

Pender Corporate Bond Fund

For the year ended December 31, 2025

Annual Management Report of Fund Performance

This annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements at your request, at no cost, by calling toll-free 1-866-377-4743, by writing to us at 1830 - 1066 West Hastings Street, Vancouver, BC V6E 3X2 or by visiting our website at www.penderfund.com or the SEDAR+ website at www.sedarplus.ca.

You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Pender Corporate Bond Fund

For the year ended December 31, 2025

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The objective of the Pender Corporate Bond Fund (the “Fund”) is to preserve capital and generate returns through current income and capital appreciation. The Fund invests primarily in investment and non-investment grade fixed income securities issued by North American corporations. This, however, does not preclude the Fund from making equity investments when the Manager deems the risk/reward trade-off to be in the investors’ favour.

PenderFund Capital Management Ltd. (“Pender”) is the Manager and Portfolio Advisor of the Fund.

Risks

The risks of investing in the Fund are outlined in the Simplified Prospectus dated June 27, 2025. Interest rate risk and credit risk remain the principal risks associated with the Fund. There were no significant changes to the Fund’s objectives and strategies that affected its overall level of risk during the year.

The nature of the Fund’s investing activities exposes it to various risks, including but not limited to inflation and the impact of central bank measures on the economy, the state of M&A markets, geopolitical and other global events, factors that are beyond the Fund’s control.

Future developments in these challenging areas could impact the Fund’s results and financial condition and the full extent of that impact remains unknown. Developing reliable estimates and applying judgment continue to be substantially complex. Actual results may differ from those estimates and assumptions.

Results of Operations

The net assets of the Fund were \$3,367,979,397 as at December 31, 2025 versus \$2,263,283,873 as at December 31, 2024. Of this \$1,104,695,524 increase, \$356,789,050 is attributable to positive investment performance and \$747,906,474 is attributable to net unitholder purchases of Fund units.

For the year ended December 31, 2025, Class A units of the Fund generated a total return of 12.3 %. Returns for other classes of the Fund will be similar to Class A with any difference in performance being primarily due to the different management fees that are applicable to different classes. Returns for Class A (USD), Class F (USD) and Class H (USD) will differ from Class A primarily due to foreign currency as these classes are denominated in US dollars whereas all remaining classes of the Fund are denominated in Canadian dollars. Returns for Class U will differ primarily as a result of foreign currency as this class is the only class of the Fund that is not hedged against the US dollar. Please see the “Past Performance” section for the performance of the Fund’s other classes.

The Fund’s blended benchmark, 75% ICE BofA US High Yield Index in Canadian dollars and 25% FTSE Canada Universe Bond Index returned 3.4% during the year. In accordance with National Instrument 81-106, we have included a comparison to this blended benchmark to help you understand the Fund’s performance relative to the general performance of the market, but we caution that the Fund’s mandate may be significantly different from the benchmark. Further, the Fund’s returns are reported net of all management fees and expenses for all classes, unlike the returns of the Fund’s blended benchmark, which are based on the performance of an index that does not pay fees or incur expenses.

As at December 31, 2025, the Pender Corporate Bond Fund yield to maturity was 5.5% with a current yield of 4.8% and average duration of maturity based instruments was 4.0 years. There is a 2.1% weight in distressed securities held for workout value whose notional yield is not included in the foregoing calculation. Cash represented 1.3% of the portfolio at December 31, 2025.

The following comments and the comments under “Recent Developments” reflect the views of the portfolio management team and are based on information as at the end of the year. Please read the caution regarding forward-looking statements located on the last page of this document.

The Fund’s outperformance relative to its benchmark was mainly due to its exposure to corporate credit which has been on an upward trend. The Fund is both conservatively managed to preserve capital, as well as opportunistic to generate returns. The Fund is focused on key credit characteristics – coverage, seniority, and duration.

Key positive individual contributors to the Fund’s performance during the year were positions in specific corporate issues including Esperion Therapeutics Inc., Fluence Energy Inc., and Equinox Gold Corp. Conversely, Government of Canada Real Return bonds, and certain corporate issues such as American Tire Distributors, Inc., and Wolfspeed Inc. were among the largest detractors.

Pender Corporate Bond Fund

For the year ended December 31, 2025

Recent Developments

Both investment grade corporate and high yield spreads ended 2025 at historically tight levels, reflecting a risk-on sentiment in credit markets and giving little incentive to take on significant credit risk. While on the surface, credit markets performed well throughout the year, there was significant volatility because of tariff announcements from the US administration. Despite widening because of tariff news, investor confidence in credit markets remained strong, with spreads tightening throughout the year after a volatile spring. Performance in credit markets was supported by tight spreads and attractive yield carry. Still, some caution is warranted as valuations are stretched.

In Canada, the Bank of Canada engaged in easing monetary policy before moving to a holding stance, with the benchmark lending rate moving to 2.25% at the end of the year from a start of 3.25%. Canadian Consumer Price Index slowed over the year and currently sits close to the target rate. The Bank of Canada said they expect economic slack to approximately offset inflation and therefore left rates unchanged in December. In the US on the other hand, the Fed suggested slower job gains and elevated unemployment are outweighing the risk of inflation currently and cut rates by 25 basis points in the final month of 2025.

We enter the new year with a generally constructive predisposition towards markets within our purview. Top level economic factors seem positive. The average of global economic leading indicators is moving in a positive direction and the general trend of central bank interest rates is trending lower. The big picture, therefore, seems supportive. The next level involves finding market sectors and industries with unrecognized potential. We are not momentum players. We try to find unpopular ideas sitting in proverbial “left field” that are uncrowded, understudied and cheap.

Finding opportunities that provide credit fundamentals better than their credit rating or yield can and has in the past been a driver of returns of our investment grade holdings. Finding such a situation can prove fruitful through spread tightening on the back of a ratings upgrade once that value is recognized by a rating agency or the broader market. Turning over many rocks and digging deep into credit specifics is a cornerstone of our process, one that has served the Fund well in the past and one that we anticipate will continue to drive relative performance. In the non-investment grade portion of the portfolio, however, we continue to find idiosyncratic opportunities and add to high conviction lines that, in our opinion, have the potential to relatively outperform.

