

Pender Small Cap Opportunities 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 Small Cap Opportunities Fund

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The objective of the Pender Small Cap Opportunities Fund (the “Fund”) is to invest in a concentrated portfolio of well-managed businesses, with strong competitive positions, which are overlooked by the market and have the potential for significant capital appreciation. These businesses may be in Canada, the United States or in other foreign jurisdictions with a primary emphasis on companies with a small market capitalization. The Fund may also invest in any securities regardless of market capitalization, sector or region, including foreign equities where opportunities warrant. In some situations, the Fund may invest directly in companies, through private placements or public offerings, or may acquire previously issued shares, either through the facilities of a stock exchange, quotation system, or by private arrangement.

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. 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 \$410,230,656 as at December 31, 2025 versus \$420,885,231 as at December 31, 2024. Of this \$10,654,575 decrease, \$22,553,697 is attributable to positive investment performance and \$33,208,272 is attributable to net unitholder redemptions of Fund units.

For the year ended December 31, 2025, Class A units of the Fund generated a total return of 4.6%. 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 and performance fees that are applicable to different classes. Please see the “Past Performance” section for the performance of the Fund’s other classes.

The Fund’s broad based benchmark, the S&P/TSX Composite Index (“S&P/TSX”), returned 31.7% during the year. In accordance with National Instrument 81-106, we have included a comparison to this broad based index 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 benchmark, which are based on the performance of an index that does not pay fees or incur expenses.

As at the end of the year, the Fund was 91.0% invested in Canada and 10.6% in the United States, other assets less liabilities of -0.6% and had cash of -1.0%. The Fund’s investment portfolio is concentrated and not diversified in the conventional sense. The Fund’s top 10 holdings account for 38.8% of the Fund’s net assets at the end of the year. This concentration may lead to varied results over any given year.

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 underperformance as compared to its benchmark was mainly due to an underweight in the Financial Services and an overweight in Information Technology sectors. We do not actively manage sector weightings in the Fund, rather, our sector weightings are determined by individual stock selection through a bottom up fundamental investment process. We seek to own stocks where our estimated range for the long term intrinsic value of the business is higher than the current share price.

Key positive individual contributors to the Fund’s performance during the year included Kraken Robotics Inc., 5N Plus Inc., and Tantalus Systems Holding Inc. Conversely, D2L Inc., PAR Technology Corp., and Dye & Durham Ltd. were among the largest detractors.

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Portfolio transactions during the year were made based on our stock selection process. In general, we increased the weightings of individual stocks where we determined the price relative to our estimate of intrinsic value had increased and decreased the weightings of companies that offered a less attractive return profile. We are constantly looking for new investment ideas and examples of new investments during the year included Black Diamond Group Ltd. We may liquidate our positions for various reasons, such as when share prices have reached our assessment of fair value, when an acquisition has occurred, or where we have changed our investment thesis. For example, during the year, we sold our positions in Chesswood Group Ltd. and Computer Modelling Group Ltd., as well as a few other holdings. The market volatility has allowed us to be selective, adding companies to the portfolio that we believe to be high quality and present opportunities to compound for many years.

Recent Developments

Equity markets delivered solid performance in 2025, though not without periods of volatility. Early in the year, conditions were challenging. In the first quarter, the Russell 2000 Index declined about 10% following the announcement of a new tariff regime, and that weakness carried through small-cap markets more broadly. The second quarter brought a strong rebound as confidence improved. The third quarter was more challenging, as market leadership skewed toward more speculative areas of the small-cap universe, creating a tougher environment for fundamentally driven strategies.

Over the course of the year enthusiasm surrounding artificial intelligence (“AI”) was a dominant headline. Capital flowed rapidly into the space, narratives grew louder, and market leadership narrowed as investors crowded into a small number of perceived winners. While the transformative potential of AI is undeniable, the speed and concentration of gains inevitably invited comparisons to earlier periods of excess, including the dot-com era.

