PENDER
PenderFund Capital Management Ltd.

Pender Corporate Bond Fund

Six months ended June 30, 2026

Semi-Annual Management Report of Fund Performance

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

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

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations

The net assets of the Pender Corporate Bond Fund (the "Fund") were $4,756,152,727 as at June 30, 2026 versus $3,367,979,397 as at December 31, 2025. Of this $1,388,173,330 increase, $190,913,853 is attributable to positive investment performance and $1,197,259,477 is attributable to net unitholder purchases of Fund units.

For the six months ended June 30, 2026 (the "period"), Class A units of the Fund generated a total return of 4.7%. Returns for other classes also denominated in Canadian dollars of the Fund will be similar to Class A with any difference in performance being primarily due to the different management fees that are applicable to different classes. Returns for classes denominated in US dollars will differ from their corresponding Canadian denominated class primarily due to foreign currency. Returns for Class U will differ primarily as a result of foreign currency as this class is the only class of the Fund that is not hedged against the US dollar. Please see the "Past Performance" section for the performance of the Fund's other classes.

The Fund's blended benchmark, 75% ICE BofA US High Yield Index in Canadian dollars ("ICE") and 25% FTSE Canada Universe Bond Index returned 4.5% during the period. In accordance with National Instrument 81-106, we have included a comparison to this blended benchmark to help you understand the Fund's performance relative to the general performance of the market, but we caution that the Fund's mandate may be significantly different from the index. Further, the Fund's returns are reported net of all management fees and expenses for all classes, unlike the returns of the Fund's blended benchmark, which are based on the performance of an index that does not pay fees or incur expenses.

As at June 30, 2026, the Pender Corporate Bond Fund yield to maturity was 6.1% with a current yield of 5.0% and average duration of maturity based instruments was 3.4 years. There is a 1.0% weight in distressed securities held for workout value whose notional yield is not included in the foregoing calculation. Cash represented 2.6% of the portfolio at June 30, 2026.

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.

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

Key positive individual contributors to the Fund's performance during the first half of the year were positions in specific corporate issues including Gran Tierra Energy Inc., McDermott International, Ltd., and NFE Financing LLC. Conversely, positions in Esperion Therapeutics Inc., Equinox Gold Corp., and Spirit Airlines, Inc., were among the largest detractors.

Recent Developments

Credit markets are entering the second half of the year with a constructive fundamental backdrop. Spreads tightened as strong earnings, resilient economic activity, and healthy investor demand outweighed geopolitical concerns. Falling oil prices and easing Middle East tensions also helped improve risk sentiment and supported corporate credit. Balance sheets, earnings quality, and access to capital have been better than many investors feared at the start of the year. In addition, AI-related capital investment has provided a meaningful source of demand and growth support across several sectors. However, tighter spreads reduce the compensation investors receive for unexpected shocks. Credit markets hit resistance levels in June as high yield spreads touched 263 basis points, the lowest levels since January 2025 before widening modestly to close the month. Inflation, policy expectations, tariffs, new issuance, and geopolitical risk all have the potential to reprice risk quickly.

The markets interest rate outlook changed meaningfully throughout the first six months of the year. Early in Q2, geopolitical tension in the Middle East and a spike in oil prices raised concerns that inflation could reaccelerate. As those tensions eased and oil prices declined, markets initially moved toward the view that central banks could remain on pause and potentially ease policy later in the year. That view became more complicated as the quarter progressed. Labour markets remained resilient, corporate earnings were stronger than expected, and significant investment in artificial intelligence infrastructure continued to support nominal growth. In that environment, the market increasingly moved away from expectations for aggressive rate cuts and toward a higher-for-longer policy backdrop.

Turning over many rocks and digging deep into credit specifics is a cornerstone of our process, one that has served the Fund well in the past and one that we anticipate will continue to drive relative performance. In the non-investment-grade portion of the portfolio, we continue to find idiosyncratic opportunities and add to high conviction lines that, in our opinion, have the potential to relatively outperform.

Independent Review Committee ("IRC") Appointments & Resignations

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

Related Party Transactions

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

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

Management and Administration Fees

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

Management fees are used by the Manager, in part, to pay sales commissions, trailer fees, marketing costs and other associated distribution costs relating to the sale of units of the Fund. Such expenses represented approximately 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 and calendar years indicated.