Independent Review Committee (“IRC”) Appointments & Resignations

Effective March 12, 2026, Robin Mahood stepped down from the Independent Review Committee and Natascha Kiernan joined the Independent Review Committee.

Related Party Transactions

The Fund pays management and administration fees to the Manager for management and portfolio advisory services (see “Management and Administration Fees”).

As at the end of the year, parties related to the Manager collectively held less than 1% of the Fund’s units. In addition, the Pender Alternative Multi-Strategy Income Fund, Pender Bond Universe Fund, and Pender Strategic Growth and Income Fund, funds also managed by the Manager, collectively held 2% of the Fund’s outstanding units.

Management and Administration Fees

The Fund pays management and administration fees calculated as a percentage of the net asset value of each respective class. The Management Expense Ratio (“MER”) before applicable taxes such as GST or HST for each class does not exceed certain levels as set out in the Fund’s offering documents. The fees are calculated at the close of business on each valuation day and are paid monthly. In exchange for the administration fee, the Manager pays the operating costs of the Fund.

Management fees are used by the Manager, in part, to pay sales commissions, trailer fees, marketing costs and other associated distribution costs relating to the sale of units of the Fund. Such expenses represented approximately 17% of the management fees paid by the Fund to the Manager for the year.

On December 5, 2025, changes to Fund classes were implemented in order to consolidate similar classes as well as align management fees and administration fees. Class F and Class F (USD) were terminated and unless the unitholder elected to redeem their units, such units were merged into Class I and Class I (USD). Subsequently, Class I and Class I (USD) were renamed Class F and Class F (USD).

Pender Corporate Bond Fund

For the year ended December 31, 2025

Effective December 5, 2025, the management fees of Class F (formerly Class I), Class F (USD) (formerly Class I (USD)), and Class N were increased by 0.30%. Class U management fees were increased by 0.15%. On the same day, the administration fees for Class A, Class A (USD), Class E, Class F (formerly Class I), Class F (USD) (formerly Class I (USD)), Class N and Class U were reduced by 0.30% resulting in a net combined fee equal or lower than the original combined fee before applicable GST or HST.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the calendar years indicated.

Fund's Net Assets Per Unit (a)

| | 2025 (\$) | 2024 (\$) | 2023 (\$) | 2022 (\$) | 2021 (\$) |
|--|---------------|---------------|---------------|---------------|---------------|
| Class A | | | | | |
| Net Assets, beginning of year | 13.25 | 11.89 | 11.58 | 12.86 | 12.87 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.85 | 0.76 | 0.68 | 0.58 | 0.73 |
| Total expenses | (0.29) | (0.27) | (0.25) | (0.25) | (0.28) |
| Realized gains (losses) | 0.34 | 0.80 | (0.11) | (0.41) | 1.00 |
| Unrealized gains (losses) | 0.70 | 0.56 | 0.42 | (0.77) | (0.30) |
| Total increase (decrease) from operations (b) | 1.60 | 1.85 | 0.74 | (0.85) | 1.15 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.53) | (0.45) | (0.41) | (0.43) | (0.37) |
| From dividends | (0.02) | (0.03) | (0.03) | (0.02) | (0.04) |
| From capital gains | (0.29) | - | - | - | (0.78) |
| Return of capital | - | - | - | - | - |
| Total distributions (b), (c) | (0.84) | (0.48) | (0.44) | (0.45) | (1.19) |
| Net Assets, end of year | 14.00 | 13.25 | 11.89 | 11.58 | 12.86 |
| Class E | | | | | |
| Net Assets, beginning of year | 10.63 | 9.54 | 9.30 | 10.31 | 10.35 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.68 | 0.61 | 0.55 | 0.71 | 0.61 |
| Total expenses | (0.07) | (0.06) | (0.06) | (0.05) | (0.06) |
| Realized gains (losses) | 0.29 | 0.55 | (0.10) | (0.47) | 0.81 |
| Unrealized gains (losses) | 0.56 | 0.53 | 0.35 | (0.68) | (0.29) |
| Total increase (decrease) from operations (b) | 1.46 | 1.63 | 0.74 | (0.49) | 1.07 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.59) | (0.51) | (0.47) | (0.49) | (0.44) |
| From dividends | (0.02) | (0.03) | (0.03) | (0.02) | (0.05) |
| From capital gains | (0.40) | - | - | - | (0.67) |
| Return of capital | - | - | - | - | - |
| Total distributions (b), (c) | (1.01) | (0.54) | (0.50) | (0.51) | (1.16) |
| Net Assets, end of year | 11.05 | 10.63 | 9.54 | 9.30 | 10.31 |