That said, from our perspective, we remain in the opening innings of the AI revolution. Adoption is still in its early stages, with enterprise use cases and monetization only beginning to scale. This supports a constructive, but selective, stance toward AI-related equities, particularly companies demonstrating real revenue growth, scalable platforms, and exposure to the infrastructure and compute layers underpinning the ecosystem.

Beyond technology, resources were also top of mind, with gold among the year’s strongest performers. Supported by geopolitical uncertainty, inflation concerns, and renewed interest in real assets, the sector delivered meaningful gains. Yet the pace of appreciation underscores the importance of selectivity and valuation discipline.

We expect market volatility, driven by headlines, to persist throughout the remainder of 2026. We also anticipate a more challenging macro backdrop. Against this we are focused on the fundamentals and continue to identify opportunities with attractive risk-reward profiles in high quality businesses that are well positioned to navigate uncertainty. We remain vigilant in our analysis to identify trends that align with how the world is evolving. We continue to manage a concentrated portfolio of investments, only needing to hold a relatively small number of great companies purchased at reasonable prices to drive the performance of the Fund.

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”). The Fund also pays the Manager performance fees in certain circumstances (see “Performance Fees”).

As at the end of the year, parties related to the Manager collectively held 1% of the Fund’s units. In addition, the Pender Partners Fund and Pender Strategic Growth and Income Fund, funds also managed by the Manager, collectively held 1% 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.

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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.

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

Performance Fees

The Manager is also entitled to a performance fee plus applicable taxes such as GST or HST in respect of Class B, Class G, Class M and Class O units of the Fund. The performance fee in relation to Class B, Class G and Class M units 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, the S&P/TSX Composite Index, for the period since the performance fee was last paid, subject to a relative high-water mark. The high-water mark is the net asset value of the applicable class of units to which it applies as at the most recent determination date on which a performance fee was payable. For Class O units, the performance fee is or will be separately negotiated and charged directly to Class O Unitholders, as applicable. Performance fees will be calculated and accrued daily, and such accrued fees will be payable by the Fund 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, at its discretion, may reduce or waive performance fees.

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	39.70	25.46	24.24	34.25	34.51
Increase (decrease) from operations:					
Total revenue	0.16	0.22	0.62	0.32	0.49
Total expenses	(1.12)	(0.91)	(0.69)	(0.74)	(1.13)
Realized gains (losses)	4.77	3.66	(1.87)	(0.60)	10.84
Unrealized gains (losses)	(2.16)	11.56	3.00	(9.26)	(1.53)
Total increase (decrease) from operations (b)	1.65	14.53	1.06	(10.28)	8.67
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	(4.06)	(0.31)	-	-	(8.54)
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(4.06)	(0.31)	-	-	(8.54)
Net Assets, end of year	37.48	39.70	25.46	24.24	34.25

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

	2025 (\$)	2024 (\$)	2023 (\$)	2022 (\$)	2021 (\$)
Class B					
Net Assets, beginning of year	14.75	9.39	8.94	12.63	12.02
Increase (decrease) from operations:					
Total revenue	0.06	0.08	0.23	0.12	0.17
Total expenses	(0.42)	(0.34)	(0.25)	(0.27)	(0.41)
Realized gains (losses)	1.76	1.32	(0.67)	(0.19)	3.64
Unrealized gains (losses)	(0.81)	4.25	1.09	(3.56)	(0.84)
Total increase (decrease) from operations (b)	0.59	5.31	0.40	(3.90)	2.56
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	(1.32)	-	-	-	(2.20)
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(1.32)	-	-	-	(2.20)
Net Assets, end of year	14.11	14.75	9.39	8.94	12.63
Class E					
Net Assets, beginning of year	17.45	11.08	10.50	14.52	14.81
Increase (decrease) from operations:					
Total revenue	0.07	0.10	0.27	0.14	0.22
Total expenses	(0.14)	(0.11)	(0.08)	(0.07)	(0.12)
Realized gains (losses)	2.07	1.83	(0.95)	(0.19)	4.64
Unrealized gains (losses)	(0.70)	4.99	1.39	(3.85)	(0.98)
Total increase (decrease) from operations (b)	1.30	6.81	0.63	(3.97)	3.76
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	(0.18)	-	-
From capital gains	(2.44)	(0.33)	-	-	(4.20)
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(2.44)	(0.33)	(0.18)	-	(4.20)
Net Assets, end of year	16.20	17.45	11.08	10.50	14.52
Class F					
Net Assets, beginning of year	41.75	26.45	25.08	35.07	35.17
Increase (decrease) from operations:					
Total revenue	0.17	0.23	0.63	0.34	0.51
Total expenses	(0.68)	(0.54)	(0.40)	(0.41)	(0.64)
Realized gains (losses)	4.99	3.90	(2.02)	(0.48)	11.12
Unrealized gains (losses)	(2.11)	12.05	3.35	(9.48)	(1.58)
Total increase (decrease) from operations (b)	2.37	15.64	1.56	(10.03)	9.41
Distributions:					
From income (excluding dividends)	-	-	(0.04)	-	-
From dividends	-	-	(0.13)	-	-
From capital gains	(4.60)	(0.24)	-	-	(8.98)
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(4.60)	(0.24)	(0.17)	-	(8.98)
Net Assets, end of year	39.53	41.75	26.45	25.08	35.07

