

March 12, 2026

Dear Unitholder,

The Independent Review Committee (“IRC”) of the Pender Mutual Funds (the “Funds”) is pleased to provide its annual report for the period ended December 31, 2025 as required by National Instrument 81 -107 *Independent Review Committee for Investment Funds*.

The members of the IRC, whose identities are listed in this report, bring to their duties a range of professional experience and skills. The mandate of the IRC is to review conflict of interest matters identified and referred to the IRC by PenderFund Capital Management Ltd. (the “Manager”) in respect of the Funds and to give its approval or recommendation, depending on the nature of the conflict of interest matter.

A “conflict of interest matter” is a situation where a reasonable person would consider the Manager, or an entity related to the Manager, to have an interest that may conflict with the Manager’s ability to act in good faith and in the best interests of the Funds. In each instance where a conflict of interest matter is identified and referred to the IRC, the focus of the IRC is to determine if the Manager’s proposed action achieves a fair and reasonable result for the Funds.

At least annually, the IRC reviews and assesses the adequacy and effectiveness of the policies and procedures relating to conflict of interest matters in respect of the Funds and also conducts a self-assessment of the IRC’s independence, compensation and effectiveness.

As Chair of the IRC, I would like to extend our sincere thanks to Robin Mahood for his dedicated service and valuable contributions since March 7, 2017. Robin concluded his tenure as a member effective March 12, 2026, and we are grateful for the insight, commitment, and professionalism he has brought to the Committee throughout his time with us.

I am also pleased to welcome Natascha Kiernan to the IRC. We are delighted to have her join the Committee and look forward to the perspective and expertise she will bring. She will be a valuable addition to the team and a meaningful contributor to the Committee’s ongoing efforts.

The IRC looks forward to continuing to serve in the best interests of the Funds, and to continuing the collaborative and mutually respectful relationship with the Manager of the Funds.

Yours Very Truly,

(signed) "Leslie Wood"

Leslie Wood
Chair of the Independent Review Committee

**PENDER MUTUAL FUNDS
INDEPENDENT REVIEW COMMITTEE
ANNUAL REPORT TO UNITHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Introduction

The following report describes the Independent Review Committee (the “IRC”) of the Pender Mutual Funds (the “Funds”) managed by PenderFund Capital Management Ltd. (“Manager”) and its related activities for the year ended December 31, 2025.

The Funds are as follows:

Pender Bond Universe Fund
Pender Corporate Bond Fund
Pender Global Small/Mid Cap Equity Fund (*formerly, Pender Value Fund*)
Pender Small Cap Opportunities Fund
Pender Strategic Growth & Income Fund
Pender US Small/Mid Cap Equity Fund
Pender Alternative Absolute Return Fund
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*)
Pender Alternative Special Situations Fund

Membership and Composition

The IRC consists of three members. Each member is independent and has no material relationship with the Funds, Manager or any related entities that could be reasonably perceived to interfere with the member’s judgment regarding a conflict of interest matter.

The following individuals are the members of the IRC as at December 31, 2025.

<u>Name</u>	<u>Length of Service</u>	<u>Other IRC Memberships</u>
Leslie Wood (Chair)	Member since March 9, 2022; Chair since March 7, 2023	Manulife Investment Management Limited; Connor, Clark & Lunn Funds Inc.; Hamilton ETFs
Robin Mahood*	Since March 7, 2017	None
John DeLucchi	Since March 4, 2024	None

* Robin Mahood’s retirement from the IRC, effective March 12, 2026.

Share Ownership

The percentage of securities of each class or series of voting or equity securities beneficially owned, directly or indirectly, in aggregate, by all the members of the IRC:

- a) in the investment fund if the aggregate level of ownership exceeds 10 percent;
- b) in the Manager; or
- c) in any person or company that provides services to the investment fund or the Manager;

is none in all cases.

Compensation

The level of compensation and expenses for the members of the IRC for the year ended December 31, 2025 was:

<u>Committee position</u>	<u>Retainer fee</u>	<u>Meeting fee</u>
Chair	\$15,000	\$1,500
Member	\$10,000	\$1,000

The IRC conducted its annual compensation review, taking into consideration the complexity of the overall organization and funds with respect to potential conflicts, the size of AUM, and relevant industry comparative data. In accordance with NI 81-107, while the initial compensation of IRC members is set by the Manager, subsequent compensation is determined by the IRC. Following its review, a recommendation was made by the IRC and accepted by the Manager to increase the base retainer effective January 1, 2026 (by \$3,000 for the Chair and \$3,500 per member), bringing the total retainer to \$18,000 for the Chair and \$13,500 for each member. The IRC determined that the revised compensation is fair and reasonable in light of the above factors and competitive in order to retain existing members and attract qualified new members going forward.

For the year ended December 31, 2025, a total of \$ 44,500 was paid by the Funds to the IRC for retainer and meeting fees. These amounts were reimbursed by the Manager to the Funds, at its discretion and as a gesture of goodwill. Compensation to the IRC is allocated to the Funds proportionately based on the net asset value of the Fund. No amounts were paid to the IRC members by the Funds under indemnities in their favour.

Each IRC member is also reimbursed for certain out-of-pocket costs associated with the performance of their duties. For the year ended December 31, 2025, \$2,369.21 was reimbursed for such expense.

Activities, Reviews and Approvals

During the year ended December 31, 2025, the Manager informed the IRC that it relied on positive recommendations and standing instructions granted by the IRC relating to conflicts of interest matters. The standing instructions require the Manager to follow its policies and procedures related to the applicable conflict of interest matters in all material respects and to report to the IRC. In certain cases, prior approval of the IRC is required.

On September 19, 2025, the IRC met with the Manager and received a draft Notice and Information Circular regarding proposed changes to administration and management fees for the Funds, excluding the Pender US Small/Mid Equity Fund and the Pender Alternative Select Equity Fund. The materials also addressed proposed class consolidations and the termination of certain classes, which did not require shareholder approval. Following the meeting, the IRC reviewed and approved the matter on September 25, 2025, having determined that the proposals would achieve a fair and reasonable result for the Funds. A special meeting of shareholders was held on October 31, 2025. Shareholders approved the proposed fee changes, except for certain classes of the Pender Corporate Bond Fund and the Pender Global Small Mid Cap Equity Fund. The class consolidations and fee changes became effective on December 7, 2025. An amendment to the Simplified Prospectus was filed on November 27, 2025, to reflect the approved changes.

Certificate

For the year ended December 31, 2025:

- a) There were no instances of proposed actions involving a conflict of interest matter or potential conflict of interest matter that were referred to the IRC by the Manager for consideration, other than in accordance with the Standing Instructions as approved by the IRC and dated March 4, 2021, except for the fee changes and class consolidation noted above; and
- b) The IRC is not aware of any instances where the Manager was involved in a conflict of interest matter.

This report is respectfully submitted to you on behalf of the Independent Review Committee of the Funds.

Vancouver, British Columbia

(signed) "Leslie Wood"

March 12, 2026

Leslie Wood
Chair of the Independent Review Committee