Pender Corporate Bond Fund

For the year ended December 31, 2025

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

| | 2025 (\$) | 2024 (\$) | 2023 (\$) | 2022 (\$) | 2021 (\$) |
|--|---------------|---------------|---------------|---------------|---------------|
| Class F (closed) | | | | | |
| Net Assets, beginning of year | 13.28 | 11.91 | 11.60 | 12.88 | 12.86 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.80 | 0.76 | 0.68 | 0.63 | 0.72 |
| Total expenses | (0.16) | (0.16) | (0.15) | (0.15) | (0.16) |
| Realized gains (losses) | 0.40 | 0.82 | (0.10) | (0.44) | 0.99 |
| Unrealized gains (losses) | 0.59 | 0.55 | 0.41 | (0.75) | (0.29) |
| Total increase (decrease) from operations (b) | 1.63 | 1.97 | 0.84 | (0.71) | 1.26 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.62) | (0.56) | (0.51) | (0.52) | (0.47) |
| From dividends | (0.02) | (0.03) | (0.03) | (0.03) | (0.05) |
| From capital gains | - | - | - | - | (0.76) |
| Return of capital | - | - | - | - | - |
| Total distributions (b), (c) | (0.64) | (0.59) | (0.54) | (0.55) | (1.28) |
| Net Assets, end of year | - | 13.28 | 11.91 | 11.60 | 12.88 |
| Class F (formerly Class I) | | | | | |
| Net Assets, beginning of year | 11.49 | 10.29 | 10.03 | 11.14 | 11.05 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.73 | 0.66 | 0.59 | 0.54 | 0.60 |
| Total expenses | (0.13) | (0.12) | (0.11) | (0.11) | (0.12) |
| Realized gains (losses) | 0.25 | 0.76 | (0.08) | (0.39) | 0.81 |
| Unrealized gains (losses) | 0.70 | 0.43 | 0.33 | (0.63) | (0.21) |
| Total increase (decrease) from operations (b) | 1.55 | 1.73 | 0.73 | (0.59) | 1.08 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.58) | (0.50) | (0.46) | (0.48) | (0.42) |
| From dividends | (0.02) | (0.03) | (0.03) | (0.02) | (0.05) |
| From capital gains | (0.32) | - | - | - | (0.58) |
| Return of capital | - | - | - | - | - |
| Total distributions (b), (c) | (0.92) | (0.53) | (0.49) | (0.50) | (1.05) |
| Net Assets, end of year | 12.06 | 11.49 | 10.29 | 10.03 | 11.14 |
| Class H | | | | | |
| Net Assets, beginning of year | 11.80 | 10.58 | 10.30 | 11.45 | 11.33 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.76 | 0.68 | 0.61 | 0.49 | 0.58 |
| Total expenses | (0.22) | (0.20) | (0.19) | (0.19) | (0.21) |
| Realized gains (losses) | 0.30 | 0.76 | (0.10) | (0.34) | 0.80 |
| Unrealized gains (losses) | 0.64 | 0.45 | 0.35 | (0.69) | (0.19) |
| Total increase (decrease) from operations (b) | 1.48 | 1.69 | 0.67 | (0.73) | 0.98 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.51) | (0.44) | (0.40) | (0.41) | (0.36) |
| From dividends | (0.02) | (0.03) | (0.03) | (0.02) | (0.04) |
| From capital gains | (0.30) | - | - | - | (0.57) |
| Return of capital | - | - | - | - | - |
| Total distributions (b), (c) | (0.83) | (0.47) | (0.43) | (0.43) | (0.97) |
| Net Assets, end of year | 12.40 | 11.80 | 10.58 | 10.30 | 11.45 |

Pender Corporate Bond Fund

For the year ended December 31, 2025

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

| | 2025 (\$) | 2024 (\$) | 2023 (\$) | 2022 (\$) | 2021 (\$) |
|--|---------------|---------------|---------------|---------------|---------------|
| Class N | | | | | |
| Net Assets, beginning of year | 10.59 | 10.00 | | | |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.67 | 0.32 | | | |
| Total expenses | (0.09) | (0.04) | | | |
| Realized gains (losses) | 0.30 | 0.63 | | | |
| Unrealized gains (losses) | 0.70 | (0.12) | | | |
| Total increase (decrease) from operations (b) | 1.58 | 0.79 | | | |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.56) | (0.25) | | | |
| From dividends | (0.02) | (0.01) | | | |
| From capital gains | (0.33) | - | | | |
| Return of capital | - | - | | | |
| Total distributions (b), (c) | (0.91) | (0.26) | | | |
| Net Assets, end of year | 11.01 | 10.59 | | | |
| Class O | | | | | |
| Net Assets, beginning of year | 11.66 | 10.44 | 10.20 | 11.34 | 11.18 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.75 | 0.67 | 0.60 | 0.34 | 0.55 |
| Total expenses | (0.01) | (0.01) | (0.01) | - | (0.01) |
| Realized gains (losses) | 0.27 | 0.75 | (0.14) | (0.24) | 0.72 |
| Unrealized gains (losses) | 0.73 | 0.45 | 0.40 | (0.67) | (0.17) |
| Total increase (decrease) from operations (b) | 1.74 | 1.86 | 0.85 | (0.57) | 1.09 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.71) | (0.61) | (0.56) | (0.59) | (0.53) |
| From dividends | (0.02) | (0.04) | (0.04) | (0.03) | (0.06) |
| From capital gains | (0.11) | - | - | - | (0.50) |
| Return of capital | - | - | - | - | - |
| Total distributions (b), (c) | (0.84) | (0.65) | (0.60) | (0.62) | (1.09) |
| Net Assets, end of year | 12.45 | 11.66 | 10.44 | 10.20 | 11.34 |
| Class U | | | | | |
| Net Assets, beginning of year | 11.89 | 10.08 | 9.89 | 10.52 | 10.21 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.75 | 0.66 | 0.57 | 1.57 | 0.36 |
| Total expenses | (0.15) | (0.14) | (0.13) | (0.12) | (0.13) |
| Realized gains (losses) | 0.45 | 0.87 | 0.03 | (1.00) | 0.27 |
| Unrealized gains (losses) | 0.27 | 0.98 | 0.40 | (0.66) | 0.31 |
| Total increase (decrease) from operations (b) | 1.32 | 2.37 | 0.87 | (0.21) | 0.81 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.58) | (0.49) | (0.40) | (0.44) | (0.39) |
| From dividends | (0.02) | (0.03) | (0.03) | (0.02) | (0.01) |
| From capital gains | (0.05) | - | - | - | (0.27) |
| Return of capital | - | - | - | - | - |
| Total distributions (b), (c) | (0.65) | (0.52) | (0.43) | (0.46) | (0.67) |
| Net Assets, end of year | 12.50 | 11.89 | 10.08 | 9.89 | 10.52 |

