PENDER
PenderFund Capital Management Ltd.

Unaudited Semi-Annual Financial Statements of
PENDER ALTERNATIVE MUTUAL FUNDS

Six months ended June 30, 2026

NOTICE OF NO AUDITOR REVIEW OF THE SEMI-ANNUAL FINANCIAL STATEMENTS

PenderFund Capital Management Ltd., the Manager of the Pender Alternative Mutual Funds (the "Funds"), appoints an independent auditor to audit the Funds' Annual Financial Statements. In accordance with Canadian securities laws (National Instrument 81-106 "Investment Fund Continuous Disclosure"), the Manager must disclose if an auditor has not reviewed the Semi-Annual Financial Statements.

The Funds' independent auditor has not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

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Pender Alternative Absolute Return Fund

Statements of Financial Position (Unaudited)

June 30, 2026 and December 31, 2025

	2026 ($)	2025 ($)
Assets		
Cash	213,257,604	76,665,736
Receivable for investments sold	2,863,447	-
Subscriptions receivable	2,196,028	1,002,012
Interest receivable	13,012,223	13,466,562
Investments	924,553,421	1,004,221,577
	1,155,882,723	**1,095,355,887**
Liabilities		
Management and administration fees payable (note 4)	649,280	716,522
Payable for investments purchased	9,927,750	-
Redemptions payable to holders of redeemable units	2,575,123	14,098,113
Distributions payable to holders of redeemable units	1,587,821	-
Payable for interest and dividends on short securities	2,665,724	1,928,638
Performance fees payable (note 4)	219	13,892
Derivative liabilities	1,804,757	279,286
Investments sold short	478,012,476	432,948,996
	497,223,150	**449,985,447**
Net assets attributable to holders of redeemable units	**658,659,573**	**645,370,440**
Net assets attributable to holders of redeemable units per class:		
Class A (formerly Class H)	41,170,368	48,964,558
Class AF	4,098,537	5,617,118
Class A (USD) (formerly Class H (USD))	1,000,844	910,019
Class E	2,363,591	3,318,859
Class F (formerly Class I)	495,555,147	496,734,211
Class FF	43,068,660	51,035,779
Class F (USD) (formerly Class I (USD))	19,964,502	17,425,769
Class N	5,348	5,294
Class O	51,432,576	21,358,833
	658,659,573	**645,370,440**

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

	2026 ($)	2025 ($)
Net assets attributable to holders of redeemable units per unit:		
Class A (formerly Class H)	8.70	8.97
Class AF	8.77	9.04
Class A (USD) (formerly Class H (USD))	12.48	12.40
Class E	8.52	8.81
Class F (formerly Class I)	8.57	8.84
Class FF	8.72	9.01
Class F (USD) (formerly Class I (USD))	12.44	12.36
Class N	8.74	9.03
Class O	8.88	9.18

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 (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Revenue		
Interest for distribution purposes	28,248,828	27,421,794
Dividend income	565,702	317,916
Interest and dividend expense on securities sold short	(7,867,831)	(6,776,582)
Foreign exchange gain (loss)	3,130,601	(2,475,276)
Changes in fair value of investments and derivatives:		
Net realized gain (loss)	7,448,550	(3,585,722)
Net change in unrealized appreciation (depreciation)	(19,573,140)	(5,261,091)
Total revenue	**11,952,710**	**9,641,039**
Expenses		
Management fees (note 4)	3,288,348	2,331,698
Interest and borrowing fees expense	1,582,646	1,474,003
Administration fees (note 4)	675,724	2,022,537
Transaction costs	33,072	28,316
Withholding taxes (note 6)	4,392	-
Independent review committee fees	2,737	4,015
Performance fees (note 4)	219	-
Total expenses	**5,587,138**	**5,860,569**
Less: Expenses absorbed by the Manager (note 4)	(2,737)	(4,015)
Net expenses	**5,584,401**	**5,856,554**
Increase (decrease) in net assets attributable to holders of redeemable units	**6,368,309**	**3,784,485**
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	-	50,330
Class A (formerly Class H)	255,317	35,560
Class AF	39,689	53,505
Class A (USD)	-	(24,705)
Class A (USD) (formerly Class H (USD))	40,280	(37,749)
Class E	60,211	34,471
Class F	-	893,044
Class F (formerly Class I)	4,487,535	3,116,208
Class FF	599,456	821,852
Class F (USD)	-	(167,129)
Class F (USD) (formerly Class I (USD))	578,050	(1,127,416)
Class N	54	41,490
Class O	307,717	95,024
	6,368,309	**3,784,485**
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	-	0.02
Class A (formerly Class H)	0.05	0.01
Class AF	0.07	0.07
Class A (USD)	-	(0.53)
Class A (USD) (formerly Class H (USD))	0.55	(0.57)
Class E	0.19	0.11
Class F	-	0.08
Class F (formerly Class I)	0.08	0.07
Class FF	0.11	0.11
Class F (USD)	-	(0.69)
Class F (USD) (formerly Class I (USD))	0.34	(0.58)
Class N	0.09	0.08
Class O	0.09	0.13

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

Pender Alternative Absolute Return Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2026 and 2025

Class A	2026 ($)	2025 ($)
Balance, beginning of period	-	18,790,079
Increase (decrease) in net assets attributable to holders of redeemable units	-	50,330
Unit transactions:		
Proceeds from issue of redeemable units	-	10,883,523
Issued on reinvestment of distributions	-	403,583
Amounts paid on redemption of redeemable units	-	(8,607,414)
	-	**2,679,692**
Distributions paid from:		
Net investment income	-	(513,287)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**(513,287)**
Balance, end of period	**-**	**21,006,814**

Class A (formerly Class H)	2026 ($)	2025 ($)
Balance, beginning of period	48,964,558	17,741,317
Increase (decrease) in net assets attributable to holders of redeemable units	255,317	35,560
Unit transactions:		
Proceeds from issue of redeemable units	3,654,539	16,536,744
Issued on reinvestment of distributions	1,151,342	557,602
Amounts paid on redemption of redeemable units	(11,284,461)	(3,183,504)
	(6,478,580)	**13,910,842**
Distributions paid from:		
Net investment income	(1,570,927)	(717,606)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(1,570,927)	**(717,606)**
Balance, end of period	**41,170,368**	**30,970,113**

Class AF	2026 ($)	2025 ($)
Balance, beginning of period	5,617,118	7,490,865
Increase (decrease) in net assets attributable to holders of redeemable units	39,689	53,505
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	115,547	131,874
Amounts paid on redemption of redeemable units	(1,488,635)	(422,270)
	(1,373,088)	**(290,396)**
Distributions paid from:		
Net investment income	(185,182)	(205,680)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(185,182)	**(205,680)**
Balance, end of period	**4,098,537**	**7,048,294**

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

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

Six months ended June 30, 2026 and 2025

Class A (USD)	2026 ($)	2025 ($)
Balance, beginning of period	-	432,353
Increase (decrease) in net assets attributable to holders of redeemable units	-	(24,705)
Unit transactions:		
Proceeds from issue of redeemable units	-	557,990
Issued on reinvestment of distributions	-	13,178
Amounts paid on redemption of redeemable units	-	(398,314)
	-	**172,854**
Distributions paid from:		
Net investment income	-	(15,271)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**(15,271)**
Balance, end of period	**-**	**565,231**

Class A (USD) (formerly Class H (USD))	2026 ($)	2025 ($)
Balance, beginning of period	910,019	1,099,666
Increase (decrease) in net assets attributable to holders of redeemable units	40,280	(37,749)
Unit transactions:		
Proceeds from issue of redeemable units	164,416	469,218
Issued on reinvestment of distributions	31,063	19,693
Amounts paid on redemption of redeemable units	(113,056)	(571,018)
	82,423	**(82,107)**
Distributions paid from:		
Net investment income	(31,878)	(20,258)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(31,878)	**(20,258)**
Balance, end of period	**1,000,844**	**959,552**

Class E	2026 ($)	2025 ($)
Balance, beginning of period	3,318,859	2,998,177
Increase (decrease) in net assets attributable to holders of redeemable units	60,211	34,471
Unit transactions:		
Proceeds from issue of redeemable units	133,371	773,899
Issued on reinvestment of distributions	124,530	104,639
Amounts paid on redemption of redeemable units	(1,148,850)	(533,491)
	(890,949)	**345,047**
Distributions paid from:		
Net investment income	(124,530)	(104,718)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(124,530)	**(104,718)**
Balance, end of period	**2,363,591**	**3,272,977**

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

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

Six months ended June 30, 2026 and 2025

Class F	2026 ($)	2025 ($)
Balance, beginning of period	-	89,416,188
Increase (decrease) in net assets attributable to holders of redeemable units	-	893,044
Unit transactions:		
Proceeds from issue of redeemable units	-	82,272,951
Issued on reinvestment of distributions	-	2,583,082
Amounts paid on redemption of redeemable units	-	(66,752,375)
	-	**18,103,658**
Distributions paid from:		
Net investment income	-	(3,457,395)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**(3,457,395)**
Balance, end of period	**-**	**104,955,495**

Class F (formerly Class I)	2026 ($)	2025 ($)
Balance, beginning of period	496,734,211	327,378,069
Increase (decrease) in net assets attributable to holders of redeemable units	4,487,535	3,116,208
Unit transactions:		
Proceeds from issue of redeemable units	145,650,322	210,503,157
Issued on reinvestment of distributions	12,198,699	8,871,840
Amounts paid on redemption of redeemable units	(143,155,215)	(63,907,072)
	14,693,806	**155,467,925**
Distributions paid from:		
Net investment income	(20,360,405)	(13,125,257)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(20,360,405)	**(13,125,257)**
Balance, end of period	**495,555,147**	**472,836,945**

Class FF	2026 ($)	2025 ($)
Balance, beginning of period	51,035,779	67,933,203
Increase (decrease) in net assets attributable to holders of redeemable units	599,456	821,852
Unit transactions:		
Proceeds from issue of redeemable units	628,243	31,972
Issued on reinvestment of distributions	1,279,922	1,909,799
Amounts paid on redemption of redeemable units	(8,393,835)	(1,899,978)
	(6,485,670)	**41,793**
Distributions paid from:		
Net investment income	(2,080,905)	(2,276,017)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(2,080,905)	**(2,276,017)**
Balance, end of period	**43,068,660**	**66,520,831**

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

Six months ended June 30, 2026 and 2025

Class F (USD)	2026 ($)	2025 ($)
Balance, beginning of period	-	2,679,181
Increase (decrease) in net assets attributable to holders of redeemable units	-	(167,129)
Unit transactions:		
Proceeds from issue of redeemable units	-	3,316,091
Issued on reinvestment of distributions	-	71,856
Amounts paid on redemption of redeemable units	-	(1,771,357)
	-	**1,616,590**
Distributions paid from:		
Net investment income	-	(94,476)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**(94,476)**
Balance, end of period	**-**	**4,034,166**

Class F (USD) (formerly Class I (USD))	2026 ($)	2025 ($)
Balance, beginning of period	17,425,769	13,182,825
Increase (decrease) in net assets attributable to holders of redeemable units	578,050	(1,127,416)
Unit transactions:		
Proceeds from issue of redeemable units	12,252,308	18,787,467
Issued on reinvestment of distributions	583,834	466,149
Amounts paid on redemption of redeemable units	(10,082,242)	(3,492,805)
	2,753,900	**15,760,811**
Distributions paid from:		
Net investment income	(793,217)	(796,887)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(793,217)	**(796,887)**
Balance, end of period	**19,964,502**	**27,019,333**

Class N	2026 ($)	2025 ($)
Balance, beginning of period	5,294	4,300,877
Increase (decrease) in net assets attributable to holders of redeemable units	54	41,490
Unit transactions:		
Proceeds from issue of redeemable units	-	834,545
Issued on reinvestment of distributions	229	24,188
Amounts paid on redemption of redeemable units	-	-
	229	**858,733**
Distributions paid from:		
Net investment income	(229)	(156,900)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(229)	**(156,900)**
Balance, end of period	**5,348**	**5,044,200**

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

Six months ended June 30, 2026 and 2025

Class O	2026 ($)	2025 ($)
Balance, beginning of period	21,358,833	5,694,431
Increase (decrease) in net assets attributable to holders of redeemable units	307,717	95,024
Unit transactions:		
Proceeds from issue of redeemable units	30,772,242	2,446,383
Issued on reinvestment of distributions	1,681,184	293,362
Amounts paid on redemption of redeemable units	(1,006,216)	(129,811)
	31,447,210	**2,609,934**
Distributions paid from:		
Net investment income	(1,681,184)	(293,362)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(1,681,184)	**(293,362)**
Balance, end of period	**51,432,576**	**8,106,027**

Total Fund	2026 ($)	2025 ($)
Balance, beginning of period	645,370,440	559,137,231
Increase (decrease) in net assets attributable to holders of redeemable units	6,368,309	3,784,485
Unit transactions:		
Proceeds from issue of redeemable units	193,255,441	347,413,940
Issued on reinvestment of distributions	17,166,350	15,450,845
Amounts paid on redemption of redeemable units	(176,672,510)	(151,669,409)
	33,749,281	**211,195,376**
Distributions paid from:		
Net investment income	(26,828,457)	(21,777,114)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(26,828,457)	**(21,777,114)**
Balance, end of period	**658,659,573**	**752,339,978**

Pender Alternative Absolute Return Fund

Statements of Cash Flows (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	6,368,309	3,784,485
Adjustments for:		
Interest for distribution purposes	(28,248,828)	(27,421,794)
Dividend income	(565,702)	(317,916)
Interest and dividend expense on securities sold short	7,867,831	6,776,582
Foreign exchange (gain) loss	(3,130,601)	2,475,276
Net realized (gain) loss on sale of investments	(8,168,150)	378,347
Net change in unrealized (appreciation) depreciation of investments	18,047,669	13,049,095
Derivative assets and liabilities	1,525,471	(7,788,004)
Performance fees payable	(13,673)	(1,932,144)
Management and administration fees payable	(67,242)	197,414
	(6,384,916)	**(10,798,659)**
Proceeds on disposal of investments	1,464,318,865	1,420,332,255
Amounts paid on purchase of investments and securities sold short	(1,342,402,445)	(1,583,121,787)
Interest and dividend expense paid on securities sold short	(7,130,745)	(6,274,203)
Dividends received	565,702	317,916
Interest received	28,703,167	23,885,102
	137,669,628	**(155,659,376)**
Financing:		
Proceeds from issue of redeemable units	190,001,789	303,183,212
Amounts paid on redemption of redeemable units	(186,135,864)	(98,967,557)
Distributions paid to unitholders	(8,074,286)	(5,176,971)
	(4,208,361)	**199,038,684**
Net increase (decrease) in cash	133,461,267	43,379,308
Cash (Bank overdraft), beginning of period	76,665,736	47,731,428
Effect of exchange rate fluctuations on cash	3,130,601	(2,475,276)
Cash (Bank overdraft), end of period	**213,257,604**	**88,635,460**

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

Pender Alternative Absolute Return Fund

Schedule of Investment Portfolio (Unaudited)

June 30, 2026

	Issue currency	Number of shares / Face value ($)	Cost ($)	Fair value ($)
LONG POSITIONS				
Corporate bonds and loans:				
Canada (68.3%):				
Artemis Gold Inc., Callable, 5.63%, 2031/02/15	CAD	7,000,000	7,000,000	7,091,146
Athabasca Oil Corp., Callable, 6.75%, 2029/08/09	CAD	14,000,000	14,029,556	14,536,375
ATS Corp., Callable, 6.50%, 2032/08/21	CAD	22,000,000	22,043,796	22,705,833
Boyd Group Services Inc., Callable, 5.50%, 2030/11/06	CAD	10,000,000	10,000,000	10,143,750
Boyd Group Services Inc., Callable, 5.75%, 2033/09/04	CAD	7,000,000	7,000,000	7,092,167
Cardinal Energy Ltd., Callable, 7.75%, 2030/03/31	CAD	3,000,000	3,000,000	3,079,500
Cardinal Energy Ltd., Callable, 8.25%, 2030/09/30	CAD	3,000,000	3,000,000	3,150,000
Chemtrade Logistics Inc., Callable, 6.38%, 2029/08/28	CAD	18,650,000	18,683,026	19,248,354
Chemtrade Logistics Inc., Callable, 5.75%, 2032/10/01	CAD	10,000,000	10,000,000	10,103,125
Cooper Equipment Rentals Ltd., Callable, 7.45%, 2029/07/04	CAD	7,000,000	6,994,167	7,086,771
Doman Building Materials Group Ltd., Callable, 7.50%, 2029/09/17	CAD	3,000,000	3,045,000	3,094,185
Enbridge Inc., Discount Note, 4.05%, 2026/07/14	USD	16,000,000	22,328,167	22,621,655
Enbridge Inc., Discount Note, 2.82%, 2026/07/16	CAD	35,600,000	35,501,388	35,501,388
Enbridge Inc., Discount Note, 2.82%, 2026/07/22	CAD	14,000,000	13,961,220	13,961,220
Enbridge Inc., Discount Note, 2.82%, 2026/07/23	CAD	22,000,000	21,939,060	21,939,060
Enbridge Inc., Restricted, Callable, 5.00%, 2082/01/19	CAD	3,000,000	2,573,850	3,026,967
Fiera Capital Corp., Callable, 7.75%, 2030/06/30	CAD	939,000	942,052	971,959
Keyera Corp., Series '10', Callable, 4.64%, 2036/07/15	CAD	1,000,000	999,960	1,004,100
Keyera Corp., Variable Rate, Convertible, Callable, 6.88%, 2079/06/13	CAD	1,000,000	955,625	1,064,980
Kruger Products Inc., Callable, 5.38%, 2029/04/09	CAD	780,000	748,800	781,755
Kruger Products Inc., Callable, 6.25%, 2032/12/10	CAD	7,000,000	7,000,000	7,168,525
Mattr Corp., Callable, 7.25%, 2031/04/02	CAD	14,000,000	14,112,109	14,463,750
MDA Space Ltd., Callable, 7.00%, 2030/12/23	CAD	8,000,000	8,000,000	8,400,133
North American Construction Group Ltd., Callable, 7.00%, 2031/06/16	CAD	7,000,000	7,000,000	7,121,520
NOVA Chemicals Corp., Callable, 4.25%, 2029/05/15	USD	6,100,000	8,216,605	8,445,034
Precision Drilling Corp., Callable, 6.88%, 2029/01/15	USD	5,000,000	6,937,162	7,132,911
Ritchie Bros. Holdings Inc., Callable, 6.75%, 2028/03/15	USD	9,085,000	12,882,577	13,000,700
Rogers Sugar Inc., Convertible, Callable, 6.00%, 2030/06/30	CAD	5,000,000	5,000,000	5,435,000
Saturn Oil & Gas Inc., Callable, 9.63%, 2029/06/15	USD	20,504,000	29,452,848	30,376,466
Secure Waste Infrastructure Corp., 6.75%, 2029/03/22	CAD	19,315,000	19,670,104	20,041,244
Secure Waste Infrastructure Corp., 5.75%, 2032/11/20	CAD	4,000,000	4,000,000	4,142,500
Skeena Resources Ltd., Callable, 8.50%, 2031/04/01	USD	1,000,000	1,392,050	1,492,751
Sollio Groupe Coopératif, Callable, 5.88%, 2032/11/03	CAD	10,000,000	10,000,000	9,893,750
Surge Energy Inc., Callable, 8.50%, 2029/09/05	CAD	14,000,000	14,045,000	14,548,333
Tamarack Valley Energy Ltd., Callable, 6.88%, 2030/07/25	CAD	14,000,000	14,093,750	14,743,549
Teine Energy Ltd., Callable, 6.88%, 2029/04/15	USD	5,627,000	7,321,039	7,995,313
Tenaz Energy Corp., Callable, 12.00%, 2029/11/14	CAD	22,000,000	22,840,700	24,431,000
Videotron Ltd., Callable, 3.63%, 2028/06/15	CAD	16,000	13,880	16,001
Wolf Midstream Canada L.P., Callable, 6.40%, 2029/07/18	CAD	13,000,000	13,055,552	13,475,800
Wolf Midstream Canada L.P., Callable, 5.95%, 2033/07/18	CAD	29,611,000	30,025,045	30,306,060
			439,804,088	**450,834,630**