Fund's Net Assets Per Unit (a)

	2026 ($)	2025 ($)	2024 ($)	2023 ($)	2022 ($)	2021 ($)
Class A						
Net Assets, beginning of period	14.00	13.25	11.89	11.58	12.86	12.87
Increase (decrease) from operations:						
Total revenue	0.39	0.85	0.76	0.68	0.58	0.73
Total expenses	(0.13)	(0.29)	(0.27)	(0.25)	(0.25)	(0.28)
Realized gains (losses)	0.45	0.34	0.80	(0.11)	(0.41)	1.00
Unrealized gains (losses)	(0.11)	0.70	0.56	0.42	(0.77)	(0.30)
Total increase (decrease) from operations (b)	**0.60**	**1.60**	**1.85**	**0.74**	**(0.85)**	**1.15**
Distributions:						
From income (excluding dividends)	(0.28)	(0.53)	(0.45)	(0.41)	(0.43)	(0.37)
From dividends	-	(0.02)	(0.03)	(0.03)	(0.02)	(0.04)
From capital gains	-	(0.29)	-	-	-	(0.78)
Return of capital	-	-	-	-	-	-
Total distributions (b), (c)	**(0.28)**	**(0.84)**	**(0.48)**	**(0.44)**	**(0.45)**	**(1.19)**
Net Assets, end of period	**14.38**	**14.00**	**13.25**	**11.89**	**11.58**	**12.86**

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

	2026 ($)	2025 ($)	2024 ($)	2023 ($)	2022 ($)	2021 ($)
Class E						
Net Assets, beginning of period	11.05	10.63	9.54	9.30	10.31	10.35
Increase (decrease) from operations:						
Total revenue	0.31	0.68	0.61	0.55	0.71	0.61
Total expenses	(0.02)	(0.07)	(0.06)	(0.06)	(0.05)	(0.06)
Realized gains (losses)	0.29	0.29	0.55	(0.10)	(0.47)	0.81
Unrealized gains (losses)	(0.02)	0.56	0.53	0.35	(0.68)	(0.29)
Total increase (decrease) from operations (b)	**0.56**	**1.46**	**1.63**	**0.74**	**(0.49)**	**1.07**
Distributions:						
From income (excluding dividends)	(0.31)	(0.59)	(0.51)	(0.47)	(0.49)	(0.44)
From dividends	-	(0.02)	(0.03)	(0.03)	(0.02)	(0.05)
From capital gains	-	(0.40)	-	-	-	(0.67)
Return of capital	-	-	-	-	-	-
Total distributions (b), (c)	**(0.31)**	**(1.01)**	**(0.54)**	**(0.50)**	**(0.51)**	**(1.16)**
Net Assets, end of period	**11.33**	**11.05**	**10.63**	**9.54**	**9.30**	**10.31**
Class F (formerly Class I)						
Net Assets, beginning of period	12.06	11.49	10.29	10.03	11.14	11.05
Increase (decrease) from operations:						
Total revenue	0.34	0.73	0.66	0.59	0.54	0.60
Total expenses	(0.07)	(0.13)	(0.12)	(0.11)	(0.11)	(0.12)
Realized gains (losses)	0.42	0.25	0.76	(0.08)	(0.39)	0.81
Unrealized gains (losses)	(0.13)	0.70	0.43	0.33	(0.63)	(0.21)
Total increase (decrease) from operations (b)	**0.56**	**1.55**	**1.73**	**0.73**	**(0.59)**	**1.08**
Distributions:						
From income (excluding dividends)	(0.29)	(0.58)	(0.50)	(0.46)	(0.48)	(0.42)
From dividends	-	(0.02)	(0.03)	(0.03)	(0.02)	(0.05)
From capital gains	-	(0.32)	-	-	-	(0.58)
Return of capital	-	-	-	-	-	-
Total distributions (b), (c)	**(0.29)**	**(0.92)**	**(0.53)**	**(0.49)**	**(0.50)**	**(1.05)**
Net Assets, end of period	**12.37**	**12.06**	**11.49**	**10.29**	**10.03**	**11.14**
Class H						
Net Assets, beginning of period	12.40	11.80	10.58	10.30	11.45	11.33
Increase (decrease) from operations:						
Total revenue	0.35	0.76	0.68	0.61	0.49	0.58
Total expenses	(0.12)	(0.22)	(0.20)	(0.19)	(0.19)	(0.21)
Realized gains (losses)	0.39	0.30	0.76	(0.10)	(0.34)	0.80
Unrealized gains (losses)	(0.06)	0.64	0.45	0.35	(0.69)	(0.19)
Total increase (decrease) from operations (b)	**0.56**	**1.48**	**1.69**	**0.67**	**(0.73)**	**0.98**
Distributions:						
From income (excluding dividends)	(0.25)	(0.51)	(0.44)	(0.40)	(0.41)	(0.36)
From dividends	-	(0.02)	(0.03)	(0.03)	(0.02)	(0.04)
From capital gains	-	(0.30)	-	-	-	(0.57)
Return of capital	-	-	-	-	-	-
Total distributions (b), (c)	**(0.25)**	**(0.83)**	**(0.47)**	**(0.43)**	**(0.43)**	**(0.97)**
Net Assets, end of period	**12.70**	**12.40**	**11.80**	**10.58**	**10.30**	**11.45**