Pender Corporate Bond Fund

For the year ended December 31, 2025

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

| | 2025 (\$) | 2024 (\$) | 2023 (\$) | 2022 (\$) | 2021 (\$) |
|--|---------------|---------------|---------------|---------------|---------------|
| Class A (USD) | | | | | |
| Net Assets, beginning of year | 17.03 | 14.22 | 14.04 | 14.71 | 14.10 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 1.07 | 0.94 | 0.83 | 2.81 | 0.32 |
| Total expenses | (0.37) | (0.33) | (0.30) | (0.31) | (0.30) |
| Realized gains (losses) | 0.65 | 1.28 | 0.04 | (1.78) | 0.86 |
| Unrealized gains (losses) | 0.25 | 1.59 | 0.10 | (0.86) | 0.30 |
| Total increase (decrease) from operations (b) | 1.60 | 3.48 | 0.67 | (0.14) | 1.18 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.68) | (0.56) | (0.50) | (0.50) | (0.40) |
| From dividends | (0.02) | (0.03) | (0.03) | (0.02) | (0.05) |
| From capital gains | (0.50) | - | - | - | (0.17) |
| Return of capital | - | - | - | - | - |
| Total distributions (b), (c) | (1.20) | (0.59) | (0.53) | (0.52) | (0.62) |
| Net Assets, end of year | 17.41 | 17.03 | 14.22 | 14.04 | 14.71 |
| Class F (USD) (closed) | | | | | |
| Net Assets, beginning of year | 16.81 | 14.03 | 13.85 | 14.52 | 13.96 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.99 | 0.93 | 0.82 | 2.79 | 0.33 |
| Total expenses | (0.20) | (0.19) | (0.17) | (0.18) | (0.17) |
| Realized gains (losses) | 0.80 | 1.19 | 0.03 | (1.79) | 0.82 |
| Unrealized gains (losses) | (0.09) | 1.61 | 0.10 | (0.75) | 0.30 |
| Total increase (decrease) from operations (b) | 1.50 | 3.54 | 0.78 | 0.07 | 1.28 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.78) | (0.68) | (0.61) | (0.61) | (0.51) |
| From dividends | (0.02) | (0.04) | (0.04) | (0.03) | (0.05) |
| From capital gains | - | - | - | - | (0.21) |
| Return of capital | - | - | - | - | - |
| Total distributions (b), (c) | (0.80) | (0.72) | (0.65) | (0.64) | (0.77) |
| Net Assets, end of year | - | 16.81 | 14.03 | 13.85 | 14.52 |
| Class F (USD) (formerly Class I (USD)) | | | | | |
| Net Assets, beginning of year | 16.18 | 13.51 | 13.34 | 13.99 | 13.45 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 1.02 | 0.90 | 0.79 | 2.76 | 0.33 |
| Total expenses | (0.19) | (0.17) | (0.15) | (0.15) | (0.15) |
| Realized gains (losses) | 0.52 | 1.28 | 0.03 | (1.77) | 0.81 |
| Unrealized gains (losses) | 0.41 | 1.50 | 0.13 | (0.75) | 0.27 |
| Total increase (decrease) from operations (b) | 1.76 | 3.51 | 0.80 | 0.09 | 1.26 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.80) | (0.67) | (0.61) | (0.61) | (0.51) |
| From dividends | (0.03) | (0.04) | (0.04) | (0.03) | (0.06) |
| From capital gains | (0.42) | - | - | - | (0.20) |
| Return of capital | - | - | - | - | - |
| Total distributions (b), (c) | (1.25) | (0.71) | (0.65) | (0.64) | (0.77) |
| Net Assets, end of year | 16.59 | 16.18 | 13.51 | 13.34 | 13.99 |

Pender Corporate Bond Fund

For the year ended December 31, 2025

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

| | 2025 (\$) | 2024 (\$) | 2023 (\$) | 2022 (\$) | 2021 (\$) |
|--|---------------|---------------|---------------|---------------|---------------|
| Class H (USD) | | | | | |
| Net Assets, beginning of year | 16.14 | 13.47 | 13.30 | 13.95 | 13.42 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 1.01 | 0.89 | 0.79 | 2.70 | 0.33 |
| Total expenses | (0.30) | (0.27) | (0.24) | (0.25) | (0.24) |
| Realized gains (losses) | 0.57 | 1.16 | 0.02 | (1.70) | 0.84 |
| Unrealized gains (losses) | 0.42 | 1.53 | 0.12 | (0.87) | 0.29 |
| Total increase (decrease) from operations (b) | 1.70 | 3.31 | 0.69 | (0.12) | 1.22 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.70) | (0.57) | (0.51) | (0.51) | (0.42) |
| From dividends | (0.02) | (0.03) | (0.03) | (0.03) | (0.05) |
| From capital gains | (0.77) | - | - | - | (0.20) |
| Return of capital | - | - | - | - | - |
| Total distributions (b), (c) | (1.49) | (0.60) | (0.54) | (0.54) | (0.67) |
| Net Assets, end of year | 16.20 | 16.14 | 13.47 | 13.30 | 13.95 |

(a) This information is derived from the Fund's audited annual financial statements as at December 31 for the year stated, prepared under IFRS Accounting Standards. On December 5, 2025, Class F and Class F (USD) units were converted into Class I and Class I (USD) units. Class I and Class I (USD) were then renamed Class F and Class F (USD).

(b) Net assets per unit and distributions per unit are based on the actual number of units for the relevant Fund class outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding during the year.

(c) Distributions were paid in cash and/or reinvested in additional units of the Fund.

Ratios and Supplemental Data

| | 2025 (f) | 2024 | 2023 | 2022 | 2021 |
|---|-------------|-------------|------------|------------|------------|
| Class A | | | | | |
| Total net asset value (\$000s) (a) | 132,719 | 114,321 | 93,692 | 95,980 | 110,720 |
| Number of units outstanding (a) | 9,481,667 | 8,624,974 | 7,881,755 | 8,288,704 | 8,607,770 |
| Management expense ratio (b) | 2.04% | 2.07% | 2.07% | 2.06% | 2.01% |
| Management expense ratio before absorptions (c) | 2.04% | 2.07% | 2.07% | 2.06% | 2.01% |
| Trading expense ratio (d) | 0.07% | 0.05% | 0.03% | 0.03% | 0.03% |
| Portfolio turnover rate (e) | 67.55% | 48.92% | 61.81% | 62.92% | 63.24% |
| Net asset value per unit (\$) (a) | 14.00 | 13.25 | 11.89 | 11.58 | 12.86 |
| Class E | | | | | |
| Total net asset value (\$000s) (a) | 5,483 | 4,498 | 3,797 | 3,543 | 4,132 |
| Number of units outstanding (a) | 496,186 | 423,215 | 398,166 | 380,944 | 400,826 |
| Management expense ratio (b) | 0.50% | 0.52% | 0.53% | 0.53% | 0.52% |
| Management expense ratio before absorptions (c) | 0.50% | 0.52% | 0.53% | 0.53% | 0.52% |
| Trading expense ratio (d) | 0.07% | 0.05% | 0.03% | 0.03% | 0.03% |
| Portfolio turnover rate (e) | 67.55% | 48.92% | 61.81% | 62.92% | 63.24% |
| Net asset value per unit (\$) (a) | 11.05 | 10.63 | 9.54 | 9.30 | 10.31 |
| Class F (formerly Class I) | | | | | |
| Total net asset value (\$000s) (a) | 2,784,982 | 1,283,170 | 768,652 | 708,267 | 602,871 |
| Number of units outstanding (a) | 230,993,198 | 111,684,257 | 74,687,822 | 70,636,548 | 54,127,966 |
| Management expense ratio (b) | 1.03% | 1.03% | 1.03% | 1.03% | 1.02% |
| Management expense ratio before absorptions (c) | 1.03% | 1.03% | 1.03% | 1.03% | 1.02% |
| Trading expense ratio (d) | 0.07% | 0.05% | 0.03% | 0.03% | 0.03% |
| Portfolio turnover rate (e) | 67.55% | 48.92% | 61.81% | 62.92% | 63.24% |
| Net asset value per unit (\$) (a) | 12.06 | 11.49 | 10.29 | 10.03 | 11.14 |

