	(551,087)	586
Class O	591,666	1,705,074	74,379	(43,886)	2,327,233
Alternative Arbitrage Fund:					
Class A	9,543	-	-	(9,543)	-
Class A (formerly Class H)	17,826	4,700	838	(15,248)	8,116
Class AF	196,324	-	5,974	(147,050)	55,248
Class E	29,401	-	1,492	(10,826)	20,067
Class F	101,441	4,956	-	(106,397)	-
Class F (formerly Class I)	138,797	162,613	11,069	(91,611)	220,868
Class FF	643,648	-	42,113	(136,042)	549,719
Class F (USD)	1,111	37	-	(1,148)	-
Class F (USD) (formerly Class I (USD))	33,975	3,650	-	(35,910)	1,715
Class O	277,402	509	20,731	(95,634)	203,008
Alternative Arbitrage Plus Fund:					
Class A	4,299	1,947	357	(1,205)	5,398
Class E	15,579	4,513	1,202	-	21,294
Class F	106,661	4,811	-	(111,472)	-
Class F (formerly Class I)	783,475	237,930	58,185	(177,758)	901,832
Class F (USD)	6,804	-	-	(6,306)	498
Class O	233,042	983,843	32,568	(151,113)	1,098,340
Alternative Multi-Strategy Income Fund:					
Class A	106,999	173,347	5,640	(39,747)	246,239
Class E	-	218,276	6,367	-	224,643
Class F	91,360	50,339	3,712	(145,411)	-
Class F (formerly Class I)	61,573	4,604,013	33,232	(127,121)	4,571,697
Class O	509	206,000	1,329	(207,303)	535
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)					
Class A	55,905	17,889	6,573	(20,554)	59,813
Class F	1,283,573	42,527	155,728	(107,897)	1,373,931
Class O	-	500	70	-	570

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

Year ended December 31, 2025

2025	Outstanding units, beginning of year	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of year
Alternative Special Situations Fund:					
Class A	17,409	3,263	11	(1,164)	19,519
Class E	23,966	6,183	18	(1,649)	28,518
Class F	54,592	19,288	-	(73,880)	-
Class F (formerly Class I)	80,857	196,804	119	(24,070)	253,710
Class O	562	-	-	-	562
Alternative Absolute Return Fund:					
Class A	1,253,692	1,715,178	151,812	(1,092,136)	2,028,546
Class A (formerly Class H)	960,154	1,414,233	114,346	(595,621)	1,893,112
Class AF	882,806	-	54,856	(144,165)	793,497
Class A (USD)	43,160	12,028	2,605	(25,407)	32,386
Class A (USD) (formerly Class H (USD))	41,603	74,180	8,173	(41,350)	82,606
Class E	244,889	83,535	37,053	(39,505)	325,972
Class F	5,836,592	12,687,888	670,602	(9,556,428)	9,638,654
Class F (formerly Class I)	24,179,105	25,049,879	2,599,720	(16,368,146)	35,460,558
Class FF	7,493,720	14,098	709,388	(995,476)	7,221,730
Class F (USD)	100,052	228,723	15,094	(138,873)	204,996
Class F (USD) (formerly Class I (USD))	814,592	1,756,509	34,731	(1,617,120)	988,712
Class N	489,296	90,139	3,789	(124,530)	458,694
Class O	374,488	206,374	64,246	(53,442)	591,666
Alternative Arbitrage Fund:					
Class A	13,735	4,112	175	(8,479)	9,543
Class A (formerly Class H)	17,989	494	718	(1,375)	17,826
Class AF	245,161	-	6,110	(54,947)	196,324
Class E	18,227	9,983	2,100	(909)	29,401
Class F	170,895	24,137	1,382	(94,973)	101,441
Class F (formerly Class I)	273,860	27,381	1,314	(163,758)	138,797
Class FF	1,020,587	2,720	23,065	(402,724)	643,648
Class F (USD)	1,074	-	37	-	1,111
Class F (USD) (formerly Class I (USD))	32,619	1,336	20	-	33,975
Class O	399,614	-	14,314	(136,526)	277,402
Alternative Arbitrage Plus Fund:					
Class A	4,032	689	14	(436)	4,299
Class E	14,923	823	327	(494)	15,579
Class F	119,055	8,188	791	(21,373)	106,661
Class F (formerly Class I)	1,247,137	44,830	350	(508,842)	783,475
Class F (USD)	494	6,255	55	-	6,804
Class I (USD)	501	-	-	(501)	-
Class O	213,367	49,518	7,781	(37,624)	233,042
Alternative Multi-Strategy Income Fund:					
Class A	176,827	662	-	(70,490)	106,999
Class F	116,721	1,958	-	(27,319)	91,360
Class F (formerly Class I)	38,271	27,447	-	(4,145)	61,573
Class O	500	509	-	(500)	509
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)					
Class A	59,113	-	-	(3,208)	55,905
Class F	1,536,959	1,803	-	(255,189)	1,283,573