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

	2025 (\$)	2024 (\$)	2023 (\$)	2022 (\$)	2021 (\$)
Class G					
Net Assets, beginning of year	15.23	9.65	9.15	12.81	12.54
Increase (decrease) from operations:					
Total revenue	0.06	0.09	0.23	0.13	0.18
Total expenses	(0.28)	(0.22)	(0.16)	(0.17)	(0.27)
Realized gains (losses)	1.82	1.45	(0.79)	(0.17)	3.74
Unrealized gains (losses)	(0.76)	4.35	1.22	(3.20)	(1.23)
Total increase (decrease) from operations (b)	0.84	5.67	0.50	(3.41)	2.42
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	(0.07)	-	-
From capital gains	(1.36)	(0.09)	-	-	(2.78)
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(1.36)	(0.09)	(0.07)	-	(2.78)
Net Assets, end of year	14.74	15.23	9.65	9.15	12.81
Class H					
Net Assets, beginning of year	12.67	10.00			
Increase (decrease) from operations:					
Total revenue	0.05	0.05			
Total expenses	(0.32)	(0.15)			
Realized gains (losses)	1.53	1.09			
Unrealized gains (losses)	(0.69)	1.72			
Total increase (decrease) from operations (b)	0.57	2.71			
Distributions:					
From income (excluding dividends)	-	-			
From dividends	-	-			
From capital gains	(1.25)	(0.05)			
Return of capital	-	-			
Total distributions (b), (c)	(1.25)	(0.05)			
Net Assets, end of year	12.06	12.67			
Class I					
Net Assets, beginning of year	19.57	12.44	11.79	16.40	16.61
Increase (decrease) from operations:					
Total revenue	0.08	0.11	0.30	0.16	0.24
Total expenses	(0.32)	(0.25)	(0.19)	(0.19)	(0.30)
Realized gains (losses)	2.34	1.80	(0.97)	(0.23)	5.22
Unrealized gains (losses)	(0.96)	5.67	1.62	(4.55)	(0.79)
Total increase (decrease) from operations (b)	1.14	7.33	0.76	(4.81)	4.37
Distributions:					
From income (excluding dividends)	-	-	(0.01)	-	-
From dividends	-	-	(0.09)	-	-
From capital gains	(2.23)	(0.21)	-	-	(4.42)
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(2.23)	(0.21)	(0.10)	-	(4.42)
Net Assets, end of year	18.48	19.57	12.44	11.79	16.40

