PenderFund Capital Management Ltd.

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

For the period ended June 30, 2026

## Semi-Annual Management Report of Fund Performance

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Results of Operations

Effective April 30, 2026, the Pender Partners Fund was converted from an Offering Memorandum fund to a Simplified Prospectus fund and renamed the Pender Alternative Multi-Strategy Growth Fund (the “Fund”). The net assets of the Pender Alternative Multi-Strategy Growth Fund were $9,659,909 as at June 30, 2026 versus $9,064,948 as at December 31, 2025. Of this $594,961 increase, $706,468 is attributable to positive investment performance and $111,507 is attributable to net unitholder redemptions of Fund units.

Because the Fund has been in operation for less than one year, past performance data is not available for disclosure.

At the end of the period, the Fund was 34.9% invested in the Pender Small Cap Opportunities Fund, 34.4% invested in the Pender Alternative Select Equity Fund, 24.3% invested in the Pender Alternative Arbitrage Plus Fund, other assets less liabilities of -0.2%, and cash of 6.6%.

Portfolio transactions during this period were made based on our stock selection process. In general, we increased the weightings of individual stocks where we determined the price relative to our estimate of intrinsic value had increased and decreased the weightings of companies that offered a less attractive return profile. We are constantly looking for new investment ideas.

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

### Recent Developments

North American equity markets in the first half of 2026 were defined by volatility, as the US/Israel-Iran conflict emerged as the dominant macro factor, disrupting global supply chains and triggering a systemic energy supply shock following the effective closure of the Strait of Hormuz which sent oil prices above $120 per barrel before easing in late June. Markets were further shaped by extreme concentration in AI winners and a significant shift in monetary policy expectations. The conflict, along with the related oil price spike and inflation scare, briefly jolted markets in late February, triggering a historic 9.1% pullback, with the S&P/TSX Composite Index posting a similar 9% drawdown in Canada. But investors quickly looked past it, focusing instead on solid earnings growth and meaningful upward revisions to profit estimates: the TSX recovered in under 30 days and went on to hit all-time highs in early June, and major indices in both the US and Canada ultimately posted resilient mid-single to double-digit gains for the half.

A key theme of the first half was the rotation away from high-growth areas of the market and toward cyclical and resource-based sectors. Energy and materials outperformed, driven by the geopolitical backdrop and rising commodity prices. Despite this rotation, small- and mid-cap equities began to turn a corner after several years of underperformance: consensus earnings growth estimates improved, and 2027 estimates for small-caps now outstrip those for the S&P 500. Their relatively inexpensive valuations versus large-caps, which remain near historical lows on a relative basis, were finally rewarded. Still, we don't believe this upside has fully played out, and we continue to monitor this dynamic closely as part of our portfolio allocation process.

Over the course of the first half of 2026, enthusiasm surrounding artificial intelligence remained a dominant headline, driving extreme performance divergence between hardware "winners" and software "losers." Massive hyperscale capital expenditure fueled record returns for semiconductor and infrastructure providers, while the same trend triggered a valuation reset for software companies as investors feared structural disruption to traditional business models. While the transformative potential of AI is undeniable, the speed and concentration of gains inevitably invited comparisons to earlier periods of excess, including the dot-com era.

Despite these near-term uncertainties, we remain constructive on the businesses we own in our portfolio over the mid- to long-term. We remain vigilant in our analysis to identify trends that align with how the world is evolving and to allocate capital to investments that we believe are undervalued relative to the intrinsic value of the business. This process of deep fundamental analysis, applied across different asset classes where we see unrecognized value, offers a compelling opportunity set to deliver performance to our clients.

***Independent Review Committee ("IRC") Appointments & Resignations***

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

## Related Party Transactions

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

As part of the Fund’s investment strategy, the Fund invests in Class O units of the Pender Alternative Arbitrage Plus Fund, Pender Alternative Select Equity Fund and Pender Small Cap Opportunities Fund, funds that are also managed by the Manager. The Fund does not pay any duplicate management fees on its investment in these funds.