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

Year ended December 31, 2025

2024	Outstanding units, beginning of year	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of year
Alternative Special Situations Fund:					
Class A	16,622	3,255	46	(2,514)	17,409
Class E	29,267	4,314	68	(9,683)	23,966
Class F	14,929	62,059	136	(22,532)	54,592
Class F (formerly Class I)	49,308	31,319	230	-	80,857
Class H	31,325	-	-	(31,325)	-
Class O	561	-	1	-	562

8. 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.

9. 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 Select Equity Fund (formerly Purpose Select Equity Fund)

The objective of the Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund) is to achieve long-term capital appreciation. The Fund will invest primarily in Canadian securities but may also invest in foreign securities and engage in short selling on an opportunistic basis. The Fund may also invest up to 10% of its Net Asset Value in private companies which will primarily be based in Canada.

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

Year ended December 31, 2025

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 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.

(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 December 31, 2025 and 2024 categorized by credit ratings. The remaining Funds did not have exposure to any material credit risk.

	2025 (\$)	2024 (\$)
Long positions:		
AAA	51,262,078	113,063,945
AA	142,856,847	35,450,202
A	64,800,750	68,910,647
BBB	10,937,804	44,732,812
Below BBB	659,809,464	518,031,769
Unrated	60,116,587	26,475,639
	989,783,530	806,665,014
Short positions:		
AAA	-	(24,283,899)
AA	(24,520,041)	-
BBB	(5,474,577)	(7,498,186)
Below BBB	(149,052,889)	(120,349,500)
	(179,047,507)	(152,131,585)
	810,736,023	654,533,429

(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.

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

Year ended December 31, 2025

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 accordance with securities regulations, each Fund must maintain at least 85% of its assets in liquid investments (i.e., investments that are traded in an active market). In the case where a Fund holds thinly traded investments, timely disposition of such investments and the realized price may be significantly different from their carrying values.

The Manager's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity at all times, in consideration of both normal and stressed market conditions, to meet its liabilities, including estimated redemptions of units, when due, without incurring unacceptable losses or risking damage to the Funds' reputation. Each Fund has the ability to borrow up to 5% of the value of its net assets on a temporary basis for the purpose of settling investment portfolio transactions or unitholder redemptions.

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 derivative assets (liabilities) of the Pender Alternative Absolute Return Fund, Pender Alternative Arbitrage Fund and Pender Alternative Arbitrage Plus Fund as at December 31, 2025 and 2024. The contractual maturities of these derivative assets (liabilities) are within one month from the financial reporting date. The amounts are gross and undiscounted. The remaining Funds did not hold any derivative instruments as at December 31, 2025 and 2024.

	2025		2024	
	Nominal value (\$)	Unrealized gain (loss) (\$)	Nominal value (\$)	Unrealized gain (loss) (\$)
Derivative instruments inflows (outflows)				
Alternative Absolute Return Fund	82,008,400	(279,286)	61,069,725	(3,500,406)
Alternative Arbitrage Fund	9,263,857	(22,994)	12,108,345	(303,330)
Alternative Arbitrage Plus Fund	17,720,344	30,961	16,536,657	(369,462)

(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 December as at 31, 2025 and 2024, categorized by the earlier of contractual re-pricing or maturity dates. The remaining Funds did not have exposure to any material interest rate risk.