Pender Corporate Bond Fund

For the year ended December 31, 2025

Ratios and Supplemental Data (cont'd)

| | 2025 (f) | 2024 | 2023 | 2022 | 2021 |
|---|------------|------------|-----------|-----------|-----------|
| Class H | | | | | |
| Total net asset value (\$000s) (a) | 196,048 | 127,029 | 86,140 | 88,360 | 103,092 |
| Number of units outstanding (a) | 15,812,373 | 10,768,273 | 8,144,543 | 8,578,535 | 9,004,515 |
| Management expense ratio (b) | 1.72% | 1.73% | 1.73% | 1.73% | 1.69% |
| Management expense ratio before absorptions (c) | 1.72% | 1.73% | 1.73% | 1.73% | 1.69% |
| Trading expense ratio (d) | 0.07% | 0.05% | 0.03% | 0.03% | 0.03% |
| Portfolio turnover rate (e) | 67.55% | 48.92% | 61.81% | 62.92% | 63.24% |
| Net asset value per unit (\$) (a) | 12.40 | 11.80 | 10.58 | 10.30 | 11.45 |
| Class N | | | | | |
| Total net asset value (\$000s) (a) | 21,125 | 13,552 | | | |
| Number of units outstanding (a) | 1,918,003 | 1,279,940 | | | |
| Management expense ratio (b) | 0.73% | 0.73% | | | |
| Management expense ratio before absorptions (c) | 0.73% | 0.73% | | | |
| Trading expense ratio (d) | 0.07% | 0.05% | | | |
| Portfolio turnover rate (e) | 67.55% | 48.92% | | | |
| Net asset value per unit (\$) (a) | 11.01 | 10.59 | | | |
| Class O | | | | | |
| Total net asset value (\$000s) (a) | 75,465 | 45,418 | 31,323 | 43,580 | 58,562 |
| Number of units outstanding (a) | 6,059,814 | 3,896,761 | 2,999,380 | 4,273,445 | 5,161,977 |
| Management expense ratio (b) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Management expense ratio before absorptions (c) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Trading expense ratio (d) | 0.07% | 0.05% | 0.03% | 0.03% | 0.03% |
| Portfolio turnover rate (e) | 67.55% | 48.92% | 61.81% | 62.92% | 63.24% |
| Net asset value per unit (\$) (a) | 12.45 | 11.66 | 10.44 | 10.20 | 11.34 |
| Class U | | | | | |
| Total net asset value (\$000s) (a) | 7,071 | 6,960 | 3,359 | 9,338 | 11,425 |
| Number of units outstanding (a) | 565,495 | 585,371 | 333,235 | 944,053 | 1,085,631 |
| Management expense ratio (b) | 1.15% | 1.16% | 1.24% | 1.16% | 1.14% |
| Management expense ratio before absorptions (c) | 1.15% | 1.16% | 1.24% | 1.16% | 1.14% |
| Trading expense ratio (d) | 0.07% | 0.05% | 0.03% | 0.03% | 0.03% |
| Portfolio turnover rate (e) | 67.55% | 48.92% | 61.81% | 62.92% | 63.24% |
| Net asset value per unit (\$) (a) | 12.50 | 11.89 | 10.08 | 9.89 | 10.52 |
| Class A (USD) | | | | | |
| Total net asset value (\$000s) (a) | 4,134 | 2,956 | 2,094 | 2,773 | 2,979 |
| Number of units outstanding (a) | 237,454 | 173,559 | 147,288 | 197,474 | 202,496 |
| Management expense ratio (b) | 2.04% | 2.05% | 2.05% | 2.08% | 1.98% |
| Management expense ratio before absorptions (c) | 2.04% | 2.05% | 2.05% | 2.08% | 1.98% |
| Trading expense ratio (d) | 0.07% | 0.05% | 0.03% | 0.03% | 0.03% |
| Portfolio turnover rate (e) | 67.55% | 48.92% | 61.81% | 62.92% | 63.24% |
| Net asset value per unit (\$) (a) | 17.41 | 17.03 | 14.22 | 14.04 | 14.71 |
| Class F (USD) (formerly Class I (USD)) | | | | | |
| Total net asset value (\$000s) (a) | 127,559 | 57,133 | 27,302 | 36,726 | 35,290 |
| Number of units outstanding (a) | 7,689,431 | 3,531,986 | 2,020,985 | 2,752,813 | 2,522,383 |
| Management expense ratio (b) | 1.04% | 1.04% | 1.04% | 1.04% | 1.00% |
| Management expense ratio before absorptions (c) | 1.04% | 1.04% | 1.04% | 1.04% | 1.00% |
| Trading expense ratio (d) | 0.07% | 0.05% | 0.03% | 0.03% | 0.03% |
| Portfolio turnover rate (e) | 67.55% | 48.92% | 61.81% | 62.92% | 63.24% |
| Net asset value per unit (\$) (a) | 16.59 | 16.18 | 13.51 | 13.34 | 13.99 |

Pender Corporate Bond Fund

For the year ended December 31, 2025

Ratios and Supplemental Data (cont'd)

| | 2025 (f) | 2024 | 2023 | 2022 | 2021 |
|---|----------|---------|---------|---------|---------|
| Class H (USD) | | | | | |
| Total net asset value (\$000s) (a) | 13,393 | 9,085 | 6,641 | 7,373 | 8,224 |
| Number of units outstanding (a) | 826,652 | 562,992 | 493,074 | 554,228 | 589,688 |
| Management expense ratio (b) | 1.74% | 1.75% | 1.75% | 1.75% | 1.68% |
| Management expense ratio before absorptions (c) | 1.74% | 1.75% | 1.75% | 1.75% | 1.68% |
| Trading expense ratio (d) | 0.07% | 0.05% | 0.03% | 0.03% | 0.03% |
| Portfolio turnover rate (e) | 67.55% | 48.92% | 61.81% | 62.92% | 63.24% |
| Net asset value per unit (\$) (a) | 16.20 | 16.14 | 13.47 | 13.30 | 13.95 |

(a) This information is derived from the Fund's audited annual financial statements as at December 31 for the year stated, prepared under IFRS Accounting Standards. On December 5, 2025, Class F and Class F (USD) units were converted into Class I and Class I (USD) units. Class I and Class I (USD) were then renamed Class F and Class F (USD).