	Issue currency	Number of shares / Face value ($)	Cost ($)	Fair value ($)
LONG POSITIONS (cont'd)				
Corporate bonds and loans: (cont'd)				
United States (53.4%):				
Antero Midstream Partners L.P., Callable, 5.75%, 2028/01/15	USD	3,989,000	5,425,038	5,658,129
Beazer Homes USA Inc., Callable, 8.00%, 2032/01/15	USD	4,000,000	5,608,899	5,696,220
Block Communications Inc., Callable, 10.25%, 2031/03/01	USD	5,000,000	6,407,237	6,492,926
CCO Holdings LLC, Callable, 4.75%, 2032/02/01	USD	3,000,000	3,676,267	3,817,871
Cedar Fair L.P., Callable, 6.50%, 2028/10/01	USD	5,000,000	6,826,904	7,106,993
Celanese US Holdings LLC, Callable, 1.40%, 2026/08/05	USD	4,147,000	5,614,128	5,857,543
Century Aluminum Co., Callable, 6.88%, 2032/08/01	USD	2,000,000	2,753,209	2,919,178
Charter Communications Operating LLC, Term Loan, 5.90%, 2031/12/15	USD	1,732	2,468	2,426
Edged Compute LLC, Sinkable, 7.50%, 2031/04/30	USD	6,150,000	8,369,097	8,506,593
Gaia Purchaser Inc., Callable, 7.63%, 2033/07/15	USD	1,000,000	1,423,250	1,436,968
Gee Automotive Holdings LLC, Callable, 7.25%, 2031/03/01	USD	17,101,000	23,690,027	24,600,803
Hilton USA Trust, Class 'A', Series '16-HHV', 3.72%, 2038/11/05	USD	5,000,000	6,764,962	7,067,348
Hilton USA Trust, Class 'D', Series '16-HHV', 4.33%, 2038/11/05	USD	920,000	1,150,625	1,300,160
Hilton USA Trust, Class 'E', Series '16-HHV', 4.19%, 2038/11/05	USD	3,745,000	4,664,641	5,286,083
Hilton USA Trust, Class 'F', Series '16-HHV', 4.33%, 2038/11/05	USD	30,444,000	38,897,140	42,774,861
Hudson Yards, Class 'F', Series '25-SPRL', 7.40%, 2040/01/13	USD	600,000	861,570	860,377
Kraken Oil & Gas Partners LLC, Callable, 7.13%, 2031/05/15	USD	23,000,000	31,616,888	31,916,387
Macy's Retail Holdings LLC, 6.38%, 2037/03/15	USD	1,155,000	1,331,166	1,537,190
Meridian Arc Holdco LLC, Callable, 6.25%, 2031/04/30	USD	10,000,000	13,780,410	14,226,026
Millrose Properties Inc., Callable, 6.38%, 2030/08/01	USD	100,000	137,882	143,839
Neptune Bidco US Inc., Callable, 9.29%, 2029/04/15	USD	2,000,000	2,739,035	2,894,793
Neptune Bidco US Inc., Callable, 10.38%, 2031/05/15	USD	2,500,000	3,442,241	3,677,806
Oceaneering International Inc., Callable, 6.88%, 2034/07/15	USD	4,000,000	5,693,000	5,762,730
Open Text Holdings Inc., Callable, 4.13%, 2031/12/01	USD	100,000	120,931	124,603
Peak Achievement Athletics Inc., Callable, 6.13%, 2033/09/11	CAD	31,400,000	31,422,000	31,442,521
PR RNO Property Owner 1 LLC, Sinkable, Callable, 6.50%, 2031/05/01	USD	16,000,000	21,693,627	22,689,470
RHP Hotel Properties L.P., Term Loan, 5.39%, 2030/05/20	USD	1,743,405	2,375,285	2,476,702
Rivian Holdings LLC, Callable, 10.00%, 2031/01/15	USD	20,000,000	26,307,087	28,269,494
Six Flags Entertainment Corp., Callable, 8.63%, 2032/01/15	USD	5,534,000	7,698,350	8,089,555
Sunoco L.P., Callable, 5.88%, 2027/07/15	USD	3,511,000	4,810,428	4,980,097
Sunoco L.P., Callable, 5.88%, 2028/03/15	USD	2,905,000	4,016,835	4,120,481
Sunoco L.P., Callable, 6.00%, 2028/06/22	CAD	45,000,000	45,329,850	45,092,249
Sunoco L.P., Callable, 4.38%, 2029/03/26	CAD	9,500,000	9,434,150	9,469,040

	Issue currency	Number of shares / Face value ($)	Cost ($)	Fair value ($)
LONG POSITIONS (cont'd)				
Corporate bonds and loans: (cont'd)				
United States (53.4%): (cont'd)				
SV RNO Property Owner 1 LLC, Sinkable, Callable, 5.88%, 2031/03/01	USD	3,697,000	5,013,615	5,171,567
THOR Industries, Inc., Term Loan, 5.89%, 2030/11/15	USD	111,111	152,655	157,583
			339,250,897	**351,626,612**
Foreign (2.5%):				
Mineral Resources Ltd., Callable, 6.00%, 2032/05/01	USD	1,500,000	2,051,025	2,106,376
Mineral Resources Ltd., Callable, 6.25%, 2034/05/01	USD	1,500,000	2,051,025	2,096,502
Stena International SA, Callable, 7.25%, 2031/01/15	USD	2,500,000	3,356,623	3,628,341
Viking Cruises Ltd., Callable, 7.00%, 2029/02/15	USD	6,000,000	8,390,175	8,543,036
			15,848,848	**16,374,255**
Total corporate bonds and loans (124.2%)			**794,903,833**	**818,835,497**
Government bonds (16.1%):				
Government of Canada, 2.25%, 2028/02/01	CAD	50,000,000	49,481,099	49,651,665
United States Treasury, 3.69%, 2026/07/28	USD	40,000,000	55,030,521	56,066,259
			104,511,620	**105,717,924**
Total long positions (140.3%)			**899,415,453**	**924,553,421**
SHORT POSITIONS				
Corporate bonds and loans:				
Canada (-2.7%):				
Allied Properties REIT, Callable, 3.10%, 2032/02/06	CAD	(11,000,000)	(9,818,240)	(10,106,205)
Open Text Corp., Callable, 3.88%, 2029/12/01	USD	(1,466,000)	(1,819,116)	(1,913,061)
Rogers Communications Inc., Variable Rate, Convertible, Callable, 5.63%, 2055/04/15	CAD	(2,000,000)	(1,960,000)	(2,017,602)
Superior Plus L.P., Callable, 4.50%, 2029/03/15	USD	(2,726,000)	(3,506,637)	(3,749,005)
			(17,103,993)	**(17,785,873)**
United States (-24.5%):				
Asbury Automotive Group, Inc., Callable, 4.63%, 2029/11/15	USD	(5,000,000)	(6,255,885)	(6,909,847)
Asbury Automotive Group, Inc., Callable, 4.75%, 2030/03/01	USD	(2,000,000)	(2,484,504)	(2,758,817)
Ball Corporation, Callable, 3.13%, 2031/09/15	USD	(16,696,000)	(18,566,826)	(21,445,760)
Celanese US Holdings LLC, Callable, 6.70%, 2033/11/15	USD	(1,792,000)	(2,736,856)	(2,717,668)
CoreWeave Inc., Callable, 9.00%, 2031/02/01	USD	(4,000,000)	(5,621,413)	(5,609,196)
Cyprium Corp., Callable, 6.38%, 2034/04/15	USD	(1,000,000)	(1,394,804)	(1,418,974)
Park Intermediate Holdings LLC, Callable, 4.88%, 2029/05/15	USD	(20,131,000)	(26,385,910)	(27,934,777)
RLJ Lodging Trust L.P., Callable, 4.00%, 2029/09/15	USD	(20,913,000)	(25,341,041)	(28,267,796)
Sirius XM Holdings Inc., Callable, 4.13%, 2030/07/01	USD	(2,000,000)	(2,361,835)	(2,671,487)
Sirius XM Holdings Inc., Callable, 3.88%, 2031/09/01	USD	(10,000,000)	(11,305,303)	(12,902,243)
THOR Industries, Inc., Callable, 4.00%, 2029/10/15	USD	(4,787,000)	(5,714,166)	(6,449,119)
TransDigm Inc., Callable, 6.00%, 2033/01/15	USD	(3,000,000)	(4,231,101)	(4,299,216)
United Airlines Holdings Inc., Callable, 5.38%, 2031/03/01	USD	(4,968,000)	(6,762,971)	(7,004,429)
WESCO Distribution Inc., Callable, 6.38%, 2033/03/15	USD	(4,400,000)	(6,113,654)	(6,406,554)
XHR L.P., Callable, 4.88%, 2029/06/01	USD	(3,000,000)	(3,906,942)	(4,180,544)
Yum! Brands, Inc., Callable, 3.63%, 2031/03/15	USD	(15,180,000)	(18,138,549)	(20,077,743)
			(147,321,760)	**(161,054,170)**
Total corporate bonds and loans (-27.2%)			**(164,425,753)**	**(178,840,043)**

	Issue currency	Number of shares / Face value ($)	Cost ($)	Fair value ($)
SHORT POSITIONS (cont'd)				
Government bonds (-3.9%):				
Government of Canada, 3.25%, 2036/06/01	CAD	(1,000,000)	(986,220)	(989,446)
United States Treasury, 1.25%, 2031/08/15	USD	(2,600,000)	(3,179,290)	(3,189,552)
United States Treasury, 1.38%, 2031/11/15	USD	(6,000,000)	(7,303,384)	(7,341,767)
United States Treasury, 1.88%, 2032/02/15	USD	(3,000,000)	(3,560,190)	(3,750,162)
United States Treasury, 2.88%, 2032/05/15	USD	(6,000,000)	(7,715,818)	(7,909,514)
United States Treasury, 4.13%, 2032/11/15	USD	(2,000,000)	(2,816,444)	(2,814,838)
			(25,561,346)	**(25,995,279)**
Common shares:				
Consumer discretionary (-0.04%):				
Rivian Automotive Inc., Class 'A'	USD	(125,000)	(2,854,047)	(3,075,830)
			(2,854,047)	**(3,075,830)**
Financial services (-0.05%):				
RFA Financial Inc.	CAD	(118,500)	(3,165,710)	(3,129,585)
			(3,165,710)	**(3,129,585)**
Total common shares (short) (-0.09%)			**(6,019,757)**	**(6,205,415)**
Exchange-traded fund(s) (-40.5%):				
Invesco QQQ Trust, Series '1'	USD	(40,000)	(22,283,932)	(41,775,972)
iShares Broad USD High Yield Corporate Bond ETF	USD	(810,000)	(41,415,686)	(42,527,928)
iShares iBoxx High Yield Corporate Bond ETF	USD	(349,900)	(36,686,307)	(39,684,766)
iShares Russell 2000 ETF	USD	(115,000)	(30,689,729)	(49,003,020)
SPDR Bloomberg High Yield Bond ETF	USD	(260,000)	(33,191,341)	(35,535,956)
Vanguard S&P 500 ETF	USD	(60,000)	(52,110,869)	(58,444,097)
			(216,377,864)	**(266,971,739)**
Total short positions (-72.5%)			**(412,384,720)**	**(478,012,476)**
Less: Transaction costs included in cost of investments			(15,358)	
Total investments (67.8%)			**487,015,375**	**446,540,945**

	Contract rate	Pay - USD	Receive - CAD	Unrealized gain (loss)
Derivative liabilities:				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2026/07/22	1.37	40,000,000	54,874,120	(1,804,757)
Total derivative liabilities (-0.3%):				**(1,804,757)**
Cash (Bank overdraft) (32.4%)				213,257,604
Other assets less liabilities (0.1%)				665,781
Total net assets attributable to holders of redeemable units (100.0%)				**658,659,573**

Pender Alternative Arbitrage Fund

Statements of Financial Position (Unaudited)

June 30, 2026 and December 31, 2025

	2026 ($)	2025 ($)
Assets		
Cash	952,018	709,845
Receivable for investments sold	-	316,246
Subscriptions receivable	-	27,324
Dividends receivable	3,783	3,583
Interest receivable	1,281	1,216
Investments	8,452,580	10,848,804
	9,409,662	**11,907,018**
Liabilities		
Management and administration fees payable (note 4)	5,403	6,566
Redemptions payable to holders of redeemable units	16,487	36,579
Payable for interest and dividends on short securities	748	4,241
Performance fees payable (note 4)	4,479	25,547
Derivative liabilities	237,324	22,994
Investments sold short	651,086	1,500,564
	915,527	**1,596,491**
Net assets attributable to holders of redeemable units	**8,494,135**	**10,310,527**
Net assets attributable to holders of redeemable units per class:		
Class A (formerly Class H)	33,560	73,698
Class AF	410,700	525,278
Class E	168,500	177,544
Class F (formerly Class I)	1,808,422	2,136,964
Class FF	4,493,608	5,380,447
Class F (USD) (formerly Class I (USD))	24,341	23,410
Class O	1,555,004	1,993,186
	8,494,135	**10,310,527**
Net assets attributable to holders of redeemable units per unit:		
Class A (formerly Class H)	9.05	9.08
Class AF	9.48	9.51
Class E	8.90	8.85
Class F (formerly Class I)	9.68	9.67
Class FF	9.82	9.79
Class F (USD) (formerly Class I (USD))	14.19	13.64
Class O	9.88	9.82

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

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

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

Pender Alternative Arbitrage Fund

Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Revenue		
Interest for distribution purposes	20,511	44,945
Dividend income	46,950	63,083
Interest and dividend expense on securities sold short	(6,975)	(17,064)
Foreign exchange gain (loss)	(11,920)	(158,269)
Changes in fair value of investments and derivatives:		
Net realized gain (loss)	88,142	782,995
Net change in unrealized appreciation (depreciation)	(49,009)	37,078
Total revenue	**87,699**	**752,768**
Expenses		
Management fees (note 4)	26,729	25,113
Administration fees (note 4)	8,361	31,258
Transaction costs	7,661	17,689
Performance fees (note 4)	4,479	87,772
Withholding taxes (note 6)	4,306	3,576
Interest and borrowing fees expense	4,057	5,379
Independent review committee fees	32	55
Total expenses	**55,625**	**170,842**
Less: Expenses absorbed by the Manager (note 4)	(32)	(55)
Net expenses	**55,593**	**170,787**
Increase (decrease) in net assets attributable to holders of redeemable units	**32,106**	**581,981**
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	-	2,935
Class A (formerly Class H)	(105)	5,352
Class AF	(968)	73,320
Class E	914	10,089
Class F	-	27,957
Class F (formerly Class I)	3,336	59,061
Class FF	15,691	262,639
Class F (USD)	-	(108)
Class F (USD) (formerly Class I (USD))	895	3,777
Class O	12,343	136,959
	32,106	**581,981**
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	-	0.34
Class A (formerly Class H)	(0.02)	0.37
Class AF	(0.02)	0.39
Class E	0.05	0.40
Class F	-	0.38
Class F (formerly Class I)	0.02	0.43
Class FF	0.03	0.44
Class F (USD)	-	(0.10)
Class F (USD) (formerly Class I (USD))	0.51	0.66
Class O	0.07	0.58

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

Pender Alternative Arbitrage Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2026 and 2025

Class A	2026 ($)	2025 ($)
Balance, beginning of period	-	92,172
Increase (decrease) in net assets attributable to holders of redeemable units	-	2,935
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(19,679)
	-	**(19,679)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**-**	**75,428**

Class A (formerly Class H)	2026 ($)	2025 ($)
Balance, beginning of period	73,698	173,157
Increase (decrease) in net assets attributable to holders of redeemable units	(105)	5,352
Unit transactions:		
Proceeds from issue of redeemable units	13	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(40,046)	(43,000)
	(40,033)	**(43,000)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**33,560**	**135,509**

Class AF	2026 ($)	2025 ($)
Balance, beginning of period	525,278	1,975,943
Increase (decrease) in net assets attributable to holders of redeemable units	(968)	73,320
Unit transactions:		
Proceeds from issue of redeemable units	114	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(113,724)	(187,976)
	(113,610)	**(187,976)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**410,700**	**1,861,287**

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

Six months ended June 30, 2026 and 2025

Class E	2026 ($)	2025 ($)
Balance, beginning of period	177,544	265,846
Increase (decrease) in net assets attributable to holders of redeemable units	914	10,089
Unit transactions:		
Proceeds from issue of redeemable units	42	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(10,000)	(100,255)
	(9,958)	**(100,255)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**168,500**	**175,680**

Class F	2026 ($)	2025 ($)
Balance, beginning of period	-	1,017,553
Increase (decrease) in net assets attributable to holders of redeemable units	-	27,957
Unit transactions:		
Proceeds from issue of redeemable units	-	1,901
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(517,052)
	-	**(515,151)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**-**	**530,359**

Class F (formerly Class I)	2026 ($)	2025 ($)
Balance, beginning of period	2,136,964	1,409,539
Increase (decrease) in net assets attributable to holders of redeemable units	3,336	59,061
Unit transactions:		
Proceeds from issue of redeemable units	180,083	282,462
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(511,961)	(257,280)
	(331,878)	**25,182**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**1,808,422**	**1,493,782**

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

Six months ended June 30, 2026 and 2025

Class FF	2026 ($)	2025 ($)
Balance, beginning of period	5,380,447	6,504,799
Increase (decrease) in net assets attributable to holders of redeemable units	15,691	262,639
Unit transactions:		
Proceeds from issue of redeemable units	1,224	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(903,754)	(943,947)
	(902,530)	**(943,947)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**4,493,608**	**5,823,491**

Class F (USD)	2026 ($)	2025 ($)
Balance, beginning of period	-	15,339
Increase (decrease) in net assets attributable to holders of redeemable units	-	(108)
Unit transactions:		
Proceeds from issue of redeemable units	-	523
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(523)
	-	**-**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**-**	**15,231**

Class F (USD) (formerly Class I (USD))	2026 ($)	2025 ($)
Balance, beginning of period	23,410	457,452
Increase (decrease) in net assets attributable to holders of redeemable units	895	3,777
Unit transactions:		
Proceeds from issue of redeemable units	117	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(81)	(453,525)
	36	**(453,525)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**24,341**	**7,704**

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

Six months ended June 30, 2026 and 2025

Class O	2026 ($)	2025 ($)
Balance, beginning of period	1,993,186	2,821,435
Increase (decrease) in net assets attributable to holders of redeemable units	12,343	136,959
Unit transactions:		
Proceeds from issue of redeemable units	475	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(451,000)	(540,500)
	(450,525)	**(540,500)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**1,555,004**	**2,417,894**

Total Fund	2026 ($)	2025 ($)
Balance, beginning of period	10,310,527	14,733,235
Increase (decrease) in net assets attributable to holders of redeemable units	32,106	581,981
Unit transactions:		
Proceeds from issue of redeemable units	182,068	284,886
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(2,030,566)	(3,063,737)
	(1,848,498)	**(2,778,851)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**8,494,135**	**12,536,365**