As at the end of the period, parties related to the Manager collectively held 19% of the Fund’s units.

## Management and Administration Fees

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

Management fees are used by the Manager, in part, to pay sales commissions, trailer fees, marketing costs and other associated distribution costs relating to the sale of units of the Fund. Such expenses represented approximately 9% of the management fees paid by the Fund to the Manager for the period.

## Financial Highlights

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

### Fund's Net Assets Per Unit (a)

| | 2026 ($) |
|---|---|
| **Class A** | |
| Net Assets, beginning of period | 7.00 |
| **Increase (decrease) from operations:** | |
| Total revenue | 0.02 |
| Total expenses | (0.09) |
| Realized gains (losses) | 0.98 |
| Unrealized gains (losses) | (0.41) |
| **Total increase (decrease) from operations (b)** | **0.50** |
| **Distributions:** | |
| From income (excluding dividends) | - |
| From dividends | - |
| From capital gains | - |
| Return of capital | - |
| **Total distributions (b), (c)** | **-** |
| **Net Assets, end of period** | **7.50** |

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

| | 2026 ($) |
|---|---|
| **Class E** | |
| Net Assets, beginning of period | 13.83 |
| **Increase (decrease) from operations:** | |
| Total revenue | 0.04 |
| Total expenses | (0.04) |
| Realized gains (losses) | 1.93 |
| Unrealized gains (losses) | (0.80) |
| **Total increase (decrease) from operations (b)** | **1.13** |
| **Distributions:** | |
| From income (excluding dividends) | - |
| From dividends | - |
| From capital gains | - |
| Return of capital | - |
| **Total distributions (b), (c)** | **-** |
| **Net Assets, end of period** | **14.98** |
| **Class F (formerly Class F2)** | |
| Net Assets, beginning of period | 19.84 |
| **Increase (decrease) from operations:** | |
| Total revenue | 0.06 |
| Total expenses | (0.16) |
| Realized gains (losses) | 2.61 |
| Unrealized gains (losses) | (0.92) |
| **Total increase (decrease) from operations (b)** | **1.59** |
| **Distributions:** | |
| From income (excluding dividends) | - |
| From dividends | - |
| From capital gains | - |
| Return of capital | - |
| **Total distributions (b), (c)** | **-** |
| **Net Assets, end of period** | **21.37** |
| **Class I** | |
| Net Assets, beginning of period | 13.84 |
| **Increase (decrease) from operations:** | |
| Total revenue | 0.04 |
| Total expenses | (0.10) |
| Realized gains (losses) | 1.85 |
| Unrealized gains (losses) | (0.76) |
| **Total increase (decrease) from operations (b)** | **1.03** |
| **Distributions:** | |
| From income (excluding dividends) | - |
| From dividends | - |
| From capital gains | - |
| Return of capital | - |
| **Total distributions (b), (c)** | **-** |
| **Net Assets, end of period** | **14.26** |

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

| | 2026 ($) |
|---|---|
| **Class O** | |
| Net Assets, beginning of period | 14.27 |
| **Increase (decrease) from operations:** | |
| Total revenue | 0.04 |
| Total expenses | (0.01) |
| Realized gains (losses) | 2.01 |
| Unrealized gains (losses) | (0.83) |
| **Total increase (decrease) from operations (b)** | **1.21** |
| **Distributions:** | |
| From income (excluding dividends) | - |
| From dividends | - |
| From capital gains | - |
| Return of capital | - |
| **Total distributions (b), (c)** | **-** |
| **Net Assets, end of period** | **15.48** |

(a) This information is derived from the Fund's unaudited semi-annual financial statements as at June 30, prepared under IFRS Accounting Standards.
(b) Net assets per unit and distributions per unit are based on the actual number of units for the relevant Fund class outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding during the period.
(c) Distributions were paid in cash and/or reinvested in additional units of the Fund.