(b) Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the year and is expressed as an annualized percentage of daily average net asset value during the year. The MER may vary from one class of units to another because of differences in the applicable management fees and certain fees and expenses may have been absorbed by the Manager which would otherwise be paid by the Fund.

(c) The Manager of the Fund has agreed to absorb sufficient expenses of the Fund, as necessary, so that the annual MER before applicable taxes such as GST or HST will not exceed certain limits as outlined in the Fund's Simplified Prospectus. The amount of expenses absorbed is at the discretion of the Manager as set out in the Fund's Simplified Prospectus, and the Manager may in its sole discretion cease to absorb expenses.

(d) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the year.

(e) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. In general, the higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(f) Effective December 5, 2025, the management fees of Class F (formerly Class I), Class F (USD) (formerly Class I (USD)), and Class N were increased by 0.30%. Class U management fees were increased by 0.15%. On the same day, the administration fees for Class A, Class A (USD), Class E, Class F (formerly Class I), Class F (USD) (formerly Class I (USD)), Class N and Class U were reduced by 0.30% resulting in a net combined fee equal or lower than the original combined fee before applicable GST or HST.

Past Performance

The following charts show the past performance for the units of each class of the Fund and do not necessarily indicate how the Fund will perform in the future. The information shown assumes that any distributions made by the Fund were reinvested in additional units of the Fund. Returns would be different if an investor did not reinvest distributions. In addition, the information does not take into account sales, redemptions, income taxes payable or other charges that would have reduced returns or performance. Past performance for Class F and Class F (USD) units of the Fund are not available for disclosure because they were closed during the year.

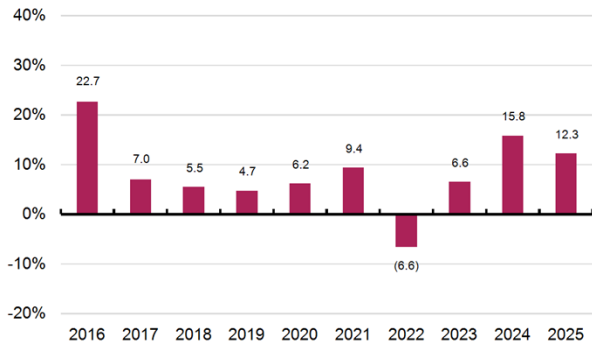
Pender Corporate Bond Fund

For the year ended December 31, 2025

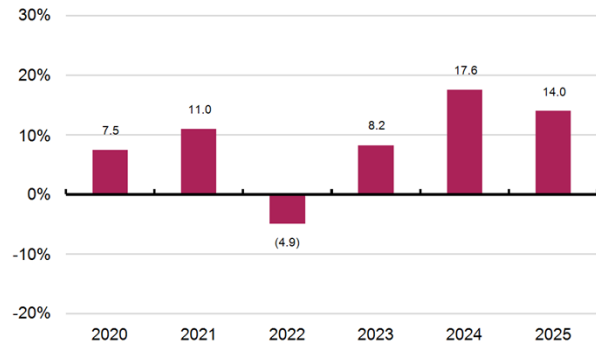
Year-by-Year Returns

To illustrate how the Fund's performance has varied over time, the following bar charts show the Fund's annual returns for the calendar years indicated. The information is presented starting from the first full financial year of the respective Fund class. In percentage terms, the bar charts show how much an investment held on the first day of the year would have increased or decreased by the last day of the year.

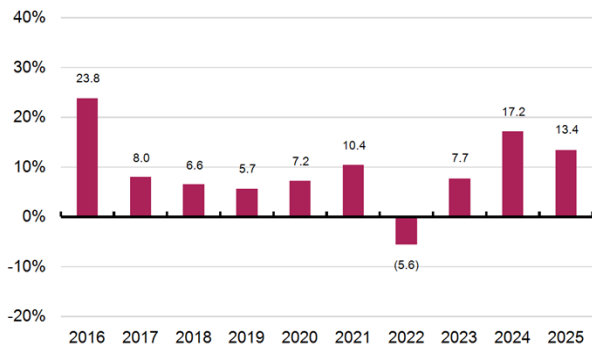
Class A



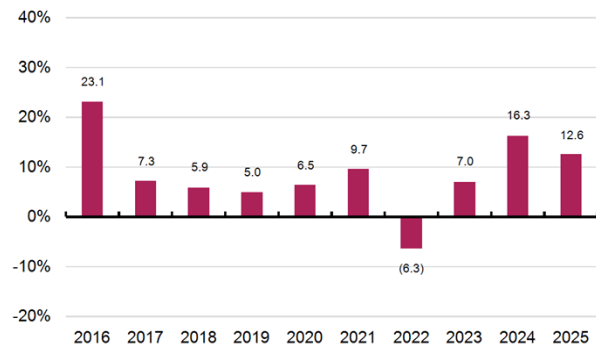
Class E



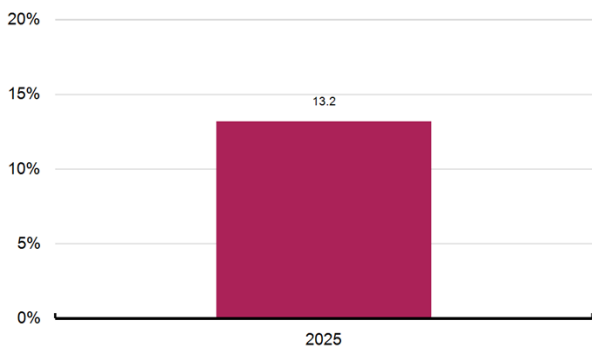
Class F (formerly Class I)