Pender Alternative Arbitrage Fund

Statements of Cash Flows (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	32,106	581,981
Adjustments for:		
Interest for distribution purposes	(20,511)	(44,945)
Dividend income	(46,950)	(63,083)
Interest and dividend expense on securities sold short	6,975	17,064
Foreign exchange (gain) loss	11,920	158,269
Net realized (gain) loss on sale of investments	(160,829)	(452,140)
Net change in unrealized (appreciation) depreciation of investments	(165,321)	293,756
Derivative assets and liabilities	214,330	(330,834)
Performance fees payable	(21,068)	75,500
Management and administration fees payable	(1,163)	(2,762)
	(150,511)	**232,806**
Proceeds on disposal of investments	14,426,565	23,082,714
Amounts paid on purchase of investments and securities sold short	(12,237,423)	(21,838,261)
Interest and dividend expense paid on securities sold short	(10,468)	(17,032)
Dividends received	46,750	64,455
Interest received	20,446	50,881
	2,095,359	**1,575,563**
Financing:		
Proceeds from issue of redeemable units	209,392	46,644
Amounts paid on redemption of redeemable units	(2,050,658)	(2,825,495)
	(1,841,266)	**(2,778,851)**
Net increase (decrease) in cash	254,093	(1,203,288)
Cash (Bank overdraft), beginning of period	709,845	1,827,359
Effect of exchange rate fluctuations on cash	(11,920)	(158,269)
Cash (Bank overdraft), end of period	**952,018**	**465,802**

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

Schedule of Investment Portfolio (Unaudited)

June 30, 2026

	Issue currency	Number of shares	Cost ($)	Fair value ($)
LONG POSITIONS				
Common shares:				
Banks (5.0%):				
Affinity Bancshares Inc.		2,764	85,917	88,593
First Seacoast Bancorp Inc.		1,885	43,022	45,074
Laurentian Bank of Canada		3,300	132,082	132,528
NSTS Bancorp Inc.		2,350	44,031	45,861
Pacific Financial Corp.		1,552	36,343	37,837
Stellar Bancorp Inc.		1,300	66,511	72,495
			407,906	**422,388**
Communication services (6.6%):				
Clear Channel Outdoor Holdings Inc.		32,361	105,073	111,068
Emerald Expositions Events Inc.		2,600	17,785	18,585
Globalstar Inc.		1,200	131,173	138,347
IHS Holding Ltd.		5,600	61,125	65,444
KORE Group Holdings Inc.		7,828	95,945	102,472
Salem Media Group, Inc., Class 'A'		23,000	30,267	31,804
Warner Bros. Discovery Inc.		2,400	94,519	90,745
			535,887	**558,465**
Consumer discretionary (1.6%):				
Global Business Travel Group Inc.		4,000	52,137	53,269
Nathan's Famous Inc.		300	41,282	43,228
Taylor Morrison Home Corp.		400	39,572	40,698
			132,991	**137,195**
Consumer staples (1.6%):				
Andrew Peller Ltd., Class 'A'		16,200	128,721	128,628
Andrew Peller Ltd., Class 'B'		278	3,287	3,286
Neighbourly Pharmacy Inc., Rights		24,100	1,253	1,253
			133,261	**133,167**
Energy (0.6%):				
Valaris Ltd.		500	69,924	51,482
			69,924	**51,482**
Financial services (50.5%):				
1RT Acquisition Corp., Class 'A'		2,133	29,081	30,977
Acropolis Infrastructure Acquisition Corp., Rights		15,500	-	-
Aldabra 4 Liquidity Opportunity Vehicle Inc., Class 'A'		1,100	15,167	15,507
American Drive Acquisition Co., Class 'A'		2,267	31,409	32,216
Armada Acquisition Corp. III, Class 'A'		4,100	56,322	57,858
Artius II Acquisition Inc., Class 'A'		4,700	66,600	69,857
Avalanche Treasury Corp., Class 'A'		102	1,492	72
Bain Capital GSS Investment Corp., Class 'A'		3,600	50,101	52,436
Bitcoin Treasury Corp.		23,973	191,616	67,124
byNordic Acquisition Corp.		145	2,524	2,606
Cambridge Acquisition Corp.		264	3,622	3,797
Cambridge Acquisition Corp., Class 'A'		1,801	24,594	25,338
Cantor Equity Partners IV Inc., Class 'A'		3,630	50,473	53,542
Cantor Equity Partners V Inc., Class 'A'		1,800	25,371	26,326
Cantor Equity Partners VI Inc., Class 'A'		1,000	13,696	14,707
Cantor Equity Partners VII Inc., Class 'A'		700	9,882	10,017
Chenghe Acquisition III Co., Class 'A'		4,000	55,121	57,638
Churchill Capital Corp. IX		55	810	849

	Issue currency	Number of shares	Cost ($)	Fair value ($)
LONG POSITIONS (cont'd)				
Common shares: (cont'd)				
Financial services (50.5%): (cont'd)				
CO2 Energy Transition Corp.		4,700	66,502	70,391
Collective Acquisition Corp. II		3,300	44,624	47,036
Crane Harbor Acquisition Corp. II, Class 'A'		3,400	46,513	48,896
D. Boral ARC Acquisition I Corp., Class 'A'		2,900	39,803	42,898
Digital Asset Acquisition Corp., Class 'A'		3,000	43,043	44,164
DigitalBridge Group Inc.		2,000	41,820	44,760
Drugs Made In America Acquisition II Corp.		10,700	149,185	152,663
Drugs Made In America Acquisition II Corp., Rights		10,700	-	1,103
DT Cloud Star Acquisition Corp.		4,400	67,156	70,266
EQV Ventures Acquisition Corp. II, Class 'A'		8,000	108,712	115,502
Fact II Acquisition Corp.		4,600	66,418	69,350
Fifth Era Acquisition Corp. I, Class 'A'		2,525	36,396	37,315
Forefront Tech Holdings Acquisition Corp.		8,800	119,535	127,302
Galata Acquisition Corp. II, Class 'A'		3,500	48,253	50,185
General Catalyst Global Resilience Merger Corp.		600	8,150	8,756
Green Dot Corp., Class 'A'		8,800	150,852	168,613
HCM III Acquisition Corp., Class 'A'		2,600	36,110	37,907
Highview Merger Corp., Class 'A'		7,700	106,931	110,843
Idea Acquisition Corp., Class 'A'		4,600	62,438	64,587
Inflection Point Acquisition Corp. III, Class 'A'		1,800	24,951	26,345
International Money Express Inc.		1,888	39,181	38,692
Iron Horse Acquisitions Corp. II		3,100	42,869	44,098
Janus Henderson Group PLC		1,800	128,053	132,621
Keen Vision Acquisition Corp.		3,900	65,920	68,365
Launchpad Cadenza Acquisition Corp. I, Class 'A'		4,750	66,065	67,232
Leapfrog Acquisition Corp., Class 'A'		1,910	26,436	27,075
M3-Brigade Acquisition VI Corp., Class 'A'		6,484	89,633	93,155
MAK Acquisition Corp.		25,500	356,416	365,271
McKinley Acquisition Corp., Class 'A'		4,600	63,784	66,218
Miluna Acquisition Corp., Class 'A'		449	6,253	6,438
Mountain Crest Acquisition 6 Corp.		6,500	88,249	93,661
Mountain Lake Acquisition Corp. II, Class 'A'		3,400	46,247	47,883
NCR Atleos Corp.		1,700	104,817	104,663
New Providence Acquisition Corp. III, Class 'A'		4,500	63,045	66,246
Open Lending Corp., Class 'A'		144	638	635
OTG Acquisition Corp. I, Class 'A'		2,000	27,699	28,819
Patriot Acquisition Corp.		500	6,877	7,084
Pioneer Acquisition I Corp., Class 'A'		4,623	64,030	66,943
Range Capital Acquisition Corp. II, Class 'A'		3,697	51,611	52,852
Renatus Tactical Acquisition Corp. I, Class 'A'		4,200	60,811	62,426
Republic Digital Acquisition Co., Class 'A'		2,000	27,685	29,273
RRE Ventures Acquisition Corp.		2,500	33,959	35,846
Sizzle Acquisition Corp. II, Class 'A'		9,451	135,079	138,931
Social Commerce Partners Corp., Class 'A'		3,114	42,306	44,120
Solarius Capital Acquisition Corp., Class 'A'		7,112	97,433	103,690
Soren Acquisition Corp., Class 'A'		4,400	60,425	61,904
Soulpower Acquisition Corp., Class 'A'		6,627	94,257	97,277
Spartacus Acquisition Corp. II, Class 'A'		900	12,216	12,764

	Issue currency	Number of shares	Cost ($)	Fair value ($)
LONG POSITIONS (cont'd)				
Common shares: (cont'd)				
Financial services (50.5%): (cont'd)				
Thayer Ventures Acquisition Corp. II, Class 'A'		4,700	65,614	68,924
Titan Acquisition Corp., Class 'A'		7,815	109,572	115,381
Trailblazer Acquisition Corp., Class 'A'		3,300	45,753	47,364
Vine Hill Capital Investment Corp. II, Class 'A'		5,000	68,908	70,771
Wen Acquisition Corp., Class 'A'		6,700	94,515	97,778
X3 Acquisition Corp. Ltd., Class 'A'		4,700	64,917	66,591
			4,246,546	**4,290,740**
Health care (13.4%):				
Abiomed Inc., Rights		400	565	579
Adverum Biotechnologies Inc., Rights		8,500	9,382	9,644
Akero Therapeutics Inc., Rights		1,700	1,525	1,567
Atrium Therapeutics Inc.		100	1,994	1,908
Avanos Medical Inc.		2,200	74,102	77,629
Blueprint Medicines Corp., Rights		800	504	522
Catalyst Pharmaceuticals Inc.		1,800	77,004	80,236
Centessa Pharmaceuticals PLC, Rights		900	3,194	3,191
Checkpoint Therapeutics Inc., Rights		37,300	8,189	8,464
Computer Programs and Systems Inc.		3,000	105,224	111,517
Elevation Oncology Inc., Rights		72,400	496	513
Esperion Therapeutics Inc.		32,767	139,266	146,851
Fusion Pharmaceuticals Inc., Rights		18,300	13,779	14,275
HilleVax Inc., Rights		21,300	4,114	4,229
Icosavax Inc., Rights		15,482	6,554	6,807
kneat.com inc.		30,000	192,664	193,500
Mirati Therapeutics Inc., Rights		3,630	3,493	3,588
Miromatrix Medical Inc., Rights		33,785	6,477	6,708
OptiNose Inc., Rights		9,900	8,236	8,424
Organon & Co.		4,800	86,504	92,175
Penumbra Inc.		170	80,063	76,128
Sage Therapeutics Inc., Rights		10,600	2,632	2,706
Select Medical Holdings Corp.		5,533	122,412	129,557
Simulations Plus Inc.		800	20,629	20,775
Talkspace Inc.		9,000	63,916	66,374
TPG Inc., Rights		1,600	-	-
Verve Therapeutics Inc., Rights		6,500	5,625	5,808
Vigil Neuroscience Inc., Rights		20,500	1,409	1,454
XOMA Royalty Corp.		800	44,897	48,221
Zynerba Pharmaceuticals Inc., Rights		45,850	12,190	12,622
			1,097,039	**1,135,972**
Industrials (3.2%):				
Chart Industries Inc.		600	166,900	177,797
SSC Security Services Corp.		15,936	68,854	69,800
ZIM Integrated Shipping Services Ltd.		700	27,498	25,812
			263,252	**273,409**
Information technology (5.5%):				
Bel Fuse Inc., Class 'A'		500	106,209	206,519
Blackline Safety Corp.		11,116	99,333	100,822
Kraken Robotics Inc., Subscription Receipts		4,279	36,372	27,257

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

	Issue currency	Number of shares	Cost ($)	Fair value ($)
LONG POSITIONS (cont'd)				
Common shares: (cont'd)				
Information technology (5.5%): (cont'd)				
LiveRamp Holdings Inc.		1,300	67,557	69,398
Silicon Laboratories Inc.		200	57,490	61,995
			366,961	**465,991**
Insurance (0.5%):				
Brighthouse Financial Inc.		500	45,807	44,888
			45,807	**44,888**
Materials (0.7%):				
Agnico Eagle Mines Ltd., Rights		3,800	1,178	1,672
Aura Minerals Inc., Rights		218,865	5,034	5,034
G2 Goldfields Inc.		1,247	13,117	11,734
Vizsla Royalties Corp.		11,512	37,162	43,746
			56,491	**62,186**
Real estate (7.0%):				
Elme Communities		23,300	64,611	48,907
Information Services Corp., Class 'A'		1,282	64,922	65,382
InterRent REIT		12,400	164,189	160,704
Minto Apartment REIT		6,710	116,902	117,090
Modiv Industrial Inc.		1,602	40,737	39,533
Sila Realty Trust Inc.		1,096	45,963	47,192
Whitestone REIT, Class 'B'		4,200	108,991	112,938
			606,315	**591,746**
Utilities (3.1%):				
AES Corp. (The)		3,600	70,029	74,850
Boralex Inc., Class 'A'		1,500	55,103	55,500
NorthWestern Energy Group, Inc.		600	48,590	60,945
TXNM Energy, Inc.		900	71,367	72,475
			245,089	**263,770**
Total common shares (long) (99.3%)			**8,207,469**	**8,431,399**
Warrants (0.2%):				
Armada Acquisition Corp. III, Class 'A', strike price $11.50, expiry 2031/02/13	USD	1,650	-	755
Cambridge Acquisition Corp., Class 'A', strike price $11.50, expiry 2030/12/19	USD	600	-	255
Chenghe Acquisition III Co., Class 'A', strike price $11.50, expiry 2031/11/10	USD	1,797	-	573
Idea Acquisition Corp., Class 'A', strike price $11.50, expiry 2030/10/22	USD	1,533	-	761
MAK Acquisition Corp., strike price $1.00, 2026/12/11	USD	12,750	264	18,083
Republic Digital Acquisition Co., Class 'A', strike price $11.50, 2030/06/01	USD	1,000	-	532
Spartacus Acquisition Corp. II, Class 'A', strike price $11.50, expiry 2031/12/13	USD	300	-	222
			264	**21,181**
Total long positions (99.5%)			**8,207,733**	**8,452,580**

	Issue currency	Number of shares	Cost ($)	Fair value ($)
SHORT POSITIONS				
Common shares:				
Banks (-1.0%):				
Banner Corp.		(403)	(36,763)	(37,974)
Prosperity Bancshares Inc.		(494)	(46,762)	(51,166)
			(83,525)	**(89,140)**
Energy (-0.6%):				
Transocean Ltd.		(7,617)	(71,451)	(52,826)
			(71,451)	**(52,826)**
Healthcare (-0.1%):				
Boston Scientific Corp.		(173)	(18,759)	(10,472)
			(18,759)	**(10,472)**
Industrials (-0.4%):				
Brink's Co. (The)		(262)	(40,813)	(35,111)
			(40,813)	**(35,111)**
Information Technology (-2.8%):				
Bel Fuse Inc., Class 'B'		(500)	(119,851)	(236,166)
			(119,851)	**(236,166)**
Materials (-0.5%):				
Elemental Royalty Corp.		(1,291)	(26,489)	(32,094)
G Mining Ventures Corp.		(251)	(12,230)	(10,424)
			(38,719)	**(42,518)**
Real estate (-0.5%):				
Global Net Lease Inc.		(3,161)	(41,277)	(40,079)
			(41,277)	**(40,079)**
Utilities (-0.7%):				
Black Hills Corp.		(589)	(49,710)	(62,150)
			(49,710)	**(62,150)**
Total common shares (short) (-6.6%)			**(464,105)**	**(568,462)**
Exchange-traded fund(s) (-1.0%):				
iShares Bitcoin Trust ETF		(1,750)	(140,168)	(82,624)
			(140,168)	**(82,624)**
Total short positions (-7.6%)			**(604,273)**	**(651,086)**
Less: Transaction costs included in cost of investments			(3,709)	
Total investments (91.9%)			**7,599,751**	**7,801,494**

	Contract rate	Pay - USD	Receive - CAD	Unrealized gain (loss)
Derivative liabilities:				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2026/07/22	1.37	5,406,000	7,422,826	(237,324)
Total derivative liabilities (-2.8%)				**(237,324)**
Cash (Bank overdraft) (11.2%)				952,018
Other assets less liabilities (-0.3%)				(22,053)
Total net assets attributable to holders of redeemable units (100.0%)				**8,494,135**

Pender Alternative Arbitrage Plus Fund

Statements of Financial Position (Unaudited)

June 30, 2026 and December 31, 2025

	2026 ($)	2025 ($)
Assets		
Cash	3,660,652	-
Receivable for investments sold	-	801,386
Subscriptions receivable	16,487	100,000
Dividends receivable	27,596	10,153
Derivative assets	-	30,961
Investments	53,888,239	30,570,413
	57,592,974	**31,512,913**
Liabilities		
Bank overdraft	-	1,450,937
Management and administration fees payable (note 4)	9,162	10,265
Redemptions payable to holders of redeemable units	-	375,000
Payable for interest and dividends on short securities	105,711	28,965
Performance fees payable (note 4)	834	22,284
Derivative liabilities	839,650	-
Investments sold short	22,378,597	7,626,523
	23,333,954	**9,513,974**
Net assets attributable to holders of redeemable units	**34,259,020**	**21,998,939**
Net assets attributable to holders of redeemable units per class:		
Class A	21,488	54,216
Class E	249,235	223,173
Class F (formerly Class I)	9,111,609	9,559,994
Class F (USD)	-	7,808
Class O	24,876,688	12,153,748
	34,259,020	**21,998,939**
Net assets attributable to holders of redeemable units per unit:		
Class A	9.92	10.04
Class E	10.46	10.48
Class F (formerly Class I)	10.52	10.60
Class F (USD)	-	15.68
Class O	11.04	11.07

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

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

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

Pender Alternative Arbitrage Plus Fund

Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Revenue		
Interest for distribution purposes	2,238	59,297
Dividend income	211,247	95,238
Interest and dividend expense on securities sold short	(169,270)	(25,305)
Foreign exchange gain (loss)	(230,130)	(356,565)
Changes in fair value of investments and derivatives:		
Net realized gain (loss)	291,525	1,147,335
Net change in unrealized appreciation (depreciation)	(130,055)	51,879
Total revenue	**(24,445)**	**971,879**
Expenses		
Management fees (note 4)	46,045	32,003
Transaction costs	44,605	27,231
Interest and borrowing fees expense	37,517	126,921
Withholding taxes (note 6)	20,605	5,379
Administration fees (note 4)	9,915	27,234
Performance fees (note 4)	834	96,834
Independent review committee fees	41	54
Income tax (refund)	(2,431)	-
Total expenses	**157,131**	**315,656**
Less: Expenses absorbed by the Manager (note 4)	(41)	(54)
Net expenses	**157,090**	**315,602**
Increase (decrease) in net assets attributable to holders of redeemable units	**(181,535)**	**656,277**
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	(262)	2,296
Class E	(700)	9,282
Class F	-	57,508
Class F (formerly Class I)	(63,757)	438,498
Class F (USD)	243	384
Class O	(117,059)	148,309
	(181,535)	**656,277**
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	(0.10)	0.51
Class E	(0.03)	0.59
Class F	-	0.55
Class F (formerly Class I)	(0.07)	0.58
Class F (USD)	0.49	0.06
Class O	(0.07)	0.71

Pender Alternative Arbitrage Plus Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2026 and 2025

Class A	2026 ($)	2025 ($)
Balance, beginning of period	54,216	44,465
Increase (decrease) in net assets attributable to holders of redeemable units	(262)	2,296
Unit transactions:		
Proceeds from issue of redeemable units	-	9,000
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(32,466)	-
	(32,466)	**9,000**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**21,488**	**55,761**