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

	2026 ($)	2025 ($)	2024 ($)	2023 ($)	2022 ($)	2021 ($)
Class N						
Net Assets, beginning of period	11.01	10.59	10.00			
Increase (decrease) from operations:						
Total revenue	0.31	0.67	0.32			
Total expenses	(0.05)	(0.09)	(0.04)			
Realized gains (losses)	0.45	0.30	0.63			
Unrealized gains (losses)	(0.17)	0.70	(0.12)			
Total increase (decrease) from operations (b)	**0.54**	**1.58**	**0.79**			
Distributions:						
From income (excluding dividends)	(0.28)	(0.56)	(0.25)			
From dividends	-	(0.02)	(0.01)			
From capital gains	-	(0.33)	-			
Return of capital	-	-	-			
Total distributions (b), (c)	**(0.28)**	**(0.91)**	**(0.26)**			
Net Assets, end of period	**11.33**	**11.01**	**10.59**			
Class O						
Net Assets, beginning of period	12.45	11.66	10.44	10.20	11.34	11.18
Increase (decrease) from operations:						
Total revenue	0.35	0.75	0.67	0.60	0.34	0.55
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	-	(0.01)
Realized gains (losses)	0.44	0.27	0.75	(0.14)	(0.24)	0.72
Unrealized gains (losses)	(0.17)	0.73	0.45	0.40	(0.67)	(0.17)
Total increase (decrease) from operations (b)	**0.61**	**1.74**	**1.86**	**0.85**	**(0.57)**	**1.09**
Distributions:						
From income (excluding dividends)	(0.36)	(0.71)	(0.61)	(0.56)	(0.59)	(0.53)
From dividends	-	(0.02)	(0.04)	(0.04)	(0.03)	(0.06)
From capital gains	-	(0.11)	-	-	-	(0.50)
Return of capital	-	-	-	-	-	-
Total distributions (b), (c)	**(0.36)**	**(0.84)**	**(0.65)**	**(0.60)**	**(0.62)**	**(1.09)**
Net Assets, end of period	**12.80**	**12.45**	**11.66**	**10.44**	**10.20**	**11.34**
Class U						
Net Assets, beginning of period	12.50	11.89	10.08	9.89	10.52	10.21
Increase (decrease) from operations:						
Total revenue	0.35	0.75	0.66	0.57	1.57	0.36
Total expenses	(0.07)	(0.15)	(0.14)	(0.13)	(0.12)	(0.13)
Realized gains (losses)	0.50	0.45	0.87	0.03	(1.00)	0.27
Unrealized gains (losses)	0.22	0.27	0.98	0.40	(0.66)	0.31
Total increase (decrease) from operations (b)	**1.00**	**1.32**	**2.37**	**0.87**	**(0.21)**	**0.81**
Distributions:						
From income (excluding dividends)	(0.30)	(0.58)	(0.49)	(0.40)	(0.44)	(0.39)
From dividends	-	(0.02)	(0.03)	(0.03)	(0.02)	(0.01)
From capital gains	-	(0.05)	-	-	-	(0.27)
Return of capital	-	-	-	-	-	-
Total distributions (b), (c)	**(0.30)**	**(0.65)**	**(0.52)**	**(0.43)**	**(0.46)**	**(0.67)**
Net Assets, end of period	**13.17**	**12.50**	**11.89**	**10.08**	**9.89**	**10.52**