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

	2025 (\$)	2024 (\$)	2023 (\$)	2022 (\$)	2021 (\$)
Class M					
Net Assets, beginning of year	9.01	5.75	5.47	7.60	10.00
Increase (decrease) from operations:					
Total revenue	0.04	0.06	0.13	0.08	0.12
Total expenses	(0.09)	(0.09)	(0.07)	(0.07)	(0.07)
Realized gains (losses)	1.03	0.98	(0.52)	(0.09)	1.16
Unrealized gains (losses)	(0.42)	2.52	0.97	(1.74)	(2.69)
Total increase (decrease) from operations (b)	0.56	3.47	0.51	(1.82)	(1.48)
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	(0.08)	-	-
From capital gains	(0.93)	(0.17)	-	-	(2.31)
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(0.93)	(0.17)	(0.08)	-	(2.31)
Net Assets, end of year	8.65	9.01	5.75	5.47	7.60
Class N					
Net Assets, beginning of year	24.08	15.09	14.14	19.68	15.55
Increase (decrease) from operations:					
Total revenue	0.10	0.13	0.35	0.17	0.19
Total expenses	(0.32)	(0.25)	(0.18)	(0.19)	(0.21)
Realized gains (losses)	2.77	2.14	(0.37)	(0.44)	5.79
Unrealized gains (losses)	0.75	6.88	1.64	(8.16)	6.35
Total increase (decrease) from operations (b)	3.30	8.90	1.44	(8.62)	12.12
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions (b), (c)	-	-	-	-	-
Net Assets, end of year	25.61	24.08	15.09	14.14	19.68

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

	2025 (\$)	2024 (\$)	2023 (\$)	2022 (\$)	2021 (\$)
Class O					
Net Assets, beginning of year	43.75	27.12	25.68	35.27	35.97
Increase (decrease) from operations:					
Total revenue	0.18	0.23	0.64	0.32	0.53
Total expenses	(0.12)	(0.07)	(0.05)	(0.02)	(0.07)
Realized gains (losses)	5.40	3.87	(1.97)	(0.40)	11.06
Unrealized gains (losses)	(3.07)	12.50	3.39	(10.34)	(3.52)
Total increase (decrease) from operations (b)	2.39	16.53	2.01	(10.44)	8.00
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	(0.58)	-	-
From capital gains	(5.21)	-	-	-	(10.45)
Return of capital	-	-	-	-	-
Total distributions (b), (c)	(5.21)	-	(0.58)	-	(10.45)
Net Assets, end of year	41.77	43.75	27.12	25.68	35.27

(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.

(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)	23,533	24,761	17,506	20,765	37,416
Number of units outstanding (a)	627,901	623,693	687,439	856,700	1,092,309
Management expense ratio (b)	2.61%	2.63%	2.64%	2.64%	2.56%
Management expense ratio before absorptions (c)	2.61%	2.63%	2.64%	2.64%	2.56%
Trading expense ratio (d)	0.29%	0.22%	0.19%	0.13%	0.19%
Portfolio turnover rate (e)	53.09%	47.10%	23.73%	38.96%	61.47%
Net asset value per unit (\$) (a)	37.48	39.70	25.46	24.24	34.25
Class B					
Total net asset value (\$000s) (a)	14,106	14,172	10,306	14,496	26,051
Number of units outstanding (a)	999,953	960,694	1,097,296	1,621,516	2,062,223
Management expense ratio before performance fee (b)	2.66%	2.65%	2.64%	2.63%	2.73%
Management expense ratio (b)	2.66%	2.65%	2.64%	2.63%	2.73%
Management expense ratio before absorptions (c)	2.66%	2.65%	2.64%	2.63%	2.73%
Trading expense ratio (d)	0.29%	0.22%	0.19%	0.13%	0.19%
Portfolio turnover rate (e)	53.09%	47.10%	23.73%	38.96%	61.47%
Net asset value per unit (\$) (a)	14.11	14.75	9.39	8.94	12.63
Class E					
Total net asset value (\$000s) (a)	7,422	6,676	3,038	2,660	3,513
Number of units outstanding (a)	458,266	382,549	274,103	253,401	241,879
Management expense ratio (b)	0.51%	0.53%	0.54%	0.53%	0.52%
Management expense ratio before absorptions (c)	0.51%	0.53%	0.54%	0.53%	0.52%
Trading expense ratio (d)	0.29%	0.22%	0.19%	0.13%	0.19%
Portfolio turnover rate (e)	53.09%	47.10%	23.73%	38.96%	61.47%
Net asset value per unit (\$) (a)	16.20	17.45	11.08	10.50	14.52