	2025 (\$)	2024 (\$)
Long position:		
Less than 1 year	290,493,090	230,963,120
1 to 3 years	101,531,344	89,914,755
3 to 5 years	260,944,117	187,947,423
More than 5 years	336,814,979	297,839,716
	989,783,530	806,665,014

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

Year ended December 31, 2025

	2025 (\$)	2024 (\$)
Short position:		
3 to 5 years	(80,364,390)	(52,087,064)
More than 5 years	(98,683,117)	(100,044,521)
	(179,047,507)	(152,131,585)
	810,736,023	654,533,429

As at December 31, 2025 and 2024, 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 \$26,324,559 and \$27,007,280 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, Pender Alternative Special Situations Fund and Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund), enter into certain forward foreign currency contracts for all classes to mitigate their foreign currency exposure.

The net currency exposure for each of the Funds as at December 31, 2025 and 2024 was as follows:

	Canadian dollar (\$)	US dollar (\$)	Total (\$)
2025			
Alternative Absolute Return Fund	626,578,303	18,792,137	645,370,440
Alternative Arbitrage Fund	10,226,770	83,757	10,310,527
Alternative Arbitrage Plus Fund	21,971,052	27,887	21,998,939
Alternative Multi-Strategy Income Fund	49,784,336	-	49,784,336
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	35,261,486	10,474,694	45,736,180
Alternative Special Situations Fund	4,886,815	600,452	5,487,267
2024			
Alternative Absolute Return Fund	540,682,881	18,454,350	559,137,231
Alternative Arbitrage Fund	14,240,756	492,479	14,733,235
Alternative Arbitrage Plus Fund	12,107,545	167,965	12,275,510
Alternative Multi-Strategy Income Fund	3,279,666	-	3,279,666
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	-	8,360,191	8,360,191
Alternative Special Situations Fund	2,112,505	924,491	3,036,996

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

Year ended December 31, 2025

As at December 31, 2025 and 2024, 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:

	2025 (\$)	2024 (\$)
Alternative Absolute Return Fund	1,879,214	1,845,435
Alternative Arbitrage Fund	8,376	49,248
Alternative Arbitrage Plus Fund	2,789	16,797
Alternative Multi-Strategy Income Fund	-	-
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	1,047,469	836,019
Alternative Special Situations Fund	60,045	92,449

(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 December 31, 2025, by providing the market and geography sector breakdown of investments, as applicable. Potential losses from securities sold short can be unlimited.

The following table summarizes the exposure to other price risk for each of the Funds as at December 31, 2025 and 2024:

	2025 (\$)	2024 (\$)
Long position		
Alternative Absolute Return Fund	14,438,047	8,112,910
Alternative Arbitrage Fund	10,848,804	14,084,582
Alternative Arbitrage Plus Fund	30,570,413	18,592,349
Alternative Multi-Strategy Income Fund	48,861,984	3,274,747
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	48,551,669	34,848,715
Alternative Special Situations Fund	6,576,638	3,212,879
Short position		
Alternative Absolute Return Fund	(253,901,489)	(162,579,414)
Alternative Arbitrage Fund	(1,500,564)	(1,110,495)
Alternative Arbitrage Plus Fund	(7,626,523)	(1,463,058)
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	(4,009,500)	(756,100)
Alternative Special Situations Fund	(844,853)	(13,335)

As at December 31, 2025 and 2024, 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:

	2025 (\$)	2024 (\$)
Alternative Absolute Return Fund	(16,641,111)	39,136
Alternative Arbitrage Fund	605,419	1,067,071
Alternative Arbitrage Plus Fund	1,967,861	1,466,488
Alternative Multi-Strategy Income Fund	780,328	118,294
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	5,428,762	3,435,331
Alternative Special Situations Fund	269,808	281,053