Class E	2026 ($)	2025 ($)
Balance, beginning of period	223,173	163,513
Increase (decrease) in net assets attributable to holders of redeemable units	(700)	9,282
Unit transactions:		
Proceeds from issue of redeemable units	26,762	3,992
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	26,762	**3,992**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**249,235**	**176,787**

Class F	2026 ($)	2025 ($)
Balance, beginning of period	-	1,119,838
Increase (decrease) in net assets attributable to holders of redeemable units	-	57,508
Unit transactions:		
Proceeds from issue of redeemable units	-	26,000
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(62,671)
	-	**(36,671)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**-**	**1,140,675**

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

Six months ended June 30, 2026 and 2025

Class F (formerly Class I)	2026 ($)	2025 ($)
Balance, beginning of period	9,559,994	8,376,795
Increase (decrease) in net assets attributable to holders of redeemable units	(63,757)	438,498
Unit transactions:		
Proceeds from issue of redeemable units	328,088	76,972
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(712,716)	(676,190)
	(384,628)	**(599,218)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**9,111,609**	**8,216,075**

Class F (USD)	2026 ($)	2025 ($)
Balance, beginning of period	7,808	104,299
Increase (decrease) in net assets attributable to holders of redeemable units	243	384
Unit transactions:		
Proceeds from issue of redeemable units	74	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(8,125)	-
	(8,051)	**-**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**-**	**104,683**

Class O	2026 ($)	2025 ($)
Balance, beginning of period	12,153,748	2,466,600
Increase (decrease) in net assets attributable to holders of redeemable units	(117,059)	148,309
Unit transactions:		
Proceeds from issue of redeemable units	12,839,999	832,000
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(1,050,696)
	12,839,999	**(218,696)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**24,876,688**	**2,396,213**

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

Six months ended June 30, 2026 and 2025

Total Fund	2026 ($)	2025 ($)
Balance, beginning of period	21,998,939	12,275,510
Increase (decrease) in net assets attributable to holders of redeemable units	(181,535)	656,277
Unit transactions:		
Proceeds from issue of redeemable units	13,194,923	947,964
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(753,307)	(1,789,557)
	12,441,616	**(841,593)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**34,259,020**	**12,090,194**

Pender Alternative Arbitrage Plus Fund

Statements of Cash Flows (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	(181,535)	656,277
Adjustments for:		
Interest for distribution purposes	(2,238)	(59,297)
Dividend income	(211,247)	(95,238)
Interest and dividend expense on securities sold short	169,270	25,305
Foreign exchange (gain) loss	230,130	356,565
Net realized (gain) loss on sale of investments	(355,219)	(583,163)
Net change in unrealized (appreciation) depreciation of investments	(740,556)	349,872
Derivative assets and liabilities	870,611	(401,751)
Performance fees payable	(21,450)	91,159
Management and administration fees payable	(1,103)	(648)
	(243,337)	**339,081**
Proceeds on disposal of investments	56,045,027	33,618,215
Amounts paid on purchase of investments and securities sold short	(62,713,618)	(32,185,854)
Interest and dividend expense paid on securities sold short	(92,524)	(30,970)
Dividends received	193,804	96,657
Interest received	2,238	59,297
	(6,808,410)	**1,896,426**
Financing:		
Proceeds from issue of redeemable units	13,276,257	903,463
Amounts paid on redemption of redeemable units	(1,126,128)	(1,807,422)
	12,150,129	**(903,959)**
Net increase (decrease) in cash	5,341,719	992,467
Cash (Bank overdraft), beginning of period	(1,450,937)	(4,685,092)
Effect of exchange rate fluctuations on cash	(230,130)	(356,565)
Cash (Bank overdraft), end of period	**3,660,652**	**(4,049,190)**

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

Pender Alternative Arbitrage Plus Fund

Schedule of Investment Portfolio (Unaudited)

June 30, 2026

	Issue currency	Number of shares / Face value ($)	Cost ($)	Fair value ($)
LONG POSITIONS				
Common shares:				
Banks (8.9%):				
Affinity Bancshares Inc.		18,686	580,903	598,932
First Seacoast Bancorp Inc.		15,937	364,144	381,081
Laurentian Bank of Canada		26,700	1,071,191	1,072,272
NSTS Bancorp Inc.		15,476	289,970	302,016
Pacific Financial Corp.		11,048	260,127	269,347
Stellar Bancorp Inc.		7,500	383,716	418,242
			2,950,051	**3,041,890**
Communication services (10.7%):				
Clear Channel Outdoor Holdings Inc.		216,736	703,371	743,874
Emerald Expositions Events Inc.		19,800	135,438	141,530
Globalstar Inc.		7,500	819,793	864,672
IHS Holding Ltd.		38,200	418,942	446,420
KORE Group Holdings Inc.		52,456	646,984	686,673
Salem Media Group Inc., Class 'A'		155,900	205,162	215,578
Warner Bros. Discovery Inc.		15,000	587,887	567,158
			3,517,577	**3,665,905**
Consumer discretionary (2.9%):				
Global Business Travel Group Inc.		26,900	350,619	358,237
Nathan's Famous Inc.		2,200	302,888	317,007
Taylor Morrison Home Corp.		3,000	296,792	305,236
			950,299	**980,480**
Consumer staples (2.6%):				
Andrew Peller Ltd., Class 'A'		111,200	883,562	882,928
Andrew Peller Ltd., Class 'B'		1,922	22,728	22,718
Neighbourly Pharmacy Inc., Rights		31,400	1,633	1,633
			907,923	**907,279**
Energy (0.8%):				
Valaris Ltd.		2,700	376,406	278,005
			376,406	**278,005**
Financial services (75.8%):				
1RT Acquisition Corp., Class 'A'		4,867	67,481	70,683
Acropolis Infrastructure Acquisition Corp., Rights		18,900	-	-
Aldabra 4 Liquidity Opportunity Vehicle Inc., Class 'A'		8,500	116,040	119,828
American Drive Acquisition Co., Class 'A'		14,384	199,596	204,409
Armada Acquisition Corp. III		7,300	100,169	107,466
Armada Acquisition Corp. III, Class 'A'		29,800	411,588	420,525
Artius II Acquisition Inc., Class 'A'		27,800	393,934	413,199
Avalanche Treasury Corp., Class 'A'		14,898	217,933	10,573
Bain Capital GSS Investment Corp., Class 'A'		23,000	318,733	335,005
Bitcoin Treasury Corp.		176,901	923,806	495,323
byNordic Acquisition Corp.		854	14,864	15,346
Cambridge Acquisition Corp.		2,294	31,474	32,990
Cambridge Acquisition Corp., Class 'A'		11,599	157,658	163,187
Cantor Equity Partners IV Inc., Class 'A'		6,715	93,526	99,045
Cantor Equity Partners V Inc., Class 'A'		3,200	45,104	46,802
Cantor Equity Partners VI Inc., Class 'A'		4,000	54,782	58,829
Cantor Equity Partners VII Inc., Class 'A'		4,300	60,705	61,534

	Issue currency	Number of shares / Face value ($)	Cost ($)	Fair value ($)
LONG POSITIONS (cont'd)				
Common shares: (cont'd)				
Financial services (75.8%): (cont'd)				
Chenghe Acquisition III Co., Class 'A'		29,357	407,667	423,017
Churchill Capital Corp. IX		325	4,783	5,020
CO2 Energy Transition Corp.		30,900	437,344	462,781
Collective Acquisition Corp. II		25,000	338,059	356,335
Crane Harbor Acquisition Corp. II, Class 'A'		19,500	266,497	280,431
D. Boral ARC Acquisition I Corp., Class 'A'		18,500	253,922	273,658
Digital Asset Acquisition Corp., Class 'A'		22,500	322,821	331,232
DigitalBridge Group Inc.		13,700	287,791	306,606
Drugs Made In America Acquisition II Corp.		68,800	952,338	981,611
Drugs Made In America Acquisition II Corp., Rights		39,000	-	4,021
DT Cloud Star Acquisition Corp.		25,703	392,303	410,464
EQV Ventures Acquisition Corp. II, Class 'A'		58,178	814,668	839,961
Fact II Acquisition Corp.		27,300	394,178	411,575
Fifth Era Acquisition Corp. I, Class 'A'		16,336	233,600	241,416
Forefront Tech Holdings Acquisition Corp.		66,200	899,228	957,659
Galata Acquisition Corp. II, Class 'A'		15,675	216,258	224,756
General Catalyst Global Resilience Merger Corp.		4,400	59,767	64,213
Green Dot Corp., Class 'A'		50,300	848,352	963,776
HCM III Acquisition Corp., Class 'A'		17,000	236,352	247,853
Highview Merger Corp., Class 'A'		56,239	787,243	809,574
Idea Acquisition Corp., Class 'A'		30,400	412,035	426,837
Idea Acquisition Corp., Units		444	6,046	6,329
Inflection Point Acquisition Corp. III, Class 'A'		11,200	157,287	163,927
International Money Express Inc.		10,428	218,478	213,708
Iron Horse Acquisitions Corp. II		22,700	315,223	322,909
Janus Henderson Group PLC		12,100	862,607	891,505
Keen Vision Acquisition Corp.		28,100	475,098	492,581
Launchpad Cadenza Acquisition Corp. I, Class 'A'		34,263	477,080	484,963
Leapfrog Acquisition Corp., Class 'A'		12,778	176,229	181,133
M3-Brigade Acquisition VI Corp., Class 'A'		42,080	583,094	604,558
MAK Acquisition Corp.		89,100	1,221,081	1,276,297
McKinley Acquisition Corp., Class 'A'		33,643	470,969	484,299
Miluna Acquisition Corp., Class 'A'		961	13,384	13,779
Mountain Crest Acquisition 6 Corp.		48,700	661,186	701,739
Mountain Lake Acquisition Corp. II, Class 'A'		20,000	272,100	281,664
NCR Atleos Corp.		11,500	708,508	708,012
New Providence Acquisition Corp. III, Class 'A'		33,100	471,821	487,280
Open Lending Corp., Class 'A'		1,056	4,682	4,658
OTG Acquisition Corp. I, Class 'A'		11,600	160,679	167,149
Patriot Acquisition Corp.		4,500	61,891	63,757
Pioneer Acquisition I Corp., Class 'A'		33,549	472,344	485,801
Range Capital Acquisition Corp. II, Class 'A'		26,728	373,481	382,102
Renatus Tactical Acquisition Corp. I, Class 'A'		30,169	433,879	448,410
Republic Digital Acquisition Co., Class 'A'		13,500	188,986	197,591
RRE Ventures Acquisition Corp.		19,500	264,878	279,601
Sizzle Acquisition Corp. II, Class 'A'		36,629	516,537	538,452
Social Commerce Partners Corp., Class 'A'		16,838	228,534	238,566
Solarius Capital Acquisition Corp., Class 'A'		21,659	298,173	315,780

	Issue currency	Number of shares / Face value ($)	Cost ($)	Fair value ($)
LONG POSITIONS (cont'd)				
Common shares: (cont'd)				
Financial services (75.8%): (cont'd)				
Soren Acquisition Corp., Class 'A'		32,200	441,820	453,023
Soulpower Acquisition Corp., Class 'A'		42,324	599,289	621,269
Spartacus Acquisition Corp. II, Class 'A'		4,100	55,651	58,148
Thayer Ventures Acquisition Corp. II, Class 'A'		34,100	478,518	500,066
Titan Acquisition Corp., Class 'A'		22,980	321,860	339,276
Trailblazer Acquisition Corp., Class 'A'		20,158	279,442	289,322
Vine Hill Capital Investment Corp. II, Class 'A'		28,900	397,014	409,055
Wen Acquisition Corp., Class 'A'		48,780	691,542	711,885
X3 Acquisition Corp. Ltd., Class 'A'		34,502	476,007	488,835
			25,607,997	**25,984,969**
Health care (22.2%):				
Abiomed Inc., Rights		140	198	203
Adverum Biotechnologies Inc., Rights		20,900	23,068	23,713
Akero Therapeutics Inc., Rights		4,800	4,305	4,425
Atrium Therapeutics Inc.		390	7,775	7,439
Avanos Medical Inc.		14,400	485,185	508,119
Blueprint Medicines Corp., Rights		1,400	881	913
Catalyst Pharmaceuticals Inc.		16,000	684,744	713,210
Centessa Pharmaceuticals PLC, Rights		6,500	23,069	23,047
Checkpoint Therapeutics Inc., Rights		59,300	13,018	13,456
Computer Programs and Systems Inc.		19,200	673,436	713,709
Elevation Oncology Inc., Rights		123,300	845	874
Esperion Therapeutics Inc.		293,053	1,249,634	1,313,367
Fusion Pharmaceuticals Inc., Rights		21,100	15,865	16,459
HilleVax Inc., Rights		38,400	7,417	7,625
Icosavax Inc., Rights		19,106	8,088	8,400
kneat.com inc.		201,100	1,291,493	1,297,095
Mirati Therapeutics Inc., Rights		4,840	4,658	4,784
Miromatrix Medical Inc., Rights		39,648	7,601	7,872
OptiNose Inc.		15,700	13,061	13,360
Organon & Co.		40,100	723,226	770,045
Penumbra Inc.		1,000	467,558	447,812
Sage Therapeutics Inc., Rights		17,800	4,420	4,544
Select Medical Holdings Corp.		35,067	776,954	821,105
Simulations Plus Inc.		5,900	152,139	153,212
Talkspace Inc.		60,300	428,740	444,706
TPG Inc., Rights		9,000	-	-
Verve Therapeutics Inc., Rights		10,900	9,432	9,739
Vigil Neuroscience Inc., Rights		34,500	2,370	2,446
XOMA Royalty Corp.		4,400	246,935	265,213
Zynerba Pharmaceuticals Inc., Rights		52,594	13,983	14,478
			7,340,098	**7,611,370**
Industrials (6.0%):				
Chart Industries Inc.		4,800	1,355,097	1,422,380
SSC Security Services Corp.		107,064	462,587	468,940
ZIM Integrated Shipping Services Ltd.		4,400	172,842	162,248
			1,990,526	**2,053,568**

	Issue currency	Number of shares / Face value ($)	Cost ($)	Fair value ($)
LONG POSITIONS (cont'd)				
Common shares: (cont'd)				
Information technology (8.7%):				
Bel Fuse Inc., Class 'A'		3,300	901,231	1,363,022
Blackline Safety Corp.		75,584	675,428	685,547
Juno Industries Inc., Subscription Receipts		37,500	30,000	30,000
Kraken Robotics Inc., Subscription Receipts		20,618	175,253	131,337
LiveRamp Holdings Inc.		8,400	436,556	448,417
Silicon Laboratories Inc.		1,000	284,140	309,973
			2,502,608	**2,968,296**
Insurance (1.1%):				
Brighthouse Financial Inc.		4,100	359,459	368,078
			359,459	**368,078**
Materials (1.1%):				
Agnico Eagle Mines Ltd., Rights		22,800	7,068	10,032
Aura Minerals Inc., Rights		308,635	7,099	7,099
G2 Goldfields Inc.		7,233	76,084	68,063
Vizsla Royalties Corp.		75,688	244,327	287,614
			334,578	**372,808**
Real estate (11.3%):				
Elme Communities		144,100	399,593	302,467
Information Services Corp., Class 'A'		8,618	436,434	439,518
InterRent REIT		80,200	1,063,054	1,039,392
Minto Apartment REIT		45,090	788,099	786,821
Modiv Industrial Inc.		10,748	273,346	265,234
Sila Realty Trust Inc.		6,802	285,302	292,881
Whitestone REIT, Class 'B'		27,900	723,574	750,232
			3,969,402	**3,876,545**
Utilities (5.1%):				
AES Corp. (The)		24,200	474,839	503,155
Boralex Inc., Class 'A'		11,700	429,800	432,900
NorthWestern Energy Group, Inc.		2,100	170,068	213,308
PNM Resources Inc.		7,300	586,034	587,856
			1,660,741	**1,737,219**
Total common shares (long) (157.2%)			**52,467,665**	**53,846,412**
Warrants (0.1%):				
Armada Acquisition Corp. III, Class 'A', strike price $11.50, expiry 2031/02/13	USD	6,350	-	2,904
Cambridge Acquisition Corp., Class 'A', strike price $11.50, expiry 2030/12/19	USD	2,733	-	1,163
Chenghe Acquisition III Co., Class 'A', strike price $11.50, expiry 2031/11/10	USD	3,193	-	1,019
Idea Acquisition Corp., Class 'A', strike price $11.50, expiry 2030/10/22	USD	6,800	-	3,375
MAK Acquisition Corp., strike price $1.00, 2026/12/11	USD	22,250	461	31,556
Republic Digital Acquisition Co., Class 'A', strike price $11.50, 2030/06/01	USD	1,500	-	798
Spartacus Acquisition Corp. II, Class 'A', strike price $11.50, expiry 2031/12/13	USD	1,366	-	1,012
			461	**41,827**
Total long positions (157.3%)			**52,468,126**	**53,888,239**

	Issue currency	Number of shares / Face value ($)	Cost ($)	Fair value ($)
SHORT POSITIONS				
Government bonds (-53.6%):				
Government of Canada, 2.30%, 2026/09/09		(3,000,000)	(2,982,510)	(2,982,510)
United States Treasury, 3.13%, 2026/09/03		(7,500,000)	(10,150,732)	(10,501,656)
United States Treasury, 3.72%, 2026/12/03		(3,500,000)	(4,753,191)	(4,872,403)
			(17,886,433)	**(18,356,569)**
Common shares:				
Banks (-1.7%):				
Banner Corp.		(2,897)	(265,771)	(272,980)
Prosperity Bancshares Inc.		(2,852)	(269,947)	(295,395)
			(535,718)	**(568,375)**
Energy (-0.8%):				
Transocean Ltd.		(41,134)	(384,871)	(285,274)
			(384,871)	**(285,274)**
Health care (-0.2%):				
Boston Scientific Corp.		(1,033)	(106,706)	(62,528)
			(106,706)	**(62,528)**
Industrials (-0.7%):				
Brink's Co. (The)		(1,803)	(276,656)	(241,621)
			(276,656)	**(241,621)**
Information technology (-4.5%):				
Bel Fuse Inc., Class 'B'		(3,300)	(1,009,320)	(1,558,703)
			(1,009,320)	**(1,558,703)**
Materials (-0.8%):				
Elemental Royalty Corp.		(8,496)	(174,323)	(211,211)
G Mining Ventures Corp.		(1,453)	(70,796)	(60,343)
			(245,119)	**(271,554)**
Real estate (-0.8%):				
Global Net Lease Inc.		(21,227)	(277,216)	(269,140)
			(277,216)	**(269,140)**
Utilities (-0.6%):				
Black Hills Corp.		(2,058)	(173,684)	(217,156)
			(173,684)	**(217,156)**
Total common shares (short) (-10.1%)			**(3,009,290)**	**(3,474,351)**
Exchange-traded fund(s) (-1.6%):				
iShares Bitcoin Trust ETF		(11,600)	(732,391)	(547,677)
			(732,391)	**(547,677)**
Total short positions (-65.3%)			**(21,628,114)**	**(22,378,597)**
Less: Transaction costs included in cost of investments			(24,912)	
Total investments (92.0%)			**30,815,100**	**31,509,642**

	Contract rate	Pay - USD	Receive - CAD	Unrealized gain (loss)
Derivative liabilities:				
The Bank of Nova Scotia, Foreign Currency Forward, settlement 2026/07/22	1.37	19,963,500	27,448,069	(839,650)
Total derivative liabilities (-2.5%)				**(839,650)**
Cash (Bank overdraft) (10.7%)				3,660,652
Other assets less liabilities (-0.2%)				(71,624)
Total net assets attributable to holders of redeemable units (100.0%)				**34,259,020**