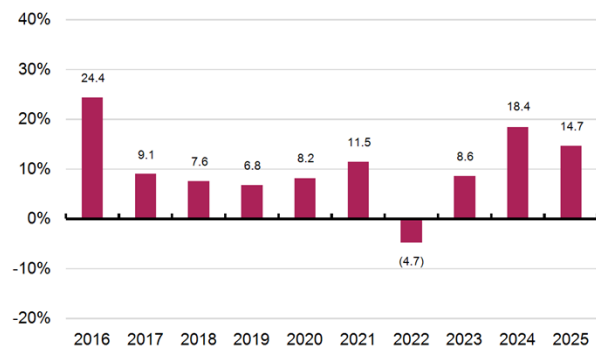
Class H



Class N



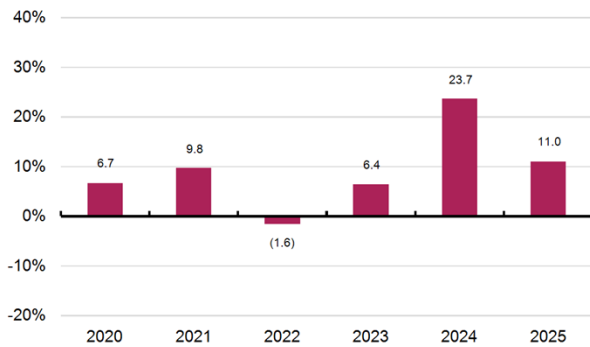
Class O



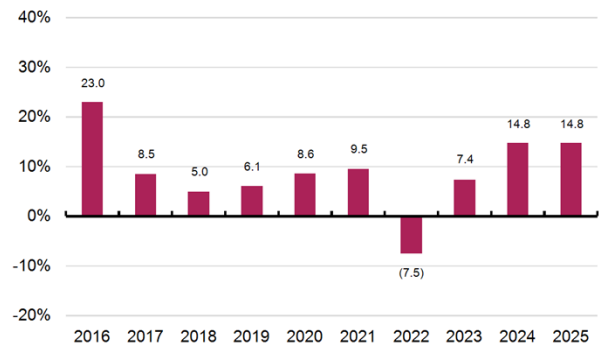
Pender Corporate Bond Fund

For the year ended December 31, 2025

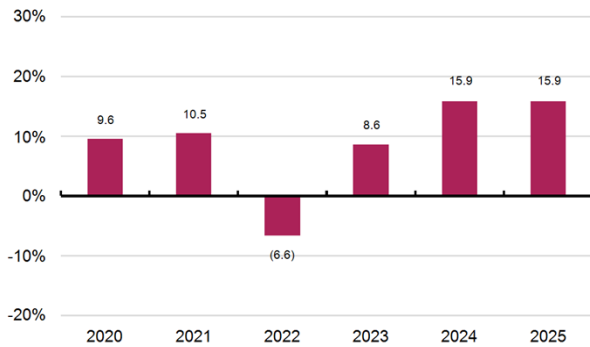
Class U



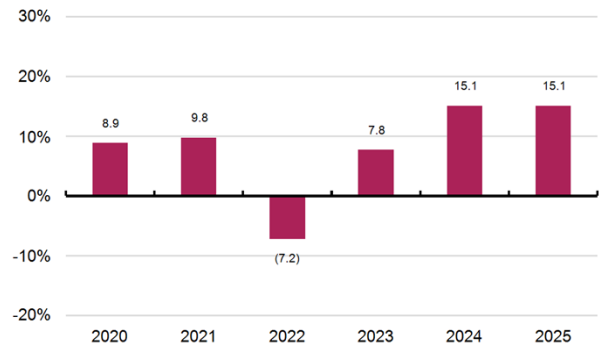
Class A (USD)



Class F (USD) (formerly Class I (USD))



Class H (USD)



Annual Compound Returns

The annual compound returns table compares the Fund's performance to one or more benchmarks. Benchmarks are usually an index or a composite of more than one index. An index is generally made up of a group of securities. Since the Fund does not necessarily invest in the same securities as an index or in the same proportion, the Fund's performance is not expected to equal the performance of the index. Fund returns are reported net of all management fees and expenses for all classes unlike the returns of the Fund's benchmark, which are based on the performance of an index that does not pay fees or incur expenses. It may be more helpful to compare the Fund's performance to that of other mutual funds with similar objectives and investment strategies.

The Fund's blended benchmark is 75% ICE BofA US High Yield Index and 25% FTSE Canada Universe Bond Index. The ICE BofA US High Yield Index is market capitalization weighted and is designed to measure the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. The FTSE Canada Universe Bond Index measures the performance of the Canadian Dollar denominated investment-grade fixed income market, covering Canadian government, quasi-government and corporate bonds. With the exception of Class A (USD), Class F (USD) (formerly Class I (USD)), and Class H (USD), the performance of the Fund is compared to the benchmark's performance in Canadian dollars. Performance for Class A (USD), Class F (USD) (formerly Class I (USD)), and Class H (USD), are compared to the benchmark's performance in US dollars.

Pender Corporate Bond Fund

For the year ended December 31, 2025

A discussion of the performance of the Fund as compared to its benchmarks is found in the “Results of Operations” section of this report.