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Ratios and Supplemental Data (cont'd)

	2025 (f)	2024	2023	2022	2021
Class F					
Total net asset value (\$000s) (a)	94,149	101,949	68,427	70,143	97,457
Number of units outstanding (a)	2,381,819	2,441,897	2,587,121	2,797,179	2,779,227
Management expense ratio (b)	1.59%	1.59%	1.59%	1.59%	1.54%
Management expense ratio before absorptions (c)	1.59%	1.59%	1.59%	1.59%	1.54%
Trading expense ratio (d)	0.29%	0.22%	0.19%	0.13%	0.19%
Portfolio turnover rate (e)	53.09%	47.10%	23.73%	38.96%	61.47%
Net asset value per unit (\$) (a)	39.53	41.75	26.45	25.08	35.07
Class G					
Total net asset value (\$000s) (a)	177,676	191,161	105,876	93,762	99,607
Number of units outstanding (a)	12,052,635	12,554,023	10,976,834	10,249,347	7,774,891
Management expense ratio before performance fee (b)	1.57%	1.57%	1.59%	1.58%	1.65%
Management expense ratio (b)	1.57%	1.57%	1.59%	1.58%	1.65%
Management expense ratio before absorptions (c)	1.57%	1.57%	1.59%	1.58%	1.65%
Trading expense ratio (d)	0.29%	0.22%	0.19%	0.13%	0.19%
Portfolio turnover rate (e)	53.09%	47.10%	23.73%	38.96%	61.47%
Net asset value per unit (\$) (a)	14.74	15.23	9.65	9.15	12.81
Class H					
Total net asset value (\$000s) (a)	2,271	2,481			
Number of units outstanding (a)	188,312	195,738			
Management expense ratio before performance fee (b)	2.27%	2.27%			
Management expense ratio (b)	2.27%	2.27%			
Management expense ratio before absorptions (c)	2.27%	2.27%			
Trading expense ratio (d)	0.29%	0.22%			
Portfolio turnover rate (e)	53.09%	47.10%			
Net asset value per unit (\$) (a)	12.06	12.67			
Class I					
Total net asset value (\$000s) (a)	22,967	24,594	16,817	16,872	23,048
Number of units outstanding (a)	1,242,676	1,257,031	1,351,996	1,430,710	1,405,165
Management expense ratio (b)	1.42%	1.42%	1.43%	1.44%	1.38%
Management expense ratio before absorptions (c)	1.42%	1.42%	1.43%	1.44%	1.38%
Trading expense ratio (d)	0.29%	0.22%	0.19%	0.13%	0.19%
Portfolio turnover rate (e)	53.09%	47.10%	23.73%	38.96%	61.47%
Net asset value per unit (\$) (a)	18.48	19.57	12.44	11.79	16.40
Class M					
Total net asset value (\$000s) (a)	57,010	41,624	14,113	10,186	9,643
Number of units outstanding (a)	6,593,584	4,618,253	2,452,358	1,863,319	1,268,907
Management expense ratio before performance fee (b)	1.08%	1.07%	1.10%	1.00%	1.00%
Management expense ratio (b)	1.08%	1.07%	1.10%	1.00%	1.00%
Management expense ratio before absorptions (c)	1.08%	1.07%	1.10%	1.00%	1.00%
Trading expense ratio (d)	0.29%	0.22%	0.19%	0.13%	0.19%
Portfolio turnover rate (e)	53.09%	47.10%	23.73%	38.96%	61.47%
Net asset value per unit (\$) (a)	8.65	9.01	5.75	5.47	7.60

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For the year ended December 31, 2025

Ratios and Supplemental Data (cont'd)