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

	2026 ($)	2025 ($)	2024 ($)	2023 ($)	2022 ($)	2021 ($)
Class A (USD)						
Net Assets, beginning of period	17.41	17.03	14.22	14.04	14.71	14.10
Increase (decrease) from operations:						
Total revenue	0.49	1.07	0.94	0.83	2.81	0.32
Total expenses	(0.17)	(0.37)	(0.33)	(0.30)	(0.31)	(0.30)
Realized gains (losses)	0.76	0.65	1.28	0.04	(1.78)	0.86
Unrealized gains (losses)	0.35	0.25	1.59	0.10	(0.86)	0.30
Total increase (decrease) from operations (b)	**1.43**	**1.60**	**3.48**	**0.67**	**(0.14)**	**1.18**
Distributions:						
From income (excluding dividends)	(0.35)	(0.68)	(0.56)	(0.50)	(0.50)	(0.40)
From dividends	-	(0.02)	(0.03)	(0.03)	(0.02)	(0.05)
From capital gains	-	(0.50)	-	-	-	(0.17)
Return of capital	-	-	-	-	-	-
Total distributions (b), (c)	**(0.35)**	**(1.20)**	**(0.59)**	**(0.53)**	**(0.52)**	**(0.62)**
Net Assets, end of period	**18.48**	**17.41**	**17.03**	**14.22**	**14.04**	**14.71**
Class F (USD) (formerly Class I (USD))						
Net Assets, beginning of period	16.59	16.18	13.51	13.34	13.99	13.45
Increase (decrease) from operations:						
Total revenue	0.47	1.02	0.90	0.79	2.76	0.33
Total expenses	(0.10)	(0.19)	(0.17)	(0.15)	(0.15)	(0.15)
Realized gains (losses)	0.69	0.52	1.28	0.03	(1.77)	0.81
Unrealized gains (losses)	0.34	0.41	1.50	0.13	(0.75)	0.27
Total increase (decrease) from operations (b)	**1.40**	**1.76**	**3.51**	**0.80**	**0.09**	**1.26**
Distributions:						
From income (excluding dividends)	(0.40)	(0.80)	(0.67)	(0.61)	(0.61)	(0.51)
From dividends	-	(0.03)	(0.04)	(0.04)	(0.03)	(0.06)
From capital gains	-	(0.42)	-	-	-	(0.20)
Return of capital	-	-	-	-	-	-
Total distributions (b), (c)	**(0.40)**	**(1.25)**	**(0.71)**	**(0.65)**	**(0.64)**	**(0.77)**
Net Assets, end of period	**17.60**	**16.59**	**16.18**	**13.51**	**13.34**	**13.99**

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

	2026 ($)	2025 ($)	2024 ($)	2023 ($)	2022 ($)	2021 ($)
Class H (USD)						
Net Assets, beginning of period	16.20	16.14	13.47	13.30	13.95	13.42
Increase (decrease) from operations:						
Total revenue	0.46	1.01	0.89	0.79	2.70	0.33
Total expenses	(0.15)	(0.30)	(0.27)	(0.24)	(0.25)	(0.24)
Realized gains (losses)	0.68	0.57	1.16	0.02	(1.70)	0.84
Unrealized gains (losses)	0.33	0.42	1.53	0.12	(0.87)	0.29
Total increase (decrease) from operations (b)	**1.32**	**1.70**	**3.31**	**0.69**	**(0.12)**	**1.22**
Distributions:						
From income (excluding dividends)	(0.32)	(0.70)	(0.57)	(0.51)	(0.51)	(0.42)
From dividends	-	(0.02)	(0.03)	(0.03)	(0.03)	(0.05)
From capital gains	-	(0.77)	-	-	-	(0.20)
Return of capital	-	-	-	-	-	-
Total distributions (b), (c)	**(0.32)**	**(1.49)**	**(0.60)**	**(0.54)**	**(0.54)**	**(0.67)**
Net Assets, end of period	**17.20**	**16.20**	**16.14**	**13.47**	**13.30**	**13.95**

(a) This information is derived from the Fund's unaudited semi-annual financial statements as at June 30 and audited annual financial statements as at December 31 for the period stated, prepared under IFRS Accounting Standards.
(b) Net assets per unit and distributions per unit are based on the actual number of units for the relevant Fund class outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding during the period.
(c) Distributions were paid in cash and/or reinvested in additional units of the Fund.