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

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

Year ended December 31, 2025

(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 following table summarizes for the remaining Funds the lowest and highest aggregate gross exposure of the Funds' net asset value during the years ended December 31, 2025 and 2024:

	Lowest aggregate (%)	Highest aggregate (%)
2025		
Alternative Absolute Return Fund	43.7	67.1
Alternative Arbitrage Fund	3.6	19.4
Alternative Arbitrage Plus Fund	5.5	71.0
Alternative Multi-Strategy Income Fund	-	2.1
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	0.0	64.2
Alternative Special Situations Fund	3.2	52.5
	Lowest aggregate (%)	Highest aggregate (%)
2024		
Alternative Absolute Return Fund	46.6	68.0
Alternative Arbitrage Fund	2.7	12.7
Alternative Arbitrage Plus Fund	3.9	23.2
Alternative Multi-Strategy Income Fund	-	2.1
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	1.6	128.8
Alternative Special Situations Fund	0.1	36.3

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.

10. 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.

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

Year ended December 31, 2025

- 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 December 31, 2025 and 2024 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.

2025	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Alternative Absolute Return Fund:				
Bonds and loans - Long	-	989,783,530	-	989,783,530
Equities - Long	10,306,250	-	-	10,306,250
Bonds and loans - Short	-	(179,047,507)	-	(179,047,507)
Exchange-traded funds - Short	(235,543,237)	-	-	(235,543,237)
Equities - Short	(18,358,252)	-	-	(18,358,252)
Forward foreign currency contracts	-	(279,286)	-	(279,286)
Preferred shares	4,131,797	-	-	4,131,797
	(239,463,442)	810,456,737	-	570,993,295
Alternative Arbitrage Fund:				
Equities - Long	8,620,488	2,111,463	91,390	10,823,341
Equities - Short	(1,381,307)	-	-	(1,381,307)
Exchange-traded funds - Short	(119,257)	-	-	(119,257)
Forward foreign currency contracts	-	(22,994)	-	(22,994)
Warrants	24,107	1,356	-	25,463
	7,144,031	2,089,825	91,390	9,325,246

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

Year ended December 31, 2025

2025	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Alternative Arbitrage Plus Fund:				
Equities - Long	26,116,229	4,280,479	137,776	30,534,484
Equities - Short	(4,374,798)	-	-	(4,374,798)
Exchange-traded funds - Short	(456,586)	-	-	(456,586)
Forward foreign currency contracts	-	30,961	-	30,961
Short-term Investment	(2,795,139)	-	-	(2,795,139)
Warrants	34,424	1,505	-	35,929
	18,524,130	4,312,945	137,776	22,974,851
Alternative Multi-Strategy Income Fund:				
Exchange-traded funds	1,220,854	-	-	1,220,854
Mutual funds	47,641,130	-	-	47,641,130
	48,861,984	-	-	48,861,984
Alternative Select Equity Fund (formerly Purpose Select Equity Fund):				
Closed end fund	561,141	-	-	561,141
Equities- Long	44,020,067	-	830,591	44,850,658
Equities- Short	(2,475,900)	-	-	(2,475,900)
Exchange-traded funds - Long	2,471,495	-	-	2,471,495
Exchange-traded funds - Short	(1,533,600)	-	-	(1,533,600)
Warrants	171,675	496,700	-	668,375
	43,214,878	496,700	830,591	44,542,169
Alternative Special Situations Fund:				
Closed end fund	46,953	-	-	46,953
Equities- Long	6,045,370	113,882	-	6,159,252
Exchange-traded funds - Long	198,718	-	-	198,718
Exchange-traded funds - Short	(844,853)	-	-	(844,853)
Warrants	2,114	169,601	-	171,715
	5,448,302	283,483	-	5,731,785
2024	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Alternative Absolute Return Fund:				
Bonds and loans - Long	708,997,837	12,656,475	-	721,654,312
Bonds and loans - Short	(152,131,585)	-	-	(152,131,585)
Exchange-traded funds - Short	(159,819,414)	-	-	(159,819,414)
Equities - Short	(2,760,000)	-	-	(2,760,000)
Forward foreign currency contracts	-	(3,500,406)	-	(3,500,406)
Preferred shares	8,112,910	-	-	8,112,910
Short-term investments	85,010,702	-	-	85,010,702
	487,410,450	9,156,069	-	496,566,519
Alternative Arbitrage Fund:				
Equities - Long	13,984,583	-	88,198	14,072,781
Equities - Short	(1,110,495)	-	-	(1,110,495)
Forward foreign currency contracts	-	(303,330)	-	(303,330)
Warrants	11,801	-	-	11,801
	12,885,889	(303,330)	88,198	12,670,757