Pender Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)

Statements of Financial Position (Unaudited)

June 30, 2026 and December 31, 2025

	2026 ($)	2025 ($)
Assets		
Cash	639,492	129,252
Subscriptions receivable	-	108,000
Dividends receivable	-	3,466
Derivative assets	-	28,335
Investments	9,039,076	9,026,988
	9,678,568	**9,296,041**
Liabilities		
Management and administration fees payable (note 4)	8,940	9,198
Redemptions payable to holders of redeemable units	9,719	221,895
	18,659	**231,093**
Net assets attributable to holders of redeemable units	**9,659,909**	**9,064,948**
Net assets attributable to holders of redeemable units per class:		
Class A	383,050	357,325
Class E	1,963,536	1,755,518
Class F (formerly Class F2)	1,915,770	2,185,285
Class I	5,390,521	4,760,339
Class O	7,032	6,481
	9,659,909	**9,064,948**
Net assets attributable to holders of redeemable units per unit:		
Class A	7.50	7.00
Class E	14.98	13.83
Class F (formerly Class F2)	21.37	19.84
Class I	14.26	13.23
Class O	15.48	14.27

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 Growth Fund (formerly Pender Partners Fund)

Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Revenue		
Interest for distribution purposes	2,745	6,945
Dividend income	23,253	72,886
Foreign exchange gain (loss)	(18,541)	(16,439)
Changes in fair value of investments and derivatives:		
Net realized gain (loss)	1,258,081	436,009
Net change in unrealized appreciation (depreciation)	(497,778)	(786,781)
Total revenue	**767,760**	**(287,380)**
Expenses		
Management fees (note 4)	35,726	38,845
Administration fees (note 4)	19,552	28,185
Transaction costs	3,638	2,528
Withholding taxes (note 6)	2,376	3,822
Independent review committee fees	44	-
Total expenses	**61,336**	**73,380**
Less: Expenses absorbed by the Manager (note 4)	(44)	-
Net expenses	**61,292**	**73,380**
Increase (decrease) in net assets attributable to holders of redeemable units	**706,468**	**(360,760)**
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	25,725	(10,080)
Class E	144,767	(9,689)
Class F (formerly Class F2)	158,752	(31,033)
Class I	376,673	(309,927)
Class O	551	(31)
	706,468	**(360,760)**
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	0.50	(0.19)
Class E	1.13	(0.10)
Class F (formerly Class F2)	1.59	(0.27)
Class I	1.03	(0.52)
Class O	1.21	(0.07)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2026 and 2025

Class A	2026 ($)	2025 ($)
Balance, beginning of period	357,325	386,157
Increase (decrease) in net assets attributable to holders of redeemable units	25,725	(10,080)
Unit transactions		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(44,152)
	-	**(44,152)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**383,050**	**331,925**

Class E	2026 ($)	2025 ($)
Balance, beginning of period	1,755,518	1,240,076
Increase (decrease) in net assets attributable to holders of redeemable units	144,767	(9,689)
Unit transactions		
Proceeds from issue of redeemable units	63,251	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	63,251	**-**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**1,963,536**	**1,230,387**

Class F (formerly Class F2)	2026 ($)	2025 ($)
Balance, beginning of period	2,185,285	2,237,324
Increase (decrease) in net assets attributable to holders of redeemable units	158,752	(31,033)
Unit transactions		
Proceeds from issue of redeemable units	77,000	44,000
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(505,267)	(131,307)
	(428,267)	**(87,307)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**1,915,770**	**2,118,984**

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

Six months ended June 30, 2026 and 2025

Class I	2026 ($)	2025 ($)
Balance, beginning of period	4,760,339	8,377,453
Increase (decrease) in net assets attributable to holders of redeemable units	376,673	(309,927)
Unit transactions		
Proceeds from issue of redeemable units	317,491	12,391
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(63,982)	(3,456,366)
	253,509	**(3,443,975)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**5,390,521**	**4,623,551**

Class O	2026 ($)	2025 ($)
Balance, beginning of period	6,481	6,061
Increase (decrease) in net assets attributable to holders of redeemable units	551	(31)
Unit transactions		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	-	**-**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**7,032**	**6,030**

Total Fund	2026 ($)	2025 ($)
Balance, beginning of period	9,064,948	12,247,071
Increase (decrease) in net assets attributable to holders of redeemable units	706,468	(360,760)
Unit transactions		
Proceeds from issue of redeemable units	457,742	56,391
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(569,249)	(3,631,825)
	(111,507)	**(3,575,434)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**9,659,909**	**8,310,877**

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

Pender Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)

Statements of Cash Flows (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	706,468	(360,760)
Adjustments for:		
Interest for distribution purposes	(2,745)	(6,945)
Dividend income	(23,253)	(72,886)
Foreign exchange (gain) loss	18,541	16,439
Net realized (gain) loss on sale of investments	(1,279,290)	(436,019)
Net change in unrealized (appreciation) depreciation of investments	510,892	767,673
Derivative assets and liabilities	8,095	19,108
Management and administration fees payable	(258)	(6,030)
	(61,550)	**(79,420)**
Proceeds on disposal of investments	6,691,556	5,232,500
Amounts paid on purchase of investments	(5,915,006)	(1,145,490)
Dividends received	26,719	72,761
Interest received	2,745	6,945
	744,464	**4,087,296**
Financing:		
Proceeds from issue of redeemable units	354,233	54,891
Amounts paid on redemption of redeemable units	(569,916)	(3,642,257)
	(215,683)	**(3,587,366)**
Net increase (decrease) in cash	528,781	499,930
Cash (Bank overdraft), beginning of period	129,252	(10,388)
Effect of exchange rate fluctuations on cash	(18,541)	(16,439)
Cash (Bank overdraft), end of period	**639,492**	**473,103**

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

Pender Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)

Schedule of Investment Portfolio

June 30, 2026

	Number of units	Cost ($)	Fair value ($)
Mutual funds:			
Pender Alternative Arbitrage Plus Fund, Class 'O'	212,364	2,350,000	2,345,349
Pender Alternative Select Equity Fund, Class 'O'	255,280	3,315,000	3,318,948
Pender Small Cap Opportunities Fund, Class 'O'	69,494	2,609,914	3,374,779
Total mutual funds (93.6%)		**8,274,914**	**9,039,076**
Total investments (93.6%)		**8,274,914**	**9,039,076**
Cash (Bank overdraft) (6.6%)			639,492
Other assets less liabilities (-0.2%)			(18,659)
Total net assets attributable to holders of redeemable units (100.0%)			**9,659,909**

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

Pender Alternative Multi-Strategy Income Fund

Statements of Financial Position (Unaudited)

June 30, 2026 and December 31, 2025

	2026 ($)	2025 ($)
Assets		
Cash	922,095	379,512
Subscriptions receivable	1,464,267	834,276
Dividends receivable	9,402	2,988
Investments	119,125,544	48,861,984
	121,521,308	**50,078,760**
Liabilities		
Management and administration fees payable (note 4)	113,794	40,302
Redemptions payable to holders of redeemable units	120,577	20,277
Distributions payable to holders of redeemable units	182,374	-
Performance fees payable (note 4)	-	233,845
	416,745	**294,424**
Net assets attributable to holders of redeemable units	**121,104,563**	**49,784,336**
Net assets attributable to holders of redeemable units per class:		
Class A	8,061,965	3,171,531
Class E	2,553,505	2,290,247
Class F (formerly Class I)	110,483,178	44,316,797
Class O	5,915	5,761
	121,104,563	**49,784,336**
Net assets attributable to holders of redeemable units per unit:		
Class A	12.75	12.88
Class E	10.21	10.20
Class F (formerly Class I)	9.65	9.69
Class O	10.81	10.78

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

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

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

Pender Alternative Multi-Strategy Income Fund

Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Revenue		
Distributions from underlying funds	2,323,823	146,870
Interest for distribution purposes	15,318	1,532
Dividend income	33,666	-
Changes in fair value of investments:		
Net realized gain (loss)	(6,303)	(152,639)
Net change in unrealized appreciation (depreciation)	(797,757)	164,144
Total revenue	**1,568,747**	**159,907**
Expenses		
Management fees (note 4)	417,264	22,826
Administration fees (note 4)	84,260	14,085
Transaction costs	1,238	377
Independent review committee fees	437	37
Income tax (refund)	(1,105)	-
Total expenses	**502,094**	**37,325**
Less: Expenses absorbed by the Manager (note 4)	(437)	(37)
Net expenses	**501,657**	**37,288**
Increase (decrease) in net assets attributable to holders of redeemable units	**1,067,090**	**122,619**
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	48,835	19,584
Class E	58,308	2,903
Class F	-	25,137
Class F (formerly Class I)	959,793	51,071
Class O	154	23,924
	1,067,090	**122,619**
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	0.11	0.19
Class E	0.25	0.01
Class F	-	0.29
Class F (formerly Class I)	0.13	0.25
Class O	0.29	0.38

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

Pender Alternative Multi-Strategy Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2026 and 2025

Class A	2026 ($)	2025 ($)
Balance, beginning of period	3,171,531	1,379,927
Increase (decrease) in net assets attributable to holders of redeemable units	48,835	19,584
Unit transactions:		
Proceeds from issue of redeemable units	5,633,571	-
Issued on reinvestment of distributions	125,478	31,920
Amounts paid on redemption of redeemable units	(770,664)	(155,990)
	4,988,385	**(124,070)**
Distributions paid from:		
Net investment income	(146,786)	(32,258)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(146,786)	**(32,258)**
Balance, end of period	**8,061,965**	**1,243,183**

Class E	2026 ($)	2025 ($)
Balance, beginning of period	2,290,247	-
Increase (decrease) in net assets attributable to holders of redeemable units	58,308	2,903
Unit transactions:		
Proceeds from issue of redeemable units	204,950	2,179,461
Issued on reinvestment of distributions	58,023	9,088
Amounts paid on redemption of redeemable units	-	-
	262,973	**2,188,549**
Distributions paid from:		
Net investment income	(58,023)	(9,088)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(58,023)	**(9,088)**
Balance, end of period	**2,553,505**	**2,182,364**

Class F	2026 ($)	2025 ($)
Balance, beginning of period	-	1,300,500
Increase (decrease) in net assets attributable to holders of redeemable units	-	25,137
Unit transactions:		
Proceeds from issue of redeemable units	-	147,334
Issued on reinvestment of distributions	-	29,238
Amounts paid on redemption of redeemable units	-	(252,531)
	-	**(75,959)**
Distributions paid from:		
Net investment income	-	(30,076)
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**(30,076)**
Balance, end of period	**-**	**1,219,602**

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

Six months ended June 30, 2026 and 2025

Class F (formerly Class I)	2026 ($)	2025 ($)
Balance, beginning of period	44,316,797	593,919
Increase (decrease) in net assets attributable to holders of redeemable units	959,793	51,071
Unit transactions:		
Proceeds from issue of redeemable units	83,369,560	2,541,250
Issued on reinvestment of distributions	1,170,857	54,946
Amounts paid on redemption of redeemable units	(17,417,140)	(41,135)
	67,123,277	**2,555,061**
Distributions paid from:		
Net investment income	(1,916,689)	(54,946)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(1,916,689)	**(54,946)**
Balance, end of period	**110,483,178**	**3,145,105**

Class O	2026 ($)	2025 ($)
Balance, beginning of period	5,761	5,320
Increase (decrease) in net assets attributable to holders of redeemable units	154	23,924
Unit transactions:		
Proceeds from issue of redeemable units	-	2,155,459
Issued on reinvestment of distributions	141	13,757
Amounts paid on redemption of redeemable units	-	(2,179,460)
	141	**(10,244)**
Distributions paid from:		
Net investment income	(141)	(13,757)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(141)	**(13,757)**
Balance, end of period	**5,915**	**5,243**

Total Fund	2026 ($)	2025 ($)
Balance, beginning of period	49,784,336	3,279,666
Increase (decrease) in net assets attributable to holders of redeemable units	1,067,090	122,619
Unit transactions:		
Proceeds from issue of redeemable units	89,208,081	7,023,504
Issued on reinvestment of distributions	1,354,499	138,949
Amounts paid on redemption of redeemable units	(18,187,804)	(2,629,116)
	72,374,776	**4,533,337**
Distributions paid from:		
Net investment income	(2,121,639)	(140,125)
Realized gains on sale of investments	-	-
Return of capital	-	-
	(2,121,639)	**(140,125)**
Balance, end of period	**121,104,563**	**7,795,497**

Pender Alternative Multi-Strategy Income Fund

Statements of Cash Flows (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	1,067,090	122,619
Adjustments for:		
Distributions from underlying funds	(2,323,823)	(146,870)
Interest for distribution purposes	(15,318)	(1,532)
Dividend income	(33,666)	-
Net realized (gain) loss on sale of investments	6,303	152,639
Net change in unrealized (appreciation) depreciation of investments	797,757	(164,144)
Performance fees payable	(233,845)	(33,284)
Management and administration fees payable	73,492	1,636
Accrued expenses	-	(95)
	(662,010)	**(69,031)**
Proceeds on disposal of investments	3,152,099	430,000
Amounts paid on purchase of investments	(74,219,719)	(4,390,870)
Dividends received	27,252	-
Distributions from underlying funds	2,323,823	146,870
Interest received	15,318	1,532
	(69,363,237)	**(3,881,499)**
Financing:		
Proceeds from issue of redeemable units	88,408,007	4,796,710
Amounts paid on redemption of redeemable units	(17,917,421)	(404,286)
Distributions paid to unitholders	(584,766)	(700)
	69,905,820	**4,391,724**
Net increase (decrease) in cash	542,583	510,225
Cash (Bank overdraft), beginning of period	379,512	46,737
Cash (Bank overdraft), end of period	**922,095**	**556,962**

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

Pender Alternative Multi-Strategy Income Fund

Schedule of Investment Portfolio (Unaudited)

June 30, 2026

	Number of units	Cost ($)	Fair value ($)
Mutual funds:			
Pender Alternative Absolute Return Fund, Class 'O'	5,149,198	47,067,904	45,723,848
Pender Alternative Arbitrage Plus Fund, Class 'O'	2,039,712	22,864,452	22,526,581
Pender Corporate Bond Fund, Class 'O'	3,600,293	45,286,997	46,073,675
Total mutual funds (94.3%)		**115,219,353**	**114,324,104**
Exchange-traded fund(s):			
Purpose Cash Management Fund	48,000	4,803,707	4,801,440
Total exchange-traded fund(s) (4.0%)		**4,803,707**	**4,801,440**
Less: Transaction costs included in cost of investments		(470)	
Total investments (98.3%)		**120,022,590**	**119,125,544**
Cash (Bank overdraft) (0.8%)			922,095
Other assets less liabilities (0.9%)			1,056,924
Total net assets attributable to holders of redeemable units (100.0%)			**121,104,563**

Pender Alternative Select Equity Fund

Statements of Financial Position (Unaudited)

June 30, 2026 and December 31, 2025

	2026 ($)	2025 ($)
Assets		
Cash	5,810,777	1,496,043
Receivable for investments sold	1,679,217	-
Subscriptions receivable	239,511	2,900
Dividends receivable	39,253	13,106
Investments	86,060,029	48,551,669
	93,828,787	**50,063,718**
Liabilities		
Management and administration fees payable (note 4)	142,911	104,018
Payable for investments purchased	4,123,118	-
Redemptions payable to holders of redeemable units	53,095	-
Payable for interest and dividends on short securities	-	5,222
Performance fees payable (note 4)	1,418,648	208,798
Investments sold short	4,886,151	4,009,500
	10,623,923	**4,327,538**
Net assets attributable to holders of redeemable units	**83,204,864**	**45,736,180**
Net assets attributable to holders of redeemable units per class:		
Class A	3,943,324	1,424,567
Class E	521,844	-
Class F	75,413,331	44,305,602
Class O (formerly Class I)	3,326,365	6,011
	83,204,864	**45,736,180**
Net assets attributable to holders of redeemable units per unit:		
Class A	28.04	23.82
Class E	10.06	-
Class F	38.44	32.25
Class O (formerly Class I)	13.00	10.55

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

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

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

Pender Alternative Select Equity Fund

Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Revenue		
Interest for distribution purposes	9,491	44,191
Dividend income	374,695	291,720
Securities lending income (note 5)	-	7,739
Interest and dividend expense on securities sold short	(99,078)	(17,332)
Foreign exchange gain (loss)	68,868	(13,983)
Changes in fair value of investments:		
Net realized gain (loss)	11,256,821	4,349,067
Net change in unrealized appreciation (depreciation)	(500,591)	(230,473)
Total revenue	**11,110,206**	**4,430,929**
Expenses		
Performance fees (note 4)	1,418,648	-
Management fees (note 4)	376,539	174,670
Transaction costs	291,101	148,160
Administration fees (note 4)	108,487	45,221
Interest and borrowing fees expense	25,990	6,495
Withholding taxes (note 6)	3,844	8,578
Independent review committee fees	342	2,353
Income tax (refund)	-	5,491
Total expenses	**2,224,951**	**390,968**
Less: Expenses absorbed by the Manager (note 4)	(342)	(9,427)
Net expenses	**2,224,609**	**381,541**
Increase (decrease) in net assets attributable to holders of redeemable units	**8,885,597**	**4,049,388**
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	278,888	129,289
Class E	3,538	-
Class F	8,597,829	3,920,099
Class O (formerly Class I)	5,342	-
	8,885,597	**4,049,388**
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	2.87	2.28
Class E	0.05	-
Class F	5.20	3.15
Class O (formerly Class I)	0.05	-

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

Pender Alternative Select Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2026 and 2025

Class A	2026 ($)	2025 ($)
Balance, beginning of period	1,424,567	1,068,385
Increase (decrease) in net assets attributable to holders of redeemable units	278,888	129,289
Unit transactions:		
Proceeds from issue of redeemable units	2,250,817	30,743
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(10,948)	-
	2,239,869	**30,743**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**3,943,324**	**1,228,417**

Class E	2026 ($)	2025 ($)
Balance, beginning of period	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	3,538	-
Unit transactions:		
Proceeds from issue of redeemable units	518,600	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(294)	-
	518,306	**-**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**521,844**	**-**

Class F	2026 ($)	2025 ($)
Balance, beginning of period	44,305,602	33,288,023
Increase (decrease) in net assets attributable to holders of redeemable units	8,597,829	3,920,099
Unit transactions:		
Proceeds from issue of redeemable units	33,815,795	199,865
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(11,305,895)	(2,171,258)
	22,509,900	**(1,971,393)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**75,413,331**	**35,236,729**

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

Six months ended June 30, 2026 and 2025

Class O (formerly Class I)	2026 ($)	2025 ($)
Balance, beginning of period	6,011	-
Increase (decrease) in net assets attributable to holders of redeemable units	5,342	-
Unit transactions:		
Proceeds from issue of redeemable units	3,315,012	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	3,315,012	**-**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**3,326,365**	**-**

Total Fund	2026 ($)	2025 ($)
Balance, beginning of period	45,736,180	34,356,408
Increase (decrease) in net assets attributable to holders of redeemable units	8,885,597	4,049,388
Unit transactions:		
Proceeds from issue of redeemable units	39,900,224	230,608
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(11,317,137)	(2,171,258)
	28,583,087	**(1,940,650)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**83,204,864**	**36,465,146**