Ratios and Supplemental Data

	2026	2025	2024	2023	2022	2021
Class A						
Total net asset value ($000s) (a)	204,245	132,719	114,321	93,692	95,980	110,720
Number of units outstanding (a)	14,203,886	9,481,667	8,624,974	7,881,755	8,288,704	8,607,770
Management expense ratio (b)	1.74%	2.04%	2.07%	2.07%	2.06%	2.01%
Management expense ratio before absorptions (c)	1.74%	2.04%	2.07%	2.07%	2.06%	2.01%
Trading expense ratio (d)	0.08%	0.07%	0.05%	0.03%	0.03%	0.03%
Portfolio turnover rate (e)	32.69%	67.55%	48.92%	61.81%	62.92%	63.24%
Net asset value per unit ($) (a)	14.38	14.00	13.25	11.89	11.58	12.86
Class E						
Total net asset value ($000s) (a)	6,763	5,483	4,498	3,797	3,543	4,132
Number of units outstanding (a)	596,888	496,186	423,215	398,166	380,944	400,826
Management expense ratio (b)	0.21%	0.50%	0.52%	0.53%	0.53%	0.52%
Management expense ratio before absorptions (c)	0.21%	0.50%	0.52%	0.53%	0.53%	0.52%
Trading expense ratio (d)	0.08%	0.07%	0.05%	0.03%	0.03%	0.03%
Portfolio turnover rate (e)	32.69%	67.55%	48.92%	61.81%	62.92%	63.24%
Net asset value per unit ($) (a)	11.33	11.05	10.63	9.54	9.30	10.31

Ratios and Supplemental Data (cont'd)

	2026	2025	2024	2023	2022	2021
Class F (formerly Class I)						
Total net asset value ($000s) (a)	3,947,102	2,784,982	1,283,170	768,652	708,267	602,871
Number of units outstanding (a)	318,980,850	230,993,198	111,684,257	74,687,822	70,636,548	54,127,966
Management expense ratio (b)	1.03%	1.03%	1.03%	1.03%	1.03%	1.02%
Management expense ratio before absorptions (c)	1.03%	1.03%	1.03%	1.03%	1.03%	1.02%
Trading expense ratio (d)	0.08%	0.07%	0.05%	0.03%	0.03%	0.03%
Portfolio turnover rate (e)	32.69%	67.55%	48.92%	61.81%	62.92%	63.24%
Net asset value per unit ($) (a)	12.37	12.06	11.49	10.29	10.03	11.14
Class H						
Total net asset value ($000s) (a)	189,221	196,048	127,029	86,140	88,360	103,092
Number of units outstanding (a)	14,894,559	15,812,373	10,768,273	8,144,543	8,578,535	9,004,515
Management expense ratio (b)	1.73%	1.72%	1.73%	1.73%	1.73%	1.69%
Management expense ratio before absorptions (c)	1.73%	1.72%	1.73%	1.73%	1.73%	1.69%
Trading expense ratio (d)	0.08%	0.07%	0.05%	0.03%	0.03%	0.03%
Portfolio turnover rate (e)	32.69%	67.55%	48.92%	61.81%	62.92%	63.24%
Net asset value per unit ($) (a)	12.70	12.40	11.80	10.58	10.30	11.45
Class N						
Total net asset value ($000s) (a)	43,391	21,125	13,552			
Number of units outstanding (a)	3,830,321	1,918,003	1,279,940			
Management expense ratio (b)	0.75%	0.73%	0.73%			
Management expense ratio before absorptions (c)	0.75%	0.73%	0.73%			
Trading expense ratio (d)	0.08%	0.07%	0.05%			
Portfolio turnover rate (e)	32.69%	67.55%	48.92%			
Net asset value per unit ($) (a)	11.33	11.01	10.59			
Class O						
Total net asset value ($000s) (a)	163,863	75,465	45,418	31,323	43,580	58,562
Number of units outstanding (a)	12,804,609	6,059,814	3,896,761	2,999,380	4,273,445	5,161,977
Management expense ratio (b)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Management expense ratio before absorptions (c)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Trading expense ratio (d)	0.08%	0.07%	0.05%	0.03%	0.03%	0.03%
Portfolio turnover rate (e)	32.69%	67.55%	48.92%	61.81%	62.92%	63.24%
Net asset value per unit ($) (a)	12.80	12.45	11.66	10.44	10.20	11.34
Class U						
Total net asset value ($000s) (a)	5,154	7,071	6,960	3,359	9,338	11,425
Number of units outstanding (a)	391,225	565,495	585,371	333,235	944,053	1,085,631
Management expense ratio (b)	1.00%	1.15%	1.16%	1.24%	1.16%	1.14%
Management expense ratio before absorptions (c)	1.00%	1.15%	1.16%	1.24%	1.16%	1.14%
Trading expense ratio (d)	0.08%	0.07%	0.05%	0.03%	0.03%	0.03%
Portfolio turnover rate (e)	32.69%	67.55%	48.92%	61.81%	62.92%	63.24%
Net asset value per unit ($) (a)	13.17	12.50	11.89	10.08	9.89	10.52