	2025 (f)	2024	2023	2022	2021
Class N					
Total net asset value (\$000s) (a)	15	24	20	96	613
Number of units outstanding (a)	596	1,005	1,330	6,759	31,166
Management expense ratio (b)	1.08%	1.08%	1.09%	1.08%	1.01%
Management expense ratio before absorptions (c)	1.08%	1.08%	1.09%	1.08%	1.01%
Trading expense ratio (d)	0.29%	0.22%	0.19%	0.13%	0.19%
Portfolio turnover rate (e)	53.09%	47.10%	23.73%	38.96%	61.47%
Net asset value per unit (\$) (a)	25.61	24.08	15.09	14.14	19.68
Class O					
Total net asset value (\$000s) (a)	11,081	13,442	10,171	9,829	27,608
Number of units outstanding (a)	265,303	307,278	374,998	382,752	782,730
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)	0.29%	0.22%	0.19%	0.13%	0.19%
Portfolio turnover rate (e)	53.09%	47.10%	23.73%	38.96%	61.47%
Net asset value per unit (\$) (a)	41.77	43.75	27.12	25.68	35.27

(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.

(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. Management expense ratio before performance fee is the MER before any performance fees, if applicable, for the stated year.

(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 A, Class B, Class F, Class G, Class H, Class I, Class M and Class N were increased by 0.30%. On the same day, the administration fees for Class A, Class B, Class E, Class F, Class G, Class H, Class I, Class M and Class N were reduced by 0.30% resulting in a net combined fee equal or lower than the original combined fee before applicable GST or HST.

Pender Small Cap Opportunities Fund

For the year ended December 31, 2025

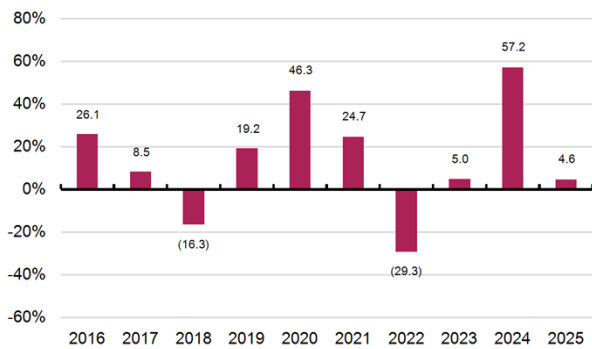
Past Performance

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.

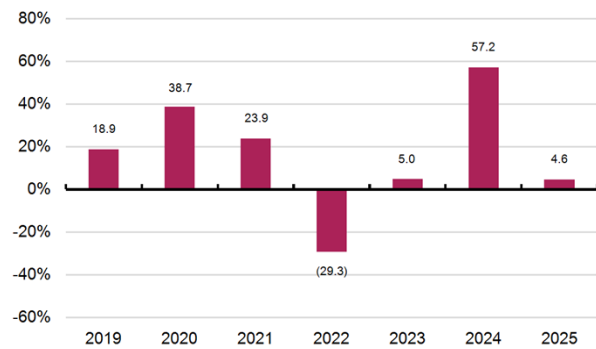
Year-by-Year Returns

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.

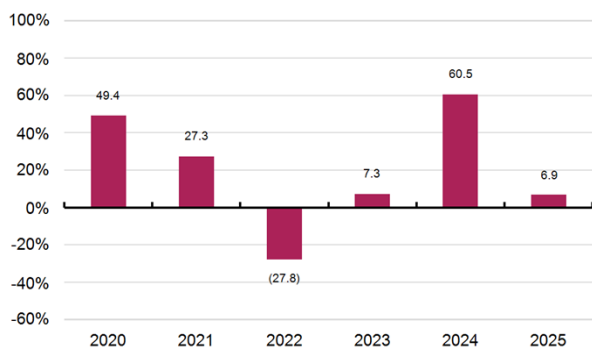
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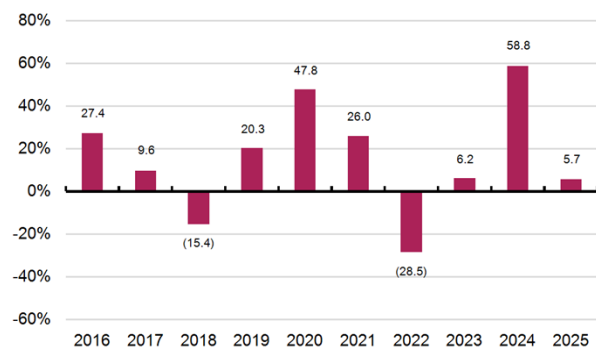
Class B