Pender Alternative Select Equity Fund

Statements of Cash Flows (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	8,885,597	4,049,388
Adjustments for:		
Interest for distribution purposes	(9,491)	(44,191)
Dividend income	(374,695)	(291,720)
Interest and dividend expense on securities sold short	99,078	17,332
Foreign exchange (gain) loss	(68,868)	13,983
Net realized (gain) loss on sale of investments	(13,181,088)	(4,349,396)
Net change in unrealized (appreciation) depreciation of investments	500,591	230,473
Other receivable	-	12,410
Derivative assets and liabilities	1,924,267	-
Performance fees payable	1,209,850	20,134
Management and administration fees payable	38,893	173,321
Accrued expenses	-	(188,907)
	(975,866)	**(357,173)**
Proceeds on disposal of investments	89,751,896	76,049,812
Amounts paid on purchase of investments and securities sold short	(113,183,474)	(73,760,615)
Interest and dividend expense paid on securities sold short	(104,300)	(17,332)
Dividends received	348,548	297,879
Interest received	9,491	44,191
	(24,153,705)	**2,256,762**
Financing:		
Proceeds from issue of redeemable units	39,150,117	254,615
Amounts paid on redemption of redeemable units	(10,750,546)	(2,171,257)
Distributions paid to unitholders	-	(7,180,332)
	28,399,571	**(9,096,974)**
Net increase (decrease) in cash	4,245,866	(6,840,212)
Cash (Bank overdraft), beginning of period	1,496,043	6,906,058
Effect of exchange rate fluctuations on cash	68,868	(13,983)
Cash (Bank overdraft), end of period	**5,810,777**	**51,863**

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

Pender Alternative Select Equity Fund

Schedule of Investment Portfolio (Unaudited)

June 30, 2026

	Issue currency	Number of shares / units	Cost ($)	Fair value ($)
LONG POSITIONS				
Closed end fund(s) (0.7%):				
Sprott Physical Uranium Trust		21,000	491,917	548,012
			491,917	**548,012**
Common shares:				
Communication services (2.3%):				
Telesat Corp.		26,153	800,600	1,877,571
			800,600	**1,877,571**
Consumer discretionary (2.5%):				
Amazon.com Inc.		6,100	2,082,900	2,061,957
			2,082,900	**2,061,957**
Energy (23.3%):				
ACT Energy Technologies Ltd.		273,157	1,668,814	1,625,284
Atha Energy Corp.		610,000	619,289	603,900
Baytex Energy Corp.		242,300	1,392,475	1,378,687
Cenovus Energy Inc.		40,000	921,868	1,407,600
enCore Energy Corp.		1,716	-	3,175
IsoEnergy Ltd.		117,000	1,506,518	1,654,380
Logan Energy Corp.		1,027,400	750,002	863,016
NexGen Energy Ltd.		167,700	1,927,735	2,233,764
NG Energy International Corp.		426,400	685,149	605,488
Rubellite Energy Corp.		235,500	638,205	765,375
Spur Petroleum Ltd.		18,000	999,900	1,170,000
Stampede Drilling Inc.		1,000,000	330,250	220,000
Stamper Oil & Gas Corp.		2,250,000	300,000	135,000
Surge Energy Inc.		180,400	1,515,575	1,665,092
Tenaz Energy Corp.		16,700	848,769	772,375
Topaz Energy Corp.		37,400	1,079,416	1,113,772
Tourmaline Oil Corp.		20,700	1,288,581	1,227,510
Valeura Energy Inc.		59,200	769,002	615,680
Whitecap Resources Inc.		93,200	1,040,338	1,372,836
			18,281,886	**19,432,934**
Financial services (5.3%):				
Canaccord Genuity Group Inc.		62,400	810,860	911,040
Evercore Inc., Class 'A'		3,800	1,307,714	1,840,140
FRNT Financial Inc.		583,333	300,000	58,333
Goldman Sachs Group Inc. (The)		1,100	1,321,648	1,577,813
			3,740,222	**4,387,326**
Health care (4.0%):				
Green Thumb Industries Inc.		67,800	750,295	747,156
Hydrx Farms Ltd.		113,000	-	-
Intercure Ltd.		1,977	10,843	3,084
Vitalhub Corp.		275,700	2,080,946	1,965,741
Xenon Pharmaceuticals Inc.		6,850	351,960	586,398
			3,194,044	**3,302,379**
Industrials (9.5%):				
ATS Corp.		37,700	1,441,961	1,541,176
Canadian Pacific Kansas City Ltd.		27,000	3,022,778	3,319,920
Caterpillar Inc.		900	877,439	1,359,265
Volatus Aerospace Inc.		700,000	420,000	441,000

Schedule of Investment Portfolio (Unaudited) (cont'd)

June 30, 2026

	Issue currency	Number of shares / units	Cost ($)	Fair value ($)
LONG POSITIONS (cont'd)				
Common shares: (cont'd)				
Industrials (9.5%): (cont'd)				
Waste Connections Inc.		3,000	561,056	709,170
Xtract One Technologies Inc.		897,700	617,835	511,689
			6,941,069	**7,882,220**
Information technology (7.4%):				
Amphenol Corp., Class 'A'		5,600	1,077,272	1,400,369
Calian Group Ltd.		10,000	492,374	845,100
Microsoft Corp.		3,900	2,043,266	2,063,239
Shopify Inc., Class 'A'		11,200	1,859,071	1,817,312
			5,471,983	**6,126,020**
Insurance (0.7%):				
Trisura Group Ltd.		12,420	448,306	551,075
			448,306	**551,075**
Materials (30.8%):				
Agnico Eagle Mines Ltd.		7,300	1,566,537	1,608,628
Americas Gold and Silver Corp.		160,100	1,113,867	1,074,271
Artemis Gold Inc.		19,600	698,937	611,716
Astra Exploration Inc.		500,000	385,000	290,000
Banyan Gold Corp.		1,000,000	1,021,278	1,420,000
Blue Moon Metals Inc.		195,200	1,910,289	1,756,800
CVW Sustainable Royalties Inc.		450,000	351,000	409,500
First Mining Gold Corp.		1,654,800	812,879	1,025,976
G2 Goldfields Inc.		121,716	405,968	1,145,348
Galantas Gold Corp.		1,000,000	550,000	460,000
Gladiator Metals Corp.		160,000	157,795	593,600
Gold X2 Mining Inc.		300,000	270,653	357,000
Graphite One Inc.		718,047	924,946	718,047
Group Eleven Resources Corp.		751,890	419,106	601,512
Gunnison Copper Corp.		750,000	315,000	277,500
Hemlo Mining Corp.		100,000	563,900	527,000
IAMGOLD Corp.		29,700	642,114	668,547
Integra Resources Corp.		120,000	680,400	378,000
K2 Gold Corp.		649,400	454,580	474,062
Kinross Gold Corp.		18,000	-	1,800
Koryx Copper SA		163,270	400,012	542,056
Lundin Mining Corp.		64,300	1,711,844	2,222,208
Metals Royalty Co. Inc. (The)		17,600	346,774	178,223
Osisko Metals Inc.		651,500	1,025,350	1,166,185
Rio2 Ltd.		400,900	978,998	1,066,394
Sitka Gold Corp.		2,249,000	1,874,068	2,249,000
Snowline Gold Corp.		61,800	821,109	792,276
Southern Cross Gold Consolidated Ltd.		77,100	709,004	676,938
Talamore Mining Corp.		38,466	41,543	300,035
Total Metals Corp.		166,666	150,000	40,833
Western Copper and Gold Corp.		365,300	1,329,906	1,161,654
Wheaton Precious Metals Corp.		3,700	611,796	590,298
Yukon Metals Corp.		922,500	474,875	364,388
			23,719,528	**25,749,795**

	Issue currency	Number of shares / units	Cost ($)	Fair value ($)
LONG POSITIONS (cont'd)				
Common shares: (cont'd)				
Utilities (1.8%)				
Brookfield Renewable Partners L.P.		30,000	974,202	1,475,400
			974,202	**1,475,400**
Total common shares (long) (87.6%)			**65,654,740**	**72,846,677**
Exchange-traded fund(s) (12.7%):				
Purpose Cash Management Fund		80,929	8,103,827	8,095,327
Purpose USD Cash Management Fund		11,100	1,526,567	1,575,045
SPDR KBW Regional Banking ETF		8,850	842,103	939,481
			10,472,497	**10,609,853**
Preferred shares (1.8%):				
Alida Inc., Preferred, Series '2'		221,602	775,607	828,791
General Fusion Inc. Convertible Preferred Shares		52,352	736,266	757,332
			1,511,873	**1,586,123**
Warrants (0.6%):				
Axcap Ventures Inc., strike price $2.00, expiry 2029/12/10	CAD	115,000	-	124,200
Craft 1861 Global Holdings Inc., strike price $11.50, expiry 2028/02/28	USD	16,500	4,200	-
CVW Sustainable Royalties Inc., strike price $0.95, expiry 2028/02/26	CAD	450,000	-	-
First Mining Gold Corp., strike price $0.20, expiry 2027/09/26	CAD	300,000	-	126,000
FRNT Financial Inc., strike price $0.90, expiry 2027/05/21	CAD	166,667	-	-
Galantas Gold Corp., strike price $0.80, expiry 2028/05/28	CAD	500,000	-	-
General Fusion Inc., strike price $12.00, expiry 2031/07/10	USD	52,352	-	-
Graphite One Inc., strike price $2.25, expiry 2028/02/18	CAD	285,714	-	31,429
Guanajuato Silver Co. Ltd., strike price $0.65, expiry 2038/10/10	CAD	250,000	-	-
Lion One Metals Ltd., strike price $0.41, expiry 2028/02/14	CAD	550,000	-	-
Mogotes Metals Inc., strike price $0.53, expiry 2029/01/22	CAD	312,500	-	6,250
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	-	181,485
Yukon Metals Corp., strike price $0.80, expiry 2028/04/09	CAD	136,250	-	-
Yukon Metals Corp., strike price $0.75, expiry 2028/06/11	CAD	325,000	-	-
			4,200	**469,364**
Total long positions (103.4%)			**78,135,227**	**86,060,029**
SHORT POSITIONS				
Common shares:				
Energy (-0.9%):				
Frontline PLC		(15,000)	(715,305)	(740,114)
Total common shares (short) (-0.9%)			**(715,305)**	**(740,114)**

	Issue currency	Number of shares / units	Cost ($)	Fair value ($)
SHORT POSITIONS (cont'd)				
Exchange-traded fund(s) (-5.0%):				
iShares S&P/TSX Global Gold Index ETF		(30,000)	(1,531,200)	(1,431,600)
iShares Broad USD High Yield Corporate Bond ETF		(51,700)	(2,596,426)	(2,714,437)
			(4,127,626)	**(4,146,037)**
Total short positions (-5.9%)			**(4,842,931)**	**(4,886,151)**
Less: Transaction costs included in cost of investments			(107,329)	
Total investments (97.5%)				**81,173,878**
Cash (Bank overdraft) (7.0%)				5,810,777
Other assets less liabilities (-4.5%)				(3,779,791)
Total net assets attributable to holders of redeemable units (100.0%)				**83,204,864**

Pender Alternative Special Situations Fund

Statements of Financial Position (Unaudited)

June 30, 2026 and December 31, 2025

	2026 ($)	2025 ($)
Assets		
Cash	1,483,748	-
Subscriptions receivable	10,100	55,940
Dividends receivable	2,529	3,514
Investments	9,889,383	6,576,638
	11,385,760	**6,636,092**
Liabilities		
Bank overdraft	-	301,994
Management and administration fees payable (note 4)	10,534	-
Distributions payable to holders of redeemable units	-	725
Payable for interest and dividends on short securities	1,645	1,253
Performance fees payable (note 4)	110,466	-
Investments sold short	2,202,560	844,853
	2,325,205	**1,148,825**
Net assets attributable to holders of redeemable units	**9,060,555**	**5,487,267**
Net assets attributable to holders of redeemable units per class:		
Class A	1,241,198	629,527
Class E	739,090	490,274
Class F (formerly Class I)	7,069,132	4,357,793
Class O	11,135	9,673
	9,060,555	**5,487,267**
Net assets attributable to holders of redeemable units per unit:		
Class A	36.25	32.25
Class E	19.52	17.19
Class F (formerly Class I)	19.40	17.18
Class O	19.83	17.19

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

(signed) "David Barr"

David Barr
Director

(signed) "Felix Narhi"

Felix Narhi
Director

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

Pender Alternative Special Situations Fund

Statements of Comprehensive Income (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Revenue		
Interest for distribution purposes	580	-
Dividend income	10,509	14,554
Interest and dividend expense on securities sold short	(11,875)	(463)
Foreign exchange gain (loss)	36,495	(3,939)
Changes in fair value of investments:		
Net realized gain (loss)	941,939	5,483
Net change in unrealized appreciation (depreciation)	(30,641)	228,877
Total revenue	**947,007**	**244,512**
Expenses		
Performance fees (note 4)	110,466	8,398
Management fees (note 4)	46,807	41,959
Transaction costs	15,515	2,842
Interest and borrow fees expense	8,712	5,033
Administration fees (note 4)	8,175	26,508
Withholding taxes (note 6)	383	24
Independent review committee fees	45	17
Total expenses	**190,103**	**84,781**
Less: Expenses absorbed by the Manager (note 4)	(45)	(76,881)
Net expenses	**190,058**	**7,900**
Increase (decrease) in net assets attributable to holders of redeemable units	**756,949**	**236,612**
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Class A	87,831	31,256
Class E	66,611	25,252
Class F	-	111,655
Class F (formerly Class I)	601,045	67,910
Class O	1,462	539
	756,949	**236,612**
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	2.99	1.80
Class E	2.00	1.02
Class F	-	1.74
Class F (formerly Class I)	1.94	0.85
Class O	2.60	0.96

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

Pender Alternative Special Situations Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

Six months ended June 30, 2026 and 2025

Class A	2026 ($)	2025 ($)
Balance, beginning of period	629,527	410,585
Increase (decrease) in net assets attributable to holders of redeemable units	87,831	31,256
Unit transactions:		
Proceeds from issue of redeemable units	523,840	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(527)
	523,840	**(527)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**1,241,198**	**441,314**

Class E	2026 ($)	2025 ($)
Balance, beginning of period	490,274	301,303
Increase (decrease) in net assets attributable to holders of redeemable units	66,611	25,252
Unit transactions:		
Proceeds from issue of redeemable units	199,370	36,265
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(17,165)	(2,433)
	182,205	**33,832**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**739,090**	**360,387**

Class F	2026 ($)	2025 ($)
Balance, beginning of period	-	1,287,512
Increase (decrease) in net assets attributable to holders of redeemable units	-	111,655
Unit transactions:		
Proceeds from issue of redeemable units	-	351,034
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	(144,151)
	-	**206,883**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**-**	**1,606,050**

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

Six months ended June 30, 2026 and 2025

Class F (formerly Class I)	2026 ($)	2025 ($)
Balance, beginning of period	4,357,793	1,015,528
Increase (decrease) in net assets attributable to holders of redeemable units	601,045	67,910
Unit transactions:		
Proceeds from issue of redeemable units	2,442,266	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(331,972)	(292,124)
	2,110,294	**(292,124)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**7,069,132**	**791,314**

Class O	2026 ($)	2025 ($)
Balance, beginning of period	9,673	7,068
Increase (decrease) in net assets attributable to holders of redeemable units	1,462	539
Unit transactions:		
Proceeds from issue of redeemable units	-	-
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	-	-
	-	**-**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**11,135**	**7,607**

Total Fund	2026 ($)	2025 ($)
Balance, beginning of period	5,487,267	3,021,996
Increase (decrease) in net assets attributable to holders of redeemable units	756,949	236,612
Unit transactions:		
Proceeds from issue of redeemable units	3,165,476	387,299
Issued on reinvestment of distributions	-	-
Amounts paid on redemption of redeemable units	(349,137)	(439,235)
	2,816,339	**(51,936)**
Distributions paid from:		
Net investment income	-	-
Realized gains on sale of investments	-	-
Return of capital	-	-
	-	**-**
Balance, end of period	**9,060,555**	**3,206,672**

Pender Alternative Special Situations Fund

Statements of Cash Flows (Unaudited)

Six months ended June 30, 2026 and 2025

	2026 ($)	2025 ($)
Cash provided by (used in):		
Operating:		
Increase (decrease) in net assets attributable to holders of redeemable units	756,949	236,612
Adjustments for:		
Interest for distribution purposes	(580)	-
Dividend income	(10,509)	(14,554)
Interest and dividend expense on securities sold short	11,875	463
Foreign exchange (gain) loss	(36,495)	3,939
Net realized (gain) loss on sale of investments	(941,939)	(5,483)
Net change in unrealized (appreciation) depreciation of investments	30,641	(228,877)
Performance fees payable	110,466	-
Management and administration fees payable	10,534	-
Accrued expenses	-	(2,193)
	(69,058)	**(10,093)**
Proceeds on disposal of investments	9,382,993	1,073,371
Amounts paid on purchase of investments and securities sold short	(10,426,733)	(1,990,693)
Interest and dividend expense paid on securities sold short	(11,483)	(183)
Dividends received	11,494	14,391
Interest received	580	-
	(1,112,207)	**(913,207)**
Financing:		
Proceeds from issue of redeemable units	3,202,345	408,299
Amounts paid on redemption of redeemable units	(340,166)	(439,235)
Distributions paid to unitholders	(725)	(495)
	2,861,454	**(31,431)**
Net increase (decrease) in cash	1,749,247	(944,638)
Cash (Bank overdraft), beginning of period	(301,994)	(323,618)
Effect of exchange rate fluctuations on cash	36,495	(3,939)
Cash (Bank overdraft), end of period	**1,483,748**	**(1,272,195)**

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

Pender Alternative Special Situations Fund

Schedule of Investment Portfolio (Unaudited)

June 30, 2026

	Issue currency	Number of shares	Cost ($)	Fair value ($)
LONG POSITIONS				
Closed end fund(s) (0.5%):				
Sprott Physical Uranium Trust		1,750	33,784	45,658
			33,784	**45,658**
Common shares:				
Communication services (5.4%):				
Telesat Corp., Class 'A'		6,800	150,938	489,124
			150,938	**489,124**
Consumer discretionary (5.1%):				
iFabric Corp.		55,000	203,500	253,000
Monro Inc.		5,000	112,344	121,331
Regis Corp.		2,200	81,022	87,364
			396,866	**461,695**
Consumer staples (1.5%):				
Glass House Brands Inc.		7,200	47,332	132,748
			47,332	**132,748**
Energy (22.7%):				
Advantage Energy Ltd.		12,000	141,682	123,720
Athabasca Oil Corp.		12,200	17,595	124,684
Greenfire Resources Ltd.		16,700	132,070	133,934
IsoEnergy Ltd.		22,300	306,568	315,322
Logan Energy Corp.		366,500	267,545	307,860
McDermott International Ltd.		8,580	232,672	177,175
NexGen Energy Ltd.		28,700	369,191	382,284
Saturn Oil & Gas Inc.		26,158	61,471	136,545
Spartan Delta Corp.		13,400	129,453	153,430
Uranium Energy Corp.		3,300	56,574	49,891
Valeura Energy Inc.		14,600	184,225	151,840
			1,899,046	**2,056,685**
Financial services (6.7%):				
Bitcoin Treasury Corp.		66,626	511,108	186,553
Canaccord Genuity Group Inc.		18,200	223,132	265,720
Partners Value Investments L.P.		9,000	57,317	156,150
			791,557	**608,423**
Health care (1.0%):				
Profound Medical Corp.		9,400	104,163	88,642
			104,163	**88,642**
Industrials (7.4%):				
AG Growth International Inc.		6,300	132,363	127,323
Hammond Power Solutions Inc.		300	34,781	104,163
MDA Space Ltd.		7,491	197,576	438,973
			364,720	**670,459**
Information technology (22.5%):				
Bel Fuse Inc., Class 'A'		300	97,440	123,911
Carrier Connect Data Solutions Inc.		507,985	622,281	609,581
Intermap Technologies Corp.		61,200	160,811	65,484
Juno Industries Inc., Subscription Receipts		212,500	170,000	170,000
Kraken Robotics Inc., Subscription Receipts		52,103	442,876	331,896
Kraken Robotics Inc.		23,289	80,442	147,652
Lumine Group Inc.		5,400	133,980	116,100