Ratios and Supplemental Data (cont'd)

	2026	2025	2024	2023	2022	2021
Class A (USD)						
Total net asset value ($000s) (a)	4,978	4,134	2,956	2,094	2,773	2,979
Number of units outstanding (a)	269,353	237,454	173,559	147,288	197,474	202,496
Management expense ratio (b)	1.75%	2.04%	2.05%	2.05%	2.08%	1.98%
Management expense ratio before absorptions (c)	1.75%	2.04%	2.05%	2.05%	2.08%	1.98%
Trading expense ratio (d)	0.08%	0.07%	0.05%	0.03%	0.03%	0.03%
Portfolio turnover rate (e)	32.69%	67.55%	48.92%	61.81%	62.92%	63.24%
Net asset value per unit ($) (a)	18.48	17.41	17.03	14.22	14.04	14.71
Class F (USD) (formerly Class I (USD))						
Total net asset value ($000s) (a)	176,892	127,559	57,133	27,302	36,726	35,290
Number of units outstanding (a)	10,051,017	7,689,431	3,531,986	2,020,985	2,752,813	2,522,383
Management expense ratio (b)	1.03%	1.04%	1.04%	1.04%	1.04%	1.00%
Management expense ratio before absorptions (c)	1.03%	1.04%	1.04%	1.04%	1.04%	1.00%
Trading expense ratio (d)	0.08%	0.07%	0.05%	0.03%	0.03%	0.03%
Portfolio turnover rate (e)	32.69%	67.55%	48.92%	61.81%	62.92%	63.24%
Net asset value per unit ($) (a)	17.60	16.59	16.18	13.51	13.34	13.99
Class H (USD)						
Total net asset value ($000s) (a)	14,543	13,393	9,085	6,641	7,373	8,224
Number of units outstanding (a)	845,556	826,652	562,992	493,074	554,228	589,688
Management expense ratio (b)	1.73%	1.74%	1.75%	1.75%	1.75%	1.68%
Management expense ratio before absorptions (c)	1.73%	1.74%	1.75%	1.75%	1.75%	1.68%
Trading expense ratio (d)	0.08%	0.07%	0.05%	0.03%	0.03%	0.03%
Portfolio turnover rate (e)	32.69%	67.55%	48.92%	61.81%	62.92%	63.24%
Net asset value per unit ($) (a)	17.20	16.20	16.14	13.47	13.30	13.95

(a) This information is derived from the Fund's unaudited semi-annual financial statements as at June 30 and audited annual financial statements as at December 31 for the period stated, prepared under IFRS Accounting Standards.
(b) Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the 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.

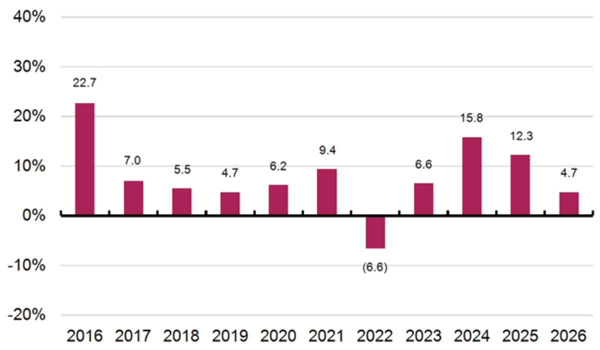
Past Performance

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

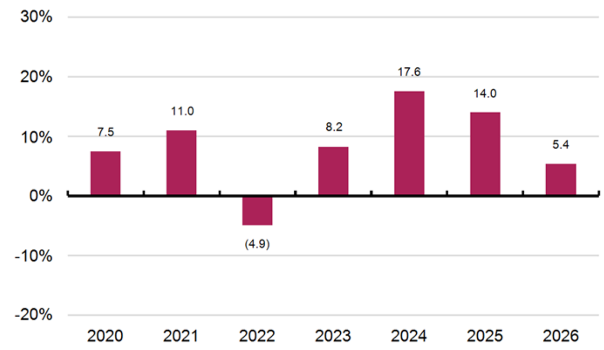
Period-by-Period Returns

To illustrate how the Fund's performance has varied over time, the following bar charts show the Fund's performance for the six-month period ended June 30, 2026 and for each of the previous 12-month periods ended December 31. The information is presented for each of the most recently completed 10 financial years (or since inception of the class if less than 10 years). In percentage terms, the bar charts show how much an investment held on the first day of the period would have increased or decreased by the last day of the period.

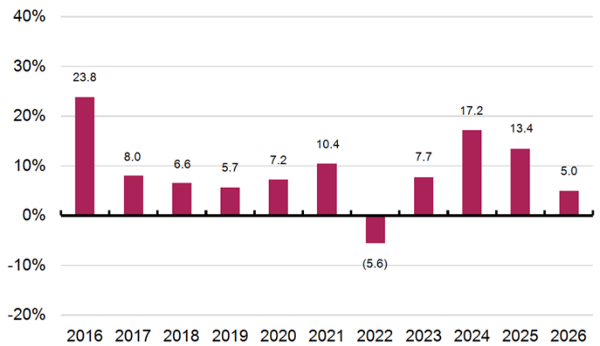
Class A



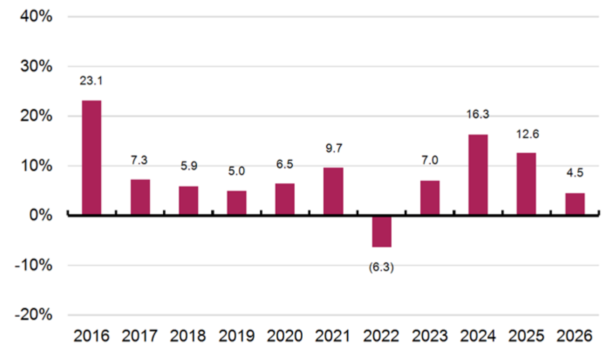
Class E



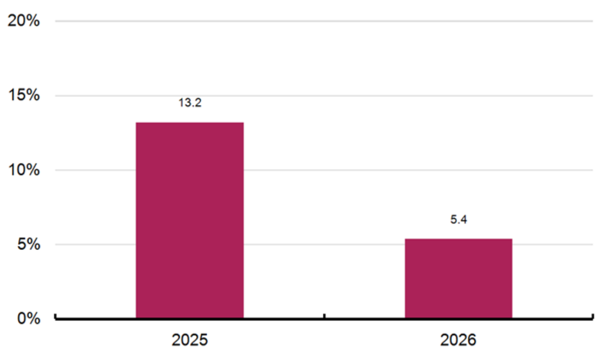
Class F (formerly Class I)



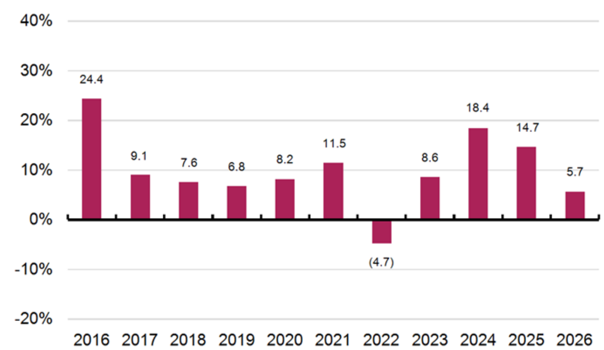
Class H



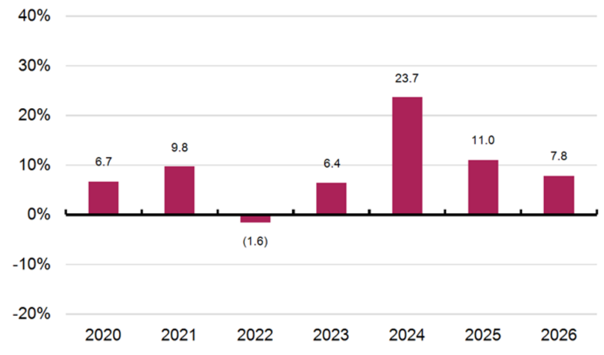
Class N



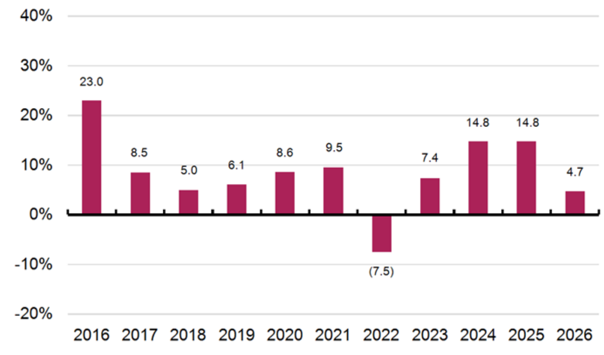
Class O



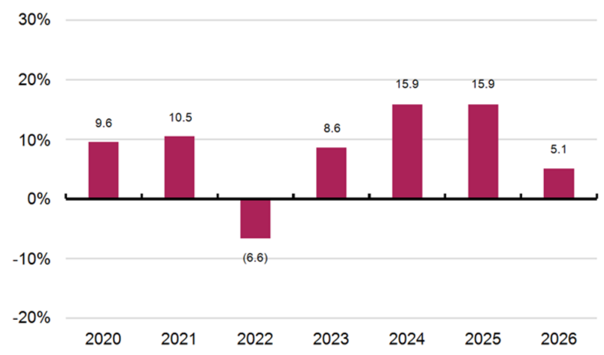
Class U



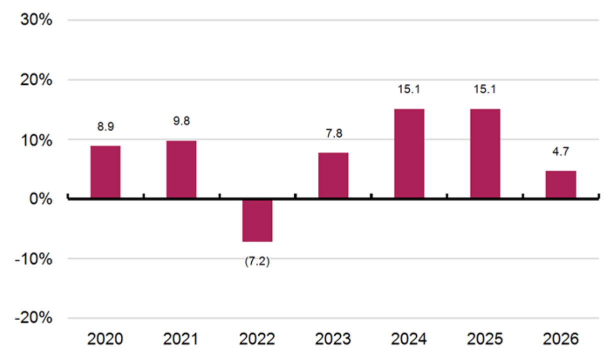
Class A (USD)



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



Class H (USD)



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
Wolfspeed Inc., Convertible, Callable, 2.50%, 2031/06/15	2.1
Northern Oil and Gas Inc., Convertible, Callable, 3.63%, 2029/04/15	1.9
Fluence Energy, Inc., Convertible, Callable, 2.25%, 2030/06/15	1.8
Rivian Holdings LLC, Callable, 10.00%, 2031/01/15	1.7
Crescent Energy Co., 2.75%, 2031/03/15	1.6
CrowdStrike Holdings, Inc., Callable, 3.00%, 2029/02/15	1.6
Esperion Therapeutics Inc., Convertible, Callable, 5.75%, 2030/06/15	1.5
Trulieve Cannabis Corp., Callable, 10.50%, 2030/12/17	1.5
First Majestic Silver Corp., Convertible, Callable, 0.38%, 2027/01/15	1.4
McDermott International, Ltd., Term Loan, 7.56%, 2027/12/31	1.4
Total Play Telecomunicaciones SA de CV, Sinkable, Callable, 11.13%, 2032/12/31	1.4
Adecoagro SA, Callable, 7.50%, 2032/07/29	1.3
Vertex Inc., Convertible, Callable, 0.75%, 2029/05/01	1.3
BlueNord ASA, Callable, 12.00%, 2085/07/10	1.2
Connect Finco SARL, Callable, 9.00%, 2029/09/15	1.2
Prosus N.V., Callable, 3.06%, 2031/07/13	1.2
Tenaz Energy Corp., Callable, 12.00%, 2029/11/14	1.2
Waste Management of Canada Corporation, Callable, 2.60%, 2026/09/23	1.2
Government of Canada, Real Return, 4.00%, 2031/12/01	1.1
MC Brazil Downstream Trading S.À.R.L., Sinkable, 7.25%, 2031/06/30	1.1
Government of Canada, 2.28%, 2026/07/29	1.0
Government of Canada, 2.29%, 2026/08/12	1.0
Government of Canada, 2.27%, 2026/08/26	1.0
Government of Canada, 2.26%, 2026/09/09	1.0
Muthoot Finance Ltd., Sinkable, 6.38%, 2029/04/23	1.0

Composition of the Portfolio

	% of Net Assets
US corporate bonds and loans	42.4
Foreign corporate bonds and loans	23.3
Canadian corporate bonds and loans	16.9
Government bonds	11.1
Common shares	2.5
Exchange-traded funds	1.3
Preferred shares	0.9
Closed end funds	0.3
Exchange-traded commodities	0.3
Warrants	0.0
Total investments	**99.0**
Currency forwards	(1.8)
Written call options	(1.3)
Total derivative liabilities	**(3.1)**
Cash (Bank overdraft)	2.6
Other assets less liabilities	1.5
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.

PENDER
PenderFund Capital Management Ltd.

Pender Corporate Bond Fund

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