Class E



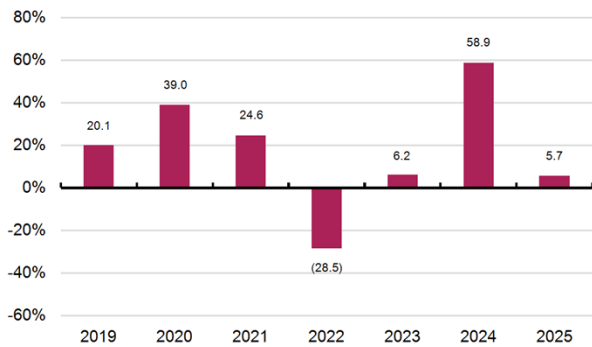
Class F



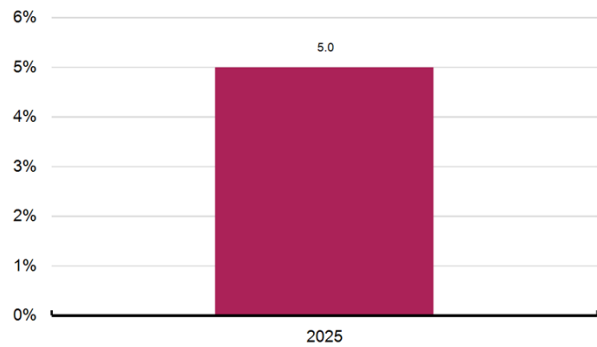
Pender Small Cap Opportunities Fund

For the year ended December 31, 2025

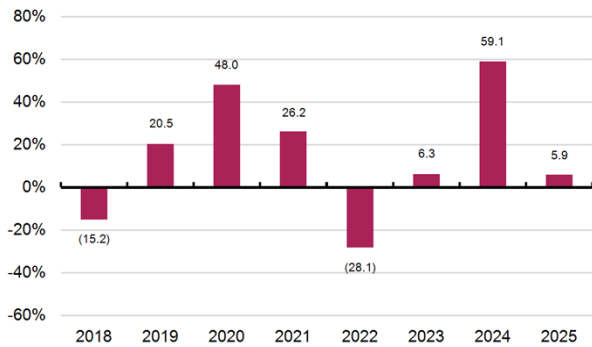
Class G



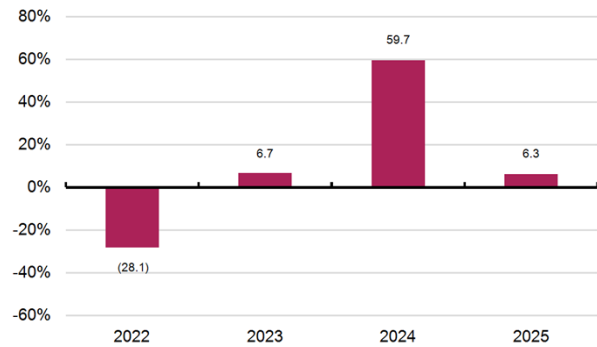
Class H



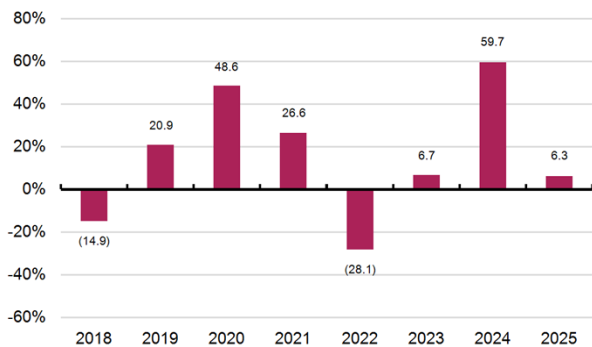
Class I



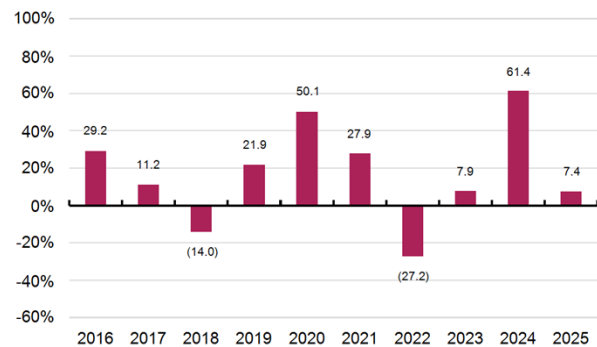
Class M



Class N



Class O



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.

Pender Small Cap Opportunities Fund

For the year ended December 31, 2025

The Fund's broad-based benchmark is S&P/TSX Composite Index. The S&P/TSX Composite Index is a capitalization-weighted index designed to measure market activity of stocks listed on the TSX.

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	4.6	20.0	8.8	11.8	14.7
S&P/TSX		31.7	21.5	16.2	12.7	10.1
Class B	25-Jun-18	4.6	20.0	8.6	-	10.5
S&P/TSX		31.7	21.5	16.2	-	12.7
Class E	30-Aug-19	6.9	22.6	11.1	-	17.8
S&P/TSX		31.7	21.5	16.2	-	14.4
Class F	01-Jun-09	5.7	21.3	9.9	12.9	15.8
S&P/TSX		31.7	21.5	16.2	12.7	10.1
Class G	25-Jun-18	5.7	21.3	9.7	-	11.5
S&P/TSX		31.7	21.5	16.2	-	12.7
Class H	28-Jun-24	5.0	-	-	-	21.2
S&P/TSX		31.7	-	-	-	31.6
Class I	30-Apr-17	5.9	21.5	10.2	-	11.1
S&P/TSX		31.7	21.5	16.2	-	11.9
Class M	25-Jun-21	6.3	21.9	-	-	5.9
S&P/TSX		31.7	21.5	-	-	14.0
Class N	30-Apr-17	6.3	21.9	10.5	-	11.4
S&P/TSX		31.7	21.5	16.2	-	11.9
Class O	24-Jun-11	7.4	23.2	11.7	14.7	17.2
