



Private Equity Opportunities Public Market Liquidity

April 26, 2019

A final short form base shelf prospectus dated April 11, 2019 containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

The information contained in this presentation does not constitute investment, legal, tax or accounting advice. Recipients of this presentation should conduct their own due diligence and other enquiries in relation to such information and consult with their own professional advisors as to the accuracy and application of the information contained in this presentation.

Pender Growth Fund Inc. ("Pender Growth Fund" or the "Company") is managed by PenderFund Capital Management Ltd. (the "Manager" or "PenderFund").

Forward-looking statements

Certain statements contained in this presentation constitute forward-looking information (referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "target", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

Forward-looking statements contained in this presentation include statements regarding: the ability of the Company to achieve its stated investment goals; the intention and ability of the Company to drive a liquidity event or exit in respect of its current or future investments; potential future investments in private company opportunities sourced by members of PenderFund's team and micro-cap public company investment opportunities currently being considered by the Company; and the proposed use of proceeds of the offering.

The Company believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Forward-looking statements included in this presentation should not be unduly relied upon. These forward-looking statements speak only as of the date of this presentation or as of the date specified in the documents incorporated by reference into this presentation, as the case may be.

Material factors that could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking information in this presentation include: changes in governmental regulation adverse to the Company and the Manager; political and economic uncertainties; the inability of