| | Inception Date | 1 year (%) | 3 year (%) | 5 year (%) | 10 year (%) | Since Inception (%) |
|--|----------------|---------------|---------------|---------------|----------------|------------------------|
| Class A | 01-Jun-09 | 12.3 | 11.5 | 7.2 | 8.1 | 6.4 |
| Blended benchmark | | 3.4 | 9.0 | 4.5 | 5.3 | 7.9 |
| Class E | 30-Aug-19 | 14.0 | 13.2 | 8.9 | - | 8.5 |
| Blended benchmark | | 3.4 | 9.0 | 4.5 | - | 4.3 |
| Class F (formerly Class I) | 30-Jun-14 | 13.4 | 12.7 | 8.4 | 9.2 | 7.1 |
| Blended benchmark | | 3.4 | 9.0 | 4.5 | 5.3 | 6.0 |
| Class H | 19-Jun-12 | 12.6 | 11.9 | 7.6 | 8.5 | 6.3 |
| Blended benchmark | | 3.4 | 9.0 | 4.5 | 5.3 | 6.7 |
| Class N | 28-Jun-24 | 13.2 | - | - | - | 14.6 |
| Blended benchmark | | 3.4 | - | - | - | 8.4 |
| Class O | 24-Nov-10 | 14.7 | 13.8 | 9.4 | 10.2 | 7.9 |
| Blended benchmark | | 3.4 | 9.0 | 4.5 | 5.3 | 6.7 |
| Class U | 28-Jun-19 | 11.0 | 13.5 | 9.6 | - | 8.5 |
| Blended benchmark | | 3.4 | 9.0 | 4.5 | - | 4.6 |
| Class A (USD) | 30-Aug-13 | 14.8 | 12.3 | 7.5 | 8.7 | 6.2 |
| Blended benchmark | | 8.3 | 8.5 | 2.9 | 5.4 | 4.1 |
| Class F (USD) (formerly Class I (USD)) | 28-Jun-19 | 15.9 | 13.4 | 8.5 | - | 8.4 |
| Blended benchmark | | 8.3 | 8.5 | 2.9 | - | 3.9 |
| Class H (USD) | 28-Jun-19 | 15.1 | 12.6 | 7.8 | - | 7.6 |
| Blended benchmark | | 8.3 | 8.5 | 2.9 | - | 3.9 |

Pender Corporate Bond Fund

For the year ended December 31, 2025

Summary of Investment Portfolio

The largest holdings of the Fund as at the end of the year and the major asset classes in which the Fund was invested are indicated below. Where the Fund has less than 25 holdings, the table will show the Fund's entire investment portfolio. The investment portfolio may change due to ongoing portfolio transactions. An update of the Fund's summary of investment portfolio as at the end of each calendar quarter is available from the Manager. Please see the front page of this document for information about how this can be obtained.

Top 25 Holdings

| | % of Net Assets |
|--|-----------------|
| Esperion Therapeutics Inc., Convertible, Callable, 5.75%, 2030/06/15 | 2.2 |
| First Majestic Silver Corp., Callable, 0.38%, 2027/01/15 | 2.1 |
| abrdn Physical Platinum Shares ETF | 1.8 |
| Adecoagro SA, Callable, 7.50%, 2032/07/29 | 1.8 |
| Trulieve Cannabis Corp., Callable, 10.50%, 2030/12/17 | 1.6 |
| Waste Management of Canada Corporation, Callable, 2.60%, 2026/09/23 | 1.6 |
| Equinox Gold Corp. | 1.5 |
| McDermott International, Ltd., Term Loan, 8.44%, 2027/12/31 | 1.5 |
| Total Play Telecomunicaciones SA de CV , Sinkable, Callable, 11.13%, 2032/12/31 | 1.5 |
| Prosus N.V., Callable, 3.06%, 2031/07/13 | 1.4 |
| BlueNord ASA, Callable, 12.00%, 2085/07/10 | 1.3 |
| Duke Energy Corp., Convertible, 4.13%, 2026/04/15 | 1.3 |
| Fluence Energy, Inc., Convertible, Callable, 2.25%, 2030/06/15 | 1.3 |
| Stillwater Mining Company, Convertible, 4.25%, 2028/11/28 | 1.3 |
| Southern Company, Convertible, 4.50%, 2027/06/15 | 1.3 |
| United States Treasury, Inflation Indexed, 0.13%, 2052/02/15 | 1.3 |
| Verisign, Inc., Callable, 4.75%, 2027/07/15 | 1.3 |
| Connect Finco SARL, Callable, 9.00%, 2029/09/15 | 1.2 |
| CrowdStrike Holdings, Inc., Callable, 3.00%, 2029/02/15 | 1.2 |
| Emera Inc., Series '2016-A', Variable Rate, Convertible, Callable, 6.75%, 2076/06/15 | 1.2 |
| Equinox Gold Corp., Convertible, Callable, 4.75%, 2028/10/15 | 1.2 |
| MC Brazil Downstream Trading S.À.R.L., Sinkable, 7.25%, 2031/06/30 | 1.2 |
| Rivian Holdings LLC, Callable, 10.00%, 2031/01/15 | 1.2 |
| Tenaz Energy Corp., Callable, 12.00%, 2029/11/14 | 1.2 |
| Fairfax Financial Holdings Limited, Callable, 3.95%, 2031/03/03 | 1.1 |

Pender Corporate Bond Fund

For the year ended December 31, 2025

Composition of the Portfolio

| | % of Net Assets |
|-------------------------------------|-----------------|
| US corporate bonds and loans | 39.7 |
| Canadian corporate bonds and loans | 22.8 |
| Foreign corporate bonds and loans | 19.8 |
| Government bonds | 6.9 |
| Common shares | 4.9 |
| Exchange-traded funds | 3.0 |
| Preferred shares | 1.8 |
| Closed end funds | 0.9 |
| Warrants | 0.0 |
| Total investments | 99.8 |
| Written call options | (1.3) |
| Currency forwards | (0.1) |
| Total derivative liabilities | (1.4) |
| Cash (Bank overdraft) | 1.3 |
| Other assets less liabilities | 0.3 |
| Total net assets | 100.0 |

Pender Corporate Bond Fund

For the year ended December 31, 2025

Caution Regarding Forward-Looking Statements

This report contains forward-looking statements about the Fund, including its strategy, prospects and further actions. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or negative versions thereof and similar expressions.

In addition, any statement made concerning future performance, strategies or prospects, and possible future Fund action is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to risks, uncertainties and assumptions about the Fund and economic factors, among other things.

Forward-looking statements are not a guarantee of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements. Any number of important factors could contribute to these digressions, including, but not limited to: geopolitical events, general economic conditions, political and market factors around the world; interest rates and inflation; fiscal and monetary policy; global equity and capital markets; business competition; technological change; changes in government regulations; unexpected judicial or regulatory proceedings; catastrophic events.

We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, except as may be required under applicable law, the Manager has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.



Pender Corporate Bond Fund

MANAGED BY:
PENDERFUND CAPITAL MANAGEMENT LTD.
1830 - 1066 West Hastings St. Vancouver, BC V6E 3X2
TELEPHONE 604 688-1511 FACSIMILE 604 563-3199 TOLL FREE 1 866 377-4743
www.penderfund.com