S&P/TSX		31.7	21.5	16.2	12.7	9.7

Pender Small Cap Opportunities 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
Coveo Solutions Inc.	5.0
Tantalus Systems Holding Inc.	4.4
Kraken Robotics Inc.	4.1
PAR Technology Corp.	4.1
NFI Group Inc.	3.9
Zedcor Inc.	3.7
TerraVest Industries Inc.	3.6
TECSYS Inc.	3.4
5N Plus Inc.	3.3
kneat.com, inc.	3.3
Sylogist Ltd.	3.1
Hammond Power Solutions Inc.	3.0
Highlander Silver Corp.	2.8
Sangoma Technologies Corp.	2.8
Telesat Corp., Class 'A'	2.7
Sitka Gold Corp.	2.6
D2L Inc.	2.5
Vitalhub Corp.	2.5
Blackline Safety Corp.	2.4
NGEx Minerals Ltd.	2.4
McDermott International Ltd.	2.3
MDA Space Ltd.	2.3
Thinkific Labs Inc.	2.3
Logan Energy Corp.	2.1
Kinaxis Inc.	2.0

Pender Small Cap Opportunities Fund

For the year ended December 31, 2025

Composition of the Portfolio

	% of Net Assets
Equities	
Information technology	35.8
Materials	18.9
Industrials	16.2
Energy	9.9
Health care	6.6
Consumer staples	4.3
Communication services	2.7
Consumer discretionary	2.5
Utilities	2.3
Financial services	1.2
Total equities	100.4
Warrants	0.8
Total investments	101.2
Purchased put options	0.3
Purchased call options	0.1
Total derivative assets	0.4
Cash (Bank overdraft)	(1.0)
Other assets less liabilities	(0.6)
Total net assets	100.0

Pender Small Cap Opportunities 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 Small Cap Opportunities 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