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

	Issue currency	Number of shares	Cost ($)	Fair value ($)
LONG POSITIONS (cont'd)				
Common shares: (cont'd)				
Information technology (22.5%): (cont'd)				
PAR Technology Corp.		6,500	174,474	160,588
Prospect Prediction Markets Inc.		76,500	38,811	30,600
Sangoma Technologies Corp.		34,565	189,567	186,997
Topicus.com Inc.		1,100	127,846	99,462
			2,238,528	**2,042,271**
Materials (31.0%):				
5N Plus Inc.		6,400	27,377	280,192
Aeonian Resources Corp.		337,500	50,871	38,813
Aluula Composites Inc.		28,600	94,380	94,666
Blue Moon Metals Inc.		61,100	418,499	549,900
Faraday Copper Corp.		24,700	27,170	147,953
Fireweed Metals Corp.		38,800	69,840	135,024
First Quantum Minerals Ltd.		2,700	95,337	104,598
Fox Tungsten Ltd.		1,212,200	200,013	212,135
Highlander Silver Corp.		16,700	33,708	111,222
Magna Terra Minerals Inc.		305,500	50,498	45,825
Montage Gold Corp.		10,300	19,635	166,139
Neo Performance Materials Inc.		8,200	157,445	304,876
NextSource Materials Inc.		275,500	117,088	90,915
NGEx Minerals Ltd.		5,800	142,912	147,204
Sitka Gold Corp.		138,200	164,047	138,200
Western Copper and Gold Corp.		36,145	150,002	114,941
White Gold Corp.		73,800	111,254	125,460
			1,930,076	**2,808,063**
Total common shares (long) (103.3%)			**7,923,226**	**9,358,110**
Exchange-traded fund(s) (1.3%):				
AdvisorShares Pure US Cannabis ETF		16,200	88,723	116,716
			88,723	**116,716**
Preferred shares (0.8%):				
General Fusion Inc., Convertible Preferred Shares		5,196	73,075	75,166
			73,075	**75,166**
Warrants (3.2%):				
Aluula Composites Inc., strike price $4.29, expiry 2028/02/24	CAD	37,500	-	-
Carrier Connect Data Solutions Inc., strike price $1.00, expiry 2027/11/10	CAD	107,143	-	21,429
Carrier Connect Data Solutions Inc., strike price $2.10, expiry 2028/02/26	CAD	150,000	-	-
Fox Tungsten Ltd., strike price $0.22, expiry 2029/04/23	CAD	606,100	-	-
General Fusion Inc., strike price $12.00, expiry 2031/07/10	USD	5,196	-	-
Glass House Brand Inc., strike price $5.00, expiry 2027/08/31	USD	24,000	-	272,304
NextSource Materials Inc., strike price $0.55, expiry 2029/02/24	CAD	400,000	-	-
Tocvan Ventures Corp., strike price $1.40, expiry 2029/02/19	CAD	180,000	-	-

	Issue currency	Number of shares	Cost ($)	Fair value ($)
LONG POSITIONS (cont'd)				
Warrants (3.2%): (cont'd)				
Tristar Gold Inc., strike price $0.30, expiry 2028/06/04	CAD	217,500	-	-
Xtract One Technologies Inc., strike price $0.95, expiry 2028/11/10	CAD	166,650	-	-
			-	**293,733**
Total long positions (109.1%)			**8,118,808**	**9,889,383**
SHORT POSITIONS				
Common shares:				
Information technology (-1.6%):				
Bel Fuse Inc., Class 'B'		(300)	(106,336)	(141,700)
Total common shares (short) (-1.6%)			**(106,336)**	**(141,700)**
Exchange-traded fund(s) (-22.7%):				
Invesco QQQ Trust, Series '1'		(490)	(407,108)	(511,756)
iShares Bitcoin Trust ETF		(4,250)	(335,654)	(200,658)
iShares Core S&P/TSX Capped Composite Index ETF		(6,900)	(349,408)	(383,640)
iShares Russell 2000 ETF		(1,270)	(438,148)	(541,163)
SPDR S&P 500 ETF Trust		(400)	(362,904)	(423,643)
			(1,893,222)	**(2,060,860)**
Total short positions (-24.3%)			**(1,999,558)**	**(2,202,560)**
Less: Transaction costs included in cost of investments			(5,604)	
Total investments (84.8%)			**6,113,646**	**7,686,823**
Cash (Bank overdraft) (16.4%)				1,483,748
Other assets less liabilities (-1.2%)				(110,016)
Total net assets attributable to holders of redeemable units (100.0%)				**9,060,555**

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), O
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)	March 31, 1998	A, E, F (formerly F2), I, O
Alternative Multi-Strategy Income Fund	September 21, 2009	A, E, F (formerly I), O
Alternative Select Equity Fund	February 1, 2007	A, E, F, Class O (formerly I)
Alternative Special Situations Fund	July 10, 2020	A, E, F (formerly I), O

Effective April 30, 2026, Pender Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund) was converted from an Offering Memorandum fund to a Simplified Prospectus fund.

Effective June 26, 2026, Class F (USD) units of the Pender Alternative Arbitrage Plus Fund were closed. Effective June 26, 2026, Class F (USD) units of the Pender Alternative Multi-Strategy Income Fund and Class E units of the Pender Alternative Select Equity 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 into150,692 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
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-Eighth Amended and Restated Mutual Fund Trust Agreement dated August 12, 2026 (previously the Twenty-Seventh Amended and Restated Mutual Fund Trust Agreement dated June 26, 2026).

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. The Bank of Nova Scotia is the custodian of and provides prime brokerage services for all the other Funds. Additional prime brokerage services are provided by the Toronto-Dominion Bank to the Pender Alternative Absolute Return Fund and by CIBC Mellon Trust Company to the Pender Alternative 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 August 28, 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.

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, distributions payable to holders of redeemable units, redemptions payable to holders of redeemable units, payable for investments purchased, payable for interest and dividends on short securities, 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.

(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 contain multiple dissimilar contractual obligations and entitle unitholders to the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund. Accordingly, the redeemable units meet the criteria for classification as financial liabilities under IAS 32 Financial Instruments: Presentation.

The redeemable units are designated as financial liabilities at FVTPL because they are managed, and their performance is evaluated on a fair value basis. The redeemable units provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Fund's valuation policies at each redemption date. Distributions to holders of redeemable units will be recognized in comprehensive income when they are authorized and no longer at the discretion of the Manager.

(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.

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 Select Equity 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.

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 as at June 30, 2026 and December 31, 2025 are as follows:

As at June 30, 2026	Class A (formerly H)/A (USD) (formerly H (USD)) (%)	Class AF (%)	Class F (formerly F2 or 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 Growth Fund (formerly Pender Partners Fund)	2.10	-	1.10	-
Alternative Multi-Strategy Income Fund	1.95	-	0.95	-
Alternative Select Equity Fund	2.00	-	1.00	-
Alternative Special Situations Fund	2.10	-	1.10	-

As at June 30, 2026 (cont'd)	Class I (%)	Class N (%)
Alternative Absolute Return Fund	-	0.60
Alternative Arbitrage Fund	-	-
Alternative Arbitrage Plus Fund	-	-
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)	1.00	-
Alternative Multi-Strategy Income Fund	-	-
Alternative Select Equity Fund	-	-
Alternative Special Situations Fund	-	-

As at December 31, 2025	Class A (formerly H)/A (USD) (formerly H (USD)) (%)	Class AF (%)	Class F (formerly F2 or I)/F (USD) (formerly I (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 Growth Fund (formerly Pender Partners Fund)	1.85	-	0.85	-
Alternative Multi-Strategy Income Fund	1.80	-	0.80	-
Alternative Select Equity Fund	2.00	-	1.00	-
Alternative Special Situations Fund*	1.95	-	0.95	-

As at December 31, 2025 (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 Growth Fund (formerly Pender Partners Fund)	-	0.70	-
Alternative Multi-Strategy Income Fund	-	0.65	-
Alternative 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.

(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 which is 0.30%. Effective August 28, 2025, Pender Alternative 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, 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 June 30, 2026 and December 31, 2025 (with the exception of Pender Alternative Select Equity Fund for the period from January 1, 2025 to August 27, 2025) for each class does not exceed the percentage of average NAV set out in the Fund's offering documents, as follows:

As at June 30, 2026	Class A (formerly H)/A (USD) (formerly H (USD)) (%)	Class AF (%)	Class E (%)	Class F (formerly F2 or I)/F (USD) (formerly I (USD)) (%)
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 Growth Fund (formerly Pender Partners Fund)	2.30	-	0.20	1.30
Alternative Multi-Strategy Income Fund	2.15	-	0.20	1.15
Alternative Select Equity Fund	2.30	-	-	1.30
Alternative Special Situations Fund	2.30	-	0.20	1.30

As at June 30, 2026 (cont'd)	Class FF (%)	Class I (%)	Class N (%)
Alternative Absolute Return Fund	0.65	-	0.80
Alternative Arbitrage Fund	0.65	-	-
Alternative Arbitrage Plus Fund	-	-	-
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)	-	1.20	-
Alternative Multi-Strategy Income Fund	-	-	-
Alternative Select Equity Fund	-	-	-
Alternative Special Situations Fund	-	-	-

As at December 31, 2025	Class A (formerly H)/A (USD) (formerly H (USD)) (%)	Class AF (%)	Class E (%)	Class F (formerly F2 or I)/F (USD) (formerly I (USD)) (%)
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 Growth Fund (formerly Pender Partners Fund)	2.05	-	-	1.05
Alternative Multi-Strategy Income Fund	2.15	-	0.20	1.15
Alternative Select Equity Fund	2.30	-	-	1.30
Alternative Special Situations Fund*	2.30	-	0.20	1.30

As at December 31, 2025 (cont'd)	Class FF (%)	Class I (%)	Class N (%)
Alternative Absolute Return Fund	0.65	-	0.80
Alternative Arbitrage Fund	0.65	-	-
Alternative Arbitrage Plus Fund	-	-	-
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)	-	0.90	-
Alternative Multi-Strategy Income Fund	-	-	-
Alternative Select Equity Fund	-	-	-
Alternative Special Situations Fund*	-	-	-

*The Manager may, at its discretion, reduce or waive management fees, administration fees, and reimburse the Funds for any expenses. During the period from commencement of operations through to December 31, 2025, the Manager waived all management fees, administration fees and custody related transaction costs for the Pender Alternative Special Situations 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, except for the Pender Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund) that does not charge a performance fee. 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 5% 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 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 June 30, 2026 and December 31, 2025, are as follows:

As at June 30, 2026	Class A ($)	Class A (USD) ($)	Class AF ($)	Class E ($)
Alternative Absolute Return Fund				
HWM	9.37	9.26	9.44	9.20
Adjusted HWM	8.54	8.47	8.55	8.15
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				
HWM	12.65	-	-	10.00
Adjusted HWM	9.71	-	-	-
Alternative Special Situations Fund				
HWM	32.27	-	-	17.20

As at June 30, 2026 (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	8.29	8.67	8.37	8.42
Alternative Arbitrage Fund				
HWM	9.67	9.94	9.79	-
Alternative Arbitrage Plus Fund				
HWM	10.60	-	-	-
Alternative Multi-Strategy Income Fund				
HWM	9.69	-	-	-
Alternative Select Equity Fund				
HWM	32.25	-	-	-
Adjusted HWM	-	-	-	-
Alternative Special Situations Fund				
HWM	17.19	-	-	-

As at December 31, 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				
HWM	12.65	-	-	-
Adjusted HWM	9.71	-	-	-
Alternative Special Situations Fund				
HWM	32.27	-	-	17.20

As at December 31, 2025 (cont'd)	Class F ($)	Class F (USD) ($)	Class FF ($)	Class H ($)
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				
HWM	32.25	-	-	-
Adjusted HWM	-	-	-	-
Alternative Special Situations Fund				
HWM	17.19	-	-	-

As at June 30, 2026 and December 31, 2025, the Funds accrued the following performance fees:

	As at June 30, 2026 ($)	As at December 31, 2025 ($)
Alternative Absolute Return Fund	219	13,892
Alternative Arbitrage Fund	4,479	120,547
Alternative Arbitrage Plus Fund	834	130,308
Alternative Multi-Strategy Income Fund	-	233,845
Alternative Select Equity Fund	1,418,648	389,798
Alternative Special Situations Fund	110,466	248,422

For the year ended December 31, 2025, the Manager waived all performance fees of $248,422 for the Pender Alternative Special Situations Fund.

(d) Amounts payable to the Manager:

As at June 30, 2026 and December 31, 2025, 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:

	As at June 30, 2026 ($)	As at December 31, 2025 ($)
Alternative Absolute Return Fund	649,499	730,414
Alternative Arbitrage Fund	9,882	32,113
Alternative Arbitrage Plus Fund	9,996	32,549
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)	8,940	9,198
Alternative Multi-Strategy Income Fund	113,794	274,147
Alternative Select Equity Fund	1,561,559	312,816
Alternative Special Situations Fund	121,000	-

The Pender Alternative Special Situations Fund did not have any amounts payable to the Manager for the year ended December 31, 2025.

(e) Related party holdings:

As at June 30, 2026 and December 31, 2025, 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.

	As at June 30, 2026 (%)	As at December 31, 2025 (%)
Alternative Absolute Return Fund	<1	<1
Alternative Arbitrage Fund	-	<1
Alternative Arbitrage Plus Fund	<1	<1
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)	19	19
Alternative Multi-Strategy Income Fund	2	4
Alternative Select Equity Fund	-	3
Alternative Special Situations Fund	-	-

As at June 30, 2026 and December 31, 2025, 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.

	As at June 30, 2026 (%)	As at December 31, 2025 (%)
Alternative Absolute Return Fund	8	3
Alternative Arbitrage Fund	18	19
Alternative Arbitrage Plus Fund	72	54
Alternative Select Equity Fund	11	-

5. Securities lending transactions:

The Funds did not have any securities loaned or collateral received as at June 30, 2026 and December 31, 2025.

The following table presents a reconciliation of the gross amount generated from securities lending transactions to the securities lending income earned for the period ended June 30, 2025. The Pender Alternative Select Equity Fund did not have any securities lending income earned for the period ended June 30, 2026. The remaining Funds did not have any securities lending income earned for the periods ended June 30, 2026 and 2025.

As at June 30, 2025	Gross income ($)	Withholding taxes ($)	Agent fees ($)	Net income ($)
Alternative Select Equity Fund	12,898	-	(5,159)	7,739

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 period, withholding tax rates were between 0% and 35% (2025 - between 0% and 35%).

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 periods ended June 30, 2026 and 2025 were as follows:

As at June 30, 2026	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
Alternative Absolute Return Fund:					
Class A (formerly Class H)	5,460,428	408,519	129,846	(1,264,112)	4,734,681
Class AF	621,164	-	12,918	(166,633)	467,449
Class A (USD) (formerly Class H (USD))	73,370	13,345	2,517	(9,030)	80,202
Class E	376,667	15,294	14,309	(128,965)	277,305
Class F (formerly Class I)	56,186,100	16,555,671	1,396,398	(16,303,282)	57,834,887
Class FF	5,663,190	70,315	143,836	(940,072)	4,937,269
Class F (USD) (formerly Class I (USD))	1,409,768	969,229	47,477	(821,794)	1,604,680
Class N	586	-	26	-	612
Class O	2,327,233	3,388,343	186,143	(109,636)	5,792,083

As at June 30, 2026	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
Alternative Arbitrage Fund:					
Class A (formerly Class H)	8,116	-	-	(4,409)	3,707
Class AF	55,248	-	-	(11,945)	43,303
Class E	20,067	-	-	(1,127)	18,940
Class F (formerly Class I)	220,868	18,527	-	(52,596)	186,799
Class FF	549,719	-	-	(92,108)	457,611
Class F (USD) (formerly Class I (USD))	1,715	-	-	-	1,715
Class O	203,008	-	-	(45,655)	157,353
Alternative Arbitrage Plus Fund:					
Class A	5,398	-	-	(3,232)	2,166
Class E	21,294	2,543	-	-	23,837
Class F (formerly Class I)	901,832	30,928	-	(66,848)	865,912
Class F (USD)	498	-	-	(498)	-
Class O	1,098,340	1,154,189	-	-	2,252,529
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)					
Class A	51,070	-	-	-	51,070
Class E	126,929	4,188	-	-	131,117
Class F (formerly Class F2)	110,169	3,665	-	(24,201)	89,633
Class I	359,933	22,354	-	(4,287)	378,000
Class O	454	-	-	-	454
Alternative Multi-Strategy Income Fund:					
Class A	246,239	435,821	9,750	(59,639)	632,171
Class E	224,643	19,908	5,653	-	250,204
Class F (formerly Class I)	4,571,697	8,541,291	120,464	(1,785,634)	11,447,818
Class O	535	-	12	-	547
Alternative Select Equity Fund					
Class A	59,813	81,199	-	(392)	140,620
Class E	-	51,860	-	-	51,860
Class F	1,373,931	893,165	-	(305,376)	1,961,720
Class O (formerly Class I)	570	255,280	-	-	255,850
Alternative Special Situations Fund:					
Class A	19,519	14,718	-	-	34,237
Class E	28,518	10,232	-	(886)	37,864
Class F (formerly Class I)	253,710	127,925	-	(17,227)	364,408
Class O	562	-	-	-	562

As at June 30, 2025	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
Alternative Absolute Return Fund:					
Class A	2,028,546	1,176,868	43,888	(931,291)	2,318,011
Class A (formerly Class H)	1,893,112	1,767,018	60,013	(341,049)	3,379,094
Class A (USD)	32,386	42,227	1,009	(30,153)	45,469
Class A (USD) (formerly Class H (USD))	82,606	35,588	1,527	(42,632)	77,089
Class AF	793,497	-	14,064	(44,693)	762,868
Class E	325,972	84,235	11,465	(58,032)	363,640
Class F	9,638,654	8,892,728	280,749	(7,230,590)	11,581,541
Class F (formerly Class I)	35,460,558	22,868,378	968,746	(6,949,481)	52,348,201
Class F (USD)	204,996	260,300	5,683	(139,482)	331,497
Class F (USD) (formerly Class I (USD))	988,712	1,419,700	35,998	(269,243)	2,175,167
Class FF	7,221,730	3,396	204,426	(202,706)	7,226,846
Class N	458,694	88,544	2,607	-	549,845
Class O	591,666	254,889	30,834	(13,522)	863,867
Alternative Arbitrage Fund:					
Class A	9,543	-	-	(2,017)	7,526
Class A (formerly Class H)	17,826	-	-	(4,398)	13,428
Class AF	196,324	-	-	(18,535)	177,789
Class E	29,401	-	-	(10,825)	18,576
Class F	101,441	189	-	(50,840)	50,790
Class F (formerly Class I)	138,797	27,372	-	(25,013)	141,156
Class F (USD)	1,111	38	-	(38)	1,111
Class F (USD) (formerly Class I (USD))	33,975	-	-	(33,399)	576
Class FF	643,648	-	-	(91,804)	551,844
Class O	277,402	-	-	(52,548)	224,854
Alternative Arbitrage Plus Fund:					
Class A	4,299	848	-	-	5,147
Class E	15,579	368	-	-	15,947
Class F	106,661	2,456	-	(5,879)	103,238
Class F (formerly Class I)	783,475	7,106	-	(61,492)	729,089
Class F (USD)	6,804	-	-	-	6,804
Class O	233,042	77,246	-	(98,907)	211,381
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)					
Class A	57,554	-	-	(7,199)	50,355
Class E	95,369	-	-	-	95,369
Class F (formerly Class F2)	118,902	2,429	-	(7,322)	114,009
Class I	668,806	1,058	-	(296,472)	373,392
Class O	454	-	-	-	454
Alternative Multi-Strategy Income Fund:					
Class A	106,999	-	2,484	(12,054)	97,429
Class E	-	217,947	911	-	218,858
Class F	91,360	10,373	2,055	(17,675)	86,113
Class F (formerly Class I)	61,573	264,371	5,705	(4,263)	327,386
Class O	509	205,999	1,316	(207,303)	521

As at June 30, 2025	Outstanding units, beginning of period	Units issued	Units issued on reinvestment of distributions	Units redeemed	Outstanding units, end of period
Alternative Select Equity Fund					
Class A	55,905	1,518	-	-	57,423
Class F	1,283,573	6,953	-	(83,780)	1,206,746
Alternative Special Situations Fund:					
Class A	17,409	-	-	(22)	17,387
Class E	23,966	2,867	-	(197)	26,636
Class F	54,592	14,906	-	(6,220)	63,278
Class F (formerly Class I)	80,857	-	-	(22,312)	58,545
Class O	562	-	-	-	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 Growth Fund (formerly Pender Partners Fund)

The objective of the Pender Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund) is to achieve long-term capital appreciation by investing primarily in equity and underlying funds with the ability to also invest in debt and other securities. The Fund will gain exposure to equity investments and alternative strategies either directly or indirectly through underlying funds.