### Ratios and Supplemental Data

| | 2026 |
|---|---|
| **Class A** | |
| Total net asset value ($000s) (a) | 383 |
| Number of units outstanding (a) | 51,070 |
| Management expense ratio (b) | 2.43% |
| Management expense ratio before absorptions (c) | 2.43% |
| Trading expense ratio (d) | 0.08% |
| Portfolio turnover rate (e) | 66.84% |
| Net asset value per unit ($) (a) | 7.50 |
| **Class E** | |
| Total net asset value ($000s) (a) | 1,964 |
| Number of units outstanding (a) | 131,117 |
| Management expense ratio (b) | 0.41% |
| Management expense ratio before absorptions (c) | 0.41% |
| Trading expense ratio (d) | 0.08% |
| Portfolio turnover rate (e) | 66.84% |
| Net asset value per unit ($) (a) | 14.98 |
| **Class F (formerly Class F2)** | |
| Total net asset value ($000s) (a) | 1,916 |
| Number of units outstanding (a) | 89,633 |
| Management expense ratio (b) | 1.39% |
| Management expense ratio before absorptions (c) | 1.39% |
| Trading expense ratio (d) | 0.08% |
| Portfolio turnover rate (e) | 66.84% |
| Net asset value per unit ($) (a) | 21.37 |

### Ratios and Supplemental Data (cont'd)

| | 2026 |
|---|---|
| **Class I** | |
| Total net asset value ($000s) (a) | 5,391 |
| Number of units outstanding (a) | 378,000 |
| Management expense ratio (b) | 1.25% |
| Management expense ratio before absorptions (c) | 1.25% |
| Trading expense ratio (d) | 0.08% |
| Portfolio turnover rate (e) | 66.84% |
| Net asset value per unit ($) (a) | 14.26 |
| **Class O** | |
| Total net asset value ($000s) (a) | 7 |
| Number of units outstanding (a) | 454 |
| Management expense ratio (b) | 0.00% |
| Management expense ratio before absorptions (c) | 0.00% |
| Trading expense ratio (d) | 0.08% |
| Portfolio turnover rate (e) | 66.84% |
| Net asset value per unit ($) (a) | 15.48 |

(a) This information is derived from the Fund's unaudited semi-annual financial statements as at June 30, prepared under IFRS Accounting Standards.
(b) Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the period and is expressed as an annualized percentage of daily average net asset value during the period. The MER may vary from one class of units to another because of differences in the applicable management fees and certain fees and expenses may have been absorbed by the Manager which would otherwise be paid by the Fund.
(c) The Manager of the Fund has agreed to absorb sufficient expenses of the Fund, as necessary, so that the annual MER before applicable taxes such as GST or HST will not exceed certain limits as outlined in the Fund's Simplified Prospectus. The amount of expenses absorbed is at the discretion of the Manager as set out in the Fund's Simplified Prospectus, and the Manager may in its sole discretion cease to absorb expenses.
(d) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
(e) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. In general, the higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

## Past Performance

The past performance for the Fund is not available for disclosure because it has been in operation for less than one year. Effective April 30, 2026, the Fund was converted from an Offering Memorandum fund to a Simplified Prospectus fund, at which point, the valuation frequency changed from monthly to daily.

## Summary of Investment Portfolio

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

### Top 25 Holdings

| | % of Net Assets |
|---|---|
| Pender Small Cap Opportunities Fund, Class 'O' | 34.9 |
| Pender Alternative Select Equity Fund, Class 'O' | 34.4 |
| Pender Alternative Arbitrage Plus Fund, Class 'O' | 24.3 |

### Composition of the Portfolio

| | % of Net Assets |
|---|---|
| Mutual funds | 93.6 |
| **Total investments** | **93.6** |
| Cash (Bank overdraft) | 6.6 |
| Other assets less liabilities | (0.2) |
| **Total net assets** | **100.0** |

## Caution Regarding Forward-Looking Statements

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

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

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

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

PenderFund Capital Management Ltd.

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

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