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

Year ended December 31, 2025

2024	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Alternative Arbitrage Plus Fund:				
Equities - Long	18,485,635	-	93,860	18,579,495
Equities - Short	(1,463,058)	-	-	(1,463,058)
Forward foreign currency contracts	-	(369,462)	-	(369,462)
Warrants	12,854	-	-	12,854
	17,035,431	(369,462)	93,860	16,759,829
Alternative Multi-Strategy Income Fund:				
Equities	-	-	1,803	1,803
Mutual funds	3,272,944	-	-	3,272,944
	3,272,944	-	1,803	3,274,747
Alternative Select Equity Fund (formerly Purpose Select Equity Fund):				
Equities - Long	30,687,363	-	855,246	31,542,609
Equities - Short	(756,100)	-	-	(756,100)
Short-term investments	3,306,106	-	-	3,306,106
Warrants	-	506,524	230,000	736,524
	33,237,369	506,524	1,085,246	34,829,139
Alternative Special Situations Fund:				
Equities	2,967,405	-	216,820	3,184,225
Exchange-traded funds	(13,335)	-	-	(13,335)
Warrants	1,400	27,254	-	28,654
	2,955,470	27,254	216,820	3,199,544

Bonds and/or loans were classified as Level 2 in the current year based on the definition of active market.

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 transfers between levels as the fair value of the investments valued using unobservable inputs changed during the year ended December 31, 2025 and 2024.

2025	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Transfers between Levels 1 and 2			
Alternative Absolute Return Fund	(172,674,869)	172,674,869	-
Alternative Arbitrage Fund	(417,658)	417,658	-
Alternative Arbitrage Plus Fund	(598,393)	598,393	-
Transfers between Levels 1 and 2			
Alternative Absolute Return Fund	44,658,737	(44,658,737)	-
Alternative Arbitrage Fund	480	(480)	-
Alternative Special Situations Fund	140,400	(140,400)	-

Transfers between level 1 & level 2 for 2025 and 2024 in the table above includes a reconsideration of the definition of an active market.

The following table shows a reconciliation of the movement in fair value of all financial instruments categorized within Level 3 for the years ended December 31, 2025 and 2024. The remaining Funds did not hold any financial instruments categorized as Level 3.

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

Year ended December 31, 2025

	2025 (\$)	2024 (\$)
Alternative Arbitrage Fund:		
Opening balance	88,198	-
Purchase of investments	37,892	187,864
Sales of investments	(76,017)	(112,510)
Net transfers in (out)	78,832	3,270
Total gain (loss) recognized in comprehensive income	(33,219)	5,475
Change in unrealized appreciation (depreciation)	(4,296)	4,099
Ending Balance	91,390	88,198
Alternative Arbitrage Plus Fund:		
Opening balance	93,860	-
Purchase of investments	63,093	85,389
Sales of investments	(99,376)	-
Net transfers in (out)	113,518	4,073
Total gain (loss) recognized in comprehensive income	(28,510)	-
Change in unrealized appreciation (depreciation)	(4,809)	4,398
Ending Balance	137,776	93,860
Alternative Multi-Strategy Income Fund:		
Opening balance	1,803	1,803
Total gain (loss) recognized in comprehensive income	(1,803)	-
Ending Balance	-	1,803
Alternative Select Equity Fund (formerly Purpose Select Equity Fund):		
Opening balance	1,085,246	1,789,289
Purchase of investments	-	230,000
Sales of investments	(230,000)	-
Net transfers in (out)	-	(945,087)
Total gain (loss) recognized in comprehensive income	(24,655)	-
Change in unrealized appreciation (depreciation)	-	11,044
Ending Balance	830,591	1,085,246
Alternative Special Situations Fund:		
Opening balance	216,820	176,649
Sales of investments	(222,202)	-
Total gain (loss) recognized in comprehensive income	5,382	-
Change in unrealized appreciation (depreciation)	-	40,171
Ending Balance	-	216,820

(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 December 31, 2025 and 2024, for the Pender Alternative Arbitrage Fund, Pender Alternative Arbitrage Plus Fund, Pender Alternative Multi-Strategy Income Fund, Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund) and Pender Alternative Special Situations Fund. The remaining Fund did not hold any financial instruments categorized as Level 3.

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

Year ended December 31, 2025

2025	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
Alternative Arbitrage Fund:				
Unlisted private investments	91,390	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Alternative Arbitrage Plus Fund:				
Unlisted private investments	137,776	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Alternative Select Equity Fund (formerly Purpose Select Equity Fund):				
Unlisted private investments	830,591	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
<hr/>				
2024	Fair Value (\$)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
Alternative Arbitrage Fund:				
Unlisted private investments	88,198	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Alternative Arbitrage Plus Fund:				
Unlisted private investments	93,860	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Alternative Multi-Strategy Income Fund:				
Unlisted private investments	1,803	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Alternative Select Equity Fund (formerly Purpose Select Equity Fund):				
Unlisted private investments	1,085,246	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Alternative Special Situations Fund:				
Unlisted private investments	216,820	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased

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

Year ended December 31, 2025

Enterprise value represents the estimate of the amount that market participants would pay when purchasing the investee company. The Manager determines this value using valuation techniques such as the use of comparable recent arm's length transactions in shares of the respective company and net present value calculated using discount rates derived from comparable market yields, for example.

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

The Pender Alternative Arbitrage Fund, Pender Alternative Arbitrage Plus Fund, Pender Alternative Multi-Strategy Income Fund, Pender Alternative Select Equity Fund (formerly Purpose Select Equity 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 December 31, 2025 and 2024. The remaining Funds did not hold any financial instruments categorized as Level 3.

Entity	2025	2024
Alternative Arbitrage Fund:		
Favourable	9,139	8,820
Unfavourable	(9,139)	(8,820)
Alternative Arbitrage Plus Fund:		
Favourable	1,378	9,386
Unfavourable	(1,378)	(9,386)
Alternative Multi-Strategy Income Fund:		
Favourable	-	180
Unfavourable	-	(180)
Alternative Select Equity Fund (formerly Purpose Select Equity Fund):		
Favourable	8,306	108,525
Unfavourable	(8,306)	(108,525)
Alternative Special Situations Fund:		
Favourable	-	21,682
Unfavourable	-	(21,682)

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, Pender Alternative Arbitrage Plus Fund, Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund) and Pender Alternative Special Situations Fund as at December 31, 2025 and 2024. The remaining Fund did not have exposure to short positions.

	2025 (\$)	2024 (\$)
Alternative Absolute Return Fund	(432,948,996)	(314,710,999)
Alternative Arbitrage Fund	(1,500,564)	(1,110,495)
Alternative Arbitrage Plus Fund	(7,626,523)	(1,463,058)
Alternative Select Equity Fund (formerly Purpose Select Equity Fund)	(4,009,500)	(756,100)
Alternative Special Situations Fund	(844,853)	(13,335)

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

Year ended December 31, 2025

11. 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 December 31, 2025 and 2024.

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

The table below sets out interests held by the Pender Alternative Multi-Strategy Income Fund, Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund) and Pender Alternative Special Situations Fund in unconsolidated structured entities as at December 31, 2025 and 2024. 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 (Amount in '000')	Carrying amount included in investments (Amount in '000')
Alternative Absolute Return Fund:			
2025 - Short	6	2,755,433,000	(235,543)
Alternative Arbitrage Fund:			
2025 - Short	1	92,491,000	(119)
Alternative Arbitrage Plus Fund:			
2025 - Short	1	92,491,000	(457)
Alternative Multi-Strategy Income Fund:			
2025 - Long	4	7,878,000	48,862
2024 - Long	3	2,834,697	3,273
Alternative Select Equity Fund (formerly Purpose Select Equity Fund):			
2025 - Long	4	16,898,000	3,033
2025 - Short	1	3,556,000	(1,534)
2024 - Long	1	4,400	0
Alternative Special Situations Fund:			
2025 - Long	4	25,530,000	408
2025 - Short	5	1,636,755,000	(845)

During the year ended December 31, 2025, the Funds did not provide financial support to unconsolidated structured entities and have no intention of providing financial or other support. During the year ended December 31, 2024, the Pender Alternative Multi-Strategy Income Fund, Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund) and Pender Alternative Special Situations Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support. The Funds can sell or redeem their units in the above investment funds at any time.

12. Income taxes:

The taxation year-end of the Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund) and Pender Alternative Special Situations Fund is December 31 and for the remaining Funds is December 15. As at the end of their 2025 and/or 2024 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.

	2025 (\$)	2024 (\$)
Alternative Absolute Return Fund	8,367,285	-
Alternative Multi-Strategy Income Fund	73,031,278	73,097,347
Alternative Special Situations Fund	70,044	307,228

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

Year ended December 31, 2025

As at the end of the tax year-end, Pender Alternative Multi-Strategy Income Fund had accumulated non-capital losses available for carry forward.

	Year of Expiry	Non-Capital Loss (\$)
Alternative Multi-Strategy Income Fund	2038	1,384,235

The remaining Funds had no accumulated capital losses or non-capital losses as at the end of the 2025 tax year-end.

13. Revision to comparatives:

Following the change in management and trusteeship of the Pender Alternative Select Equity Fund (formerly Purpose Select Equity Fund) effective August 28, 2025, certain comparative figures for the year ended December 31, 2024 presented in the Statements of Financial Position, Statements of Comprehensive Income, and Statements of Cash Flows have been revised to conform to the current year's presentation adopted by PenderFund Capital Management Ltd. as Manager.

The nature and amounts of each reclassification are as follows:

Statements of Comprehensive Income

Interest and dividend expense on securities sold short of \$27,235, previously presented as a deduction within Revenue, is now presented as a separate expense line item titled "Interest and dividend expense on securities sold short."

Incentive fees of \$198,914, previously presented as a separate line item within Expenses titled "Incentive fees," have been reclassified and are now presented as "Performance fees" to conform to the terminology used across the Pender Alternative Mutual Funds.

Individual operating expense line items previously presented separately, including audit fees, custodian and fund accounting fees, unitholder reporting, legal fees, interest and bank charges, and stock borrow fees, totalling \$183,173, have been reclassified and absorbed into the administration fee structure under the Manager's fixed administration fee model and are now presented within "Administration fees."

Statements of Financial Position

"Capital shares sold" of \$24,007, previously presented as a receivable, has been reclassified and is now presented as "Subscriptions receivable" to conform to the terminology used across the Pender Alternative Mutual Funds.

Certain accrued liabilities previously presented within "Other accrued liabilities" of \$175,324 have been reclassified between "Management and administration fees payable" and "Performance fees payable" to separately identify each component consistent with the current year presentation.

"Distributions payable" of \$7,180,332 has been reclassified and is now presented as "Distributions payable to holders of redeemable units" to conform to current year terminology.

The above reclassifications have no impact on total net assets attributable to holders of redeemable units, total revenue, net expenses, increase (decrease) in net assets attributable to holders of redeemable units from operations, or cash provided by (used in) operating and financing activities for the year ended December 31, 2024.



**Annual Financial Statements of
PENDER ALTERNATIVE MUTUAL FUNDS**

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