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

The objective of the Pender Alternative 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 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 Growth Fund carries out part of its investment strategy by investing in Class O units of the Pender Alternative Arbitrage Plus Fund, Pender Alternative Select Equity Fund and Pender Small Cap Opportunities Fund. The Pender Alternative Multi-Strategy Income Fund and Pender Alternative Multi-Strategy Growth Fund have 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 and Pender Alternative Multi-Strategy Growth 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 June 30, 2026 and December 31, 2025 categorized by credit ratings. The remaining Funds did not have exposure to any material credit risk.

	As at June 30, 2026 ($)	As at December 31, 2025 ($)
Long positions:		
AAA	56,719,015	51,262,078
AA	56,066,259	142,856,847
A	94,023,323	64,800,750
BBB	34,745,669	10,937,804
Below BBB	607,768,452	659,809,464
Unrated	75,230,703	60,116,587
	924,553,421	**989,783,530**

	As at June 30, 2026 ($)	As at December 31, 2025 ($)
Short positions:		
AAA	(989,446)	-
AA	(25,005,833)	(24,520,041)
BBB	(10,106,205)	(5,474,577)
Below BBB	(168,733,838)	(149,052,889)
	(204,835,322)	**(179,047,507)**
	719,718,099	**810,736,023**

(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.

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 June 30, 2026 and December 31, 2025. 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 June 30, 2026 and December 31, 2025.

	As at June 30, 2026 ($)		As at December 31, 2025 ($)	
Derivative instruments inflows (outflows)	Nominal value ($)	Unrealized gain (loss) ($)	Nominal value ($)	Unrealized gain (loss) ($)
Alternative Absolute Return Fund	54,874,120	(1,804,757)	82,008,400	(279,286)
Alternative Arbitrage Fund	7,422,826	(237,324)	9,263,857	(22,994)
Alternative Arbitrage Plus Fund	27,448,069	(839,650)	17,720,344	30,961
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)	-	-	28,335	(13,113)

(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 as at June 30, 2026 and December 31, 2025, categorized by the earlier of contractual re-pricing or maturity dates. The remaining Funds did not have exposure to any material interest rate risk.

	As at June 30, 2026 ($)	As at December 31, 2025 ($)
Long position:		
Less than 1 year	155,947,125	290,493,090
1 to 3 years	225,305,909	101,531,344
3 to 5 years	324,471,411	260,944,117
More than 5 years	218,828,976	336,814,979
	924,553,421	**989,783,530**
Short position:		
1 to 3 years	(35,864,325)	-
3 to 5 years	(81,661,494)	(80,364,390)
More than 5 years	(87,309,503)	(98,683,117)
	(204,835,322)	**(179,047,507)**
	719,718,099	**810,736,023**

As at June 30, 2026 and December 31, 2025, 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 $22,637,047 and $26,324,559 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 monitored by the portfolio advisor of each Fund in accordance with the policies and procedures in place. Each Fund's portfolio advisor manages 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 Growth Fund (formerly Pender Partners Fund), Pender Alternative Multi-Strategy Income Fund, Pender Alternative Select Equity Fund and Pender Alternative Special Situations 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 June 30, 2026 and December 31, 2025 was as follows:

As at June 30, 2026	Canadian dollar ($)	US dollar ($)	Total ($)
Alternative Absolute Return Fund	642,214,610	16,444,963	658,659,573
Alternative Arbitrage Fund	8,382,417	111,718	8,494,135
Alternative Arbitrage Plus Fund	34,176,964	82,056	34,259,020
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)	9,659,909	-	9,659,909
Alternative Multi-Strategy Income Fund	121,104,563	-	121,104,563
Alternative Select Equity Fund	66,078,411	17,126,453	83,204,864
Alternative Special Situations Fund	8,515,758	544,797	9,060,555

As at December 31, 2025	Canadian dollar ($)	US dollar ($)	British Pound ($)	Total ($)
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 Growth Fund (formerly Pender Partners Fund)	4,018,728	4,832,569	213,651	9,064,948
Alternative Multi-Strategy Income Fund	49,784,336	-	-	49,784,336
Alternative Select Equity Fund	35,261,486	10,474,694	-	45,736,180
Alternative Special Situations Fund	4,886,815	600,452	-	5,487,267

As at June 30, 2026 and December 31, 2025, 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:

	As at June 30, 2026 ($)	As at December 31, 2025 ($)
Alternative Absolute Return Fund	1,644,496	1,879,214
Alternative Arbitrage Fund	11,172	8,376
Alternative Arbitrage Plus Fund	8,206	2,789
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)	-	504,622
Alternative Multi-Strategy Income Fund	-	-
Alternative Select Equity Fund	1,712,645	1,047,469
Alternative Special Situations Fund	54,480	60,045

(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 June 30, 2026, 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 June 30, 2026 and December 31, 2025:

	As at June 30, 2026 ($)	As at December 31, 2025 ($)
Long position		
Alternative Absolute Return Fund	-	14,438,047
Alternative Arbitrage Fund	8,452,580	10,848,804
Alternative Arbitrage Plus Fund	53,888,239	30,570,413
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)	9,039,076	9,055,323
Alternative Multi-Strategy Income Fund	119,125,544	48,861,984
Alternative Select Equity Fund	86,060,029	48,551,669
Alternative Special Situations Fund	9,889,383	6,576,638
Short position		
Alternative Absolute Return Fund	(273,177,154)	(253,901,489)
Alternative Arbitrage Fund	(651,086)	(1,500,564)
Alternative Arbitrage Plus Fund	(4,022,028)	(7,626,523)
Alternative Select Equity Fund	(4,886,151)	(4,009,500)
Alternative Special Situations Fund	(2,202,560)	(844,853)

As at June 30, 2026 and December 31, 2025, 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:

	As at June 30, 2026 ($)	As at December 31, 2025 ($)
Alternative Absolute Return Fund	(20,862,282)	(16,641,111)
Alternative Arbitrage Fund	385,412	605,419
Alternative Arbitrage Plus Fund	2,748,692	1,967,861
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)	759,030	827,470
Alternative Multi-Strategy Income Fund	426,769	780,328
Alternative Select Equity Fund	8,048,615	5,428,762
Alternative Special Situations Fund	292,375	269,808

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

(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 period ended June 30, 2026 and year ended December 31, 2025:

As at June 30, 2026	Lowest aggregate (%)	Highest aggregate (%)
Alternative Absolute Return Fund	66.5	72.8
Alternative Arbitrage Fund	7.7	15.4
Alternative Arbitrage Plus Fund	11.8	36.8
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)	-	12.6
Alternative Multi-Strategy Income Fund	-	8.5
Alternative Select Equity Fund	5.9	18.0
Alternative Special Situations Fund	13.6	45.3

As at December 31, 2025	Lowest aggregate (%)	Highest aggregate (%)
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	0.0	64.2
Alternative Special Situations Fund	3.2	52.5

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.

- 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 contacts. 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 June 30, 2026 and December 31, 2025 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.

As at June 30, 2026	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Alternative Absolute Return Fund:				
Bonds and loans - Long	-	924,553,421	-	924,553,421
Bonds and loans - Short	-	(204,835,322)	-	(204,835,322)
Common shares - Short	(6,205,415)	-	-	(6,205,415)
Exchange-traded funds - Short	(266,971,739)	-	-	(266,971,739)
Forward foreign currency contracts	-	(1,804,757)	-	(1,804,757)
	(273,177,154)	**717,913,342**	**-**	**444,736,188**

As at June 30, 2026	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Alternative Arbitrage Fund:				
Common shares - Long	7,847,672	489,530	94,197	8,431,399
Common shares - Short	(568,462)	-	-	(568,462)
Exchange-traded funds - Short	(82,624)	-	-	(82,624)
Forward foreign currency contracts	-	(237,324)	-	(237,324)
Warrants	21,181	-	-	21,181
	7,217,767	**252,206**	**94,197**	**7,564,170**
Alternative Arbitrage Plus Fund:				
Common shares - Long	51,200,781	2,503,608	142,023	53,846,412
Common shares - Short	(3,474,351)	-	-	(3,474,351)
Exchange-traded funds - Short	(547,677)	-	-	(547,677)
Forward foreign currency contracts	-	(839,650)	-	(839,650)
Short-term Investment	-	(18,356,569)	-	(18,356,569)
Warrants	41,827	-	-	41,827
	47,220,580	**(16,692,611)**	**142,023**	**30,669,992**
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)				
Mutual funds	9,039,076	-	-	9,039,076
	9,039,076	**-**	**-**	**9,039,076**
Alternative Multi-Strategy Income Fund:				
Exchange-traded funds	4,801,440	-	-	4,801,440
Mutual funds	114,324,104	-	-	114,324,104
	119,125,544	**-**	**-**	**119,125,544**
Alternative Select Equity Fund:				
Closed end fund	548,012	-	-	548,012
Common shares - Long	72,844,877	-	1,800	72,846,677
Common shares - Short	(740,114)	-	-	(740,114)
Exchange-traded funds - Long	10,609,853	-	-	10,609,853
Exchange-traded funds - Short	(4,146,037)	-	-	(4,146,037)
Preferred shares	-	-	1,586,123	1,586,123
Warrants	31,429	437,935	-	469,364
	79,148,020	**437,935**	**1,587,923**	**81,173,878**
Alternative Special Situations Fund:				
Closed end fund	45,658	-	-	45,658
Common shares - Long	9,180,935	177,175	-	9,358,110
Common shares - Short	(141,700)	-	-	(141,700)
Exchange-traded funds - Long	116,716	-	-	116,716
Exchange-traded funds - Short	(2,060,860)	-	-	(2,060,860)
Preferred shares	-	-	75,166	75,166
Warrants	-	293,733	-	293,733
	7,140,749	**470,908**	**75,166**	**7,686,823**

As at December 31, 2025	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Alternative Absolute Return Fund:				
Bonds and loans - Long	-	989,783,530	-	989,783,530
Bonds and loans - Short	-	(179,047,507)	-	(179,047,507)
Common shares - Long	10,306,250	-	-	10,306,250
Common shares - Short	(18,358,252)	-	-	(18,358,252)
Exchange-traded funds - Short	(235,543,237)	-	-	(235,543,237)
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:				
Common shares - Long	8,620,488	2,111,463	91,390	10,823,341
Common shares - 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**
Alternative Arbitrage Plus Fund:				
Common shares - Long	26,116,229	4,280,479	137,776	30,534,484
Common shares - 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 Growth Fund (formerly Pender Partners Fund)				
Common shares - Long	5,618,724	-	-	5,618,724
Exchange-traded funds - Long	713,869	-	-	713,869
Mutual funds	2,687,430	-	-	2,687,430
Warrants	212	6,753	-	6,965
Written call options	9,723	-	-	9,723
Written put options	18,612	-	-	18,612
	9,048,570	**-**	**-**	**9,055,323**
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:				
Closed end fund	561,141	-	-	561,141
Common shares - Long	44,020,067	-	830,591	44,850,658
Common shares - 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**

As at December 31, 2025	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Alternative Special Situations Fund:				
Closed end fund	46,953	-	-	46,953
Common shares - 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**

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 period ended June 30, 2026 and year ended December 31, 2025.

As at June 30, 2026	Level 1 ($)	Level 2 ($)	Level 3 ($)
Transfers between Levels 1 and 2			
Alternative Select Equity Fund	(181,485)	181,485	-

As at December 31, 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	-
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)	2,680,677	(2,680,677)	-

Transfers between level 1 & level 2 for 2025 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 period ended June 30, 2026 and year ended December 31, 2025. The remaining Funds did not hold any financial instruments categorized as Level 3.

	As at June 30, 2026 ($)	As at December 31, 2025 ($)
Alternative Arbitrage Fund:		
Opening balance	91,390	88,198
Purchase of investments	-	37,892
Sales of investments	-	(76,017)
Net transfers in (out)	(129)	78,832
Total gain (loss) recognized in comprehensive income	-	(33,219)
Change in unrealized appreciation (depreciation)	2,936	(4,296)
Ending Balance	**94,197**	**91,390**
Alternative Arbitrage Plus Fund:		
Opening balance	137,776	93,860
Purchase of investments	-	63,093
Sales of investments	-	(99,376)
Net transfers in (out)	(245)	113,518
Total gain (loss) recognized in comprehensive income	-	(28,510)
Change in unrealized appreciation (depreciation)	4,492	(4,809)
Ending Balance	**142,023**	**137,776**

	As at June 30, 2026 ($)	As at December 31, 2025 ($)
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)		
Opening balance	-	2,053
Sales of investments	-	(204,730)
Change in unrealized appreciation (depreciation)	-	202,677
Ending Balance	**-**	**-**
Alternative Multi-Strategy Income Fund:		
Opening balance	-	1,803
Total gain (loss) recognized in comprehensive income	-	(1,803)
Ending Balance	**-**	**-**
Alternative Select Equity Fund:		
Opening balance	830,591	1,085,246
Purchase of investments	736,266	-
Sales of investments	-	(230,000)
Total gain (loss) recognized in comprehensive income	-	(24,655)
Change in unrealized appreciation (depreciation)	21,066	-
Ending Balance	**1,587,923**	**830,591**
Alternative Special Situations Fund:		
Opening balance	-	216,820
Purchase of investments	73,075	-
Sales of investments	-	(222,202)
Total gain (loss) recognized in comprehensive income	-	5,382
Change in unrealized appreciation (depreciation)	2,091	-
Ending Balance	**75,166**	**-**

(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 June 30, 2026 and December 31, 2025, for the Pender Alternative Arbitrage Fund, Pender Alternative Arbitrage Plus Fund, Pender Alternative Select Equity Fund and Pender Alternative Special Situations Fund. The remaining Funds did not hold any financial instruments categorized as Level 3.

As at June 30, 2026	Fair Value ($)	Valuation technique	Unobservable input	Sensitivity to change in significant unobservable input
Alternative Arbitrage Fund:				
Unlisted private investments	94,197	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Alternative Arbitrage Plus Fund:				
Unlisted private investments	142,023	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Alternative Select Equity Fund:				
Unlisted private investments	1,587,923	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased
Alternative Special Situations Fund:				
Unlisted private investments	75,166	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased

As at December 31, 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:				
Unlisted private investments	830,591	Enterprise value	Enterprise value	The estimated fair value would increase if enterprise value increased

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 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 June 30, 2026 and December 31, 2025. The remaining Funds did not hold any financial instruments categorized as Level 3.

Entity	As at June 30, 2026	As at December 31, 2025
Alternative Arbitrage Fund:		
Favourable	9,420	9,139
Unfavourable	(9,420)	(9,139)
Alternative Arbitrage Plus Fund:		
Favourable	1,420	1,378
Unfavourable	(1,420)	(1,378)
Alternative Select Equity Fund:		
Favourable	15,879	8,306
Unfavourable	(15,879)	(8,306)
Alternative Special Situations Fund:		
Favourable	752	-
Unfavourable	(752)	-

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 and Pender Alternative Special Situations Fund as at June 30, 2026 and December 31, 2025. The remaining Funds did not have exposure to short positions.

	As at June 30, 2026 ($)	As at December 31, 2025 ($)
Alternative Absolute Return Fund	(478,012,476)	(432,948,996)
Alternative Arbitrage Fund	(651,086)	(1,500,564)
Alternative Arbitrage Plus Fund	(22,378,597)	(7,626,523)
Alternative Select Equity Fund	(4,886,151)	(4,009,500)
Alternative Special Situations Fund	(2,202,560)	(844,853)

11. Involvement with structured entities:

The table below describes the type of structured entities in which the Pender Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund) and 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 June 30, 2026 and December 31, 2025.

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 Funds in unconsolidated structured entities as at June 30, 2026 and December 31, 2025. 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:			
As at June 30, 2026 - Short	6	3,286,628,000	(266,972)
As at December 31, 2025 - Short	6	2,755,433,000	(235,543)
Alternative Arbitrage Fund:			
As at June 30, 2026 - Short	1	66,398,000	(83)
As at December 31, 2025 - Short	1	92,491,000	(119)
Alternative Arbitrage Plus Fund:			
As at June 30, 2026 - Short	1	66,398,000	(548)
As at December 31, 2025 - Short	1	92,491,000	(457)
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund):			
As at June 30, 2026 - Long	3	590,000	9,039
As at December 31, 2025 - Long	2	4,253,000	3,401
Alternative Multi-Strategy Income Fund:			
As at June 30, 2026 - Long	4	5,868,000	119,126
As at December 31, 2025 - Long	4	7,878,000	48,862
Alternative Select Equity Fund:			
As at June 30, 2026 - Long	4	20,333,000	11,158
As at June 30, 2026 - Short	2	44,136,000	(4,146)
As at December 31, 2025 - Long	4	16,898,000	3,033
As at December 31, 2025 - Short	1	3,556,000	(1,534)
Alternative Special Situations Fund:			
As at June 30, 2026 - Long	2	21,682,000	162
As at June 30, 2026 - Short	5	2,016,745,000	(2,061)
As at December 31, 2025 - Long	4	25,530,000	408
As at December 31, 2025 - Short	5	1,636,755,000	(845)

During the period ended June 30, 2026, the Funds did not provide financial support to unconsolidated structured entities and have 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 Multi-Strategy Growth Fund (formerly Pender Partners Fund), Pender Alternative 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 Growth Fund (formerly Pender Partners Fund)	58,039,077	55,849,687
Alternative Multi-Strategy Income Fund	73,031,278	73,097,347
Alternative Special Situations Fund	70,044	307,228

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

	Year of Expiry	Non-Capital Loss ($)
Alternative Multi-Strategy Growth Fund (formerly Pender Partners Fund)		
	2038	59,315
	2040	70,471
	2042	45,642
	2045	675
		176,103
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 effective August 28, 2025, certain comparative figures for the period ended June 30, 2025 presented in the 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 $17,332, 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 nil, 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, totaling $9,427, 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."

Unaudited Semi-Annual Financial Statements of
PENDER ALTERNATIVE MUTUAL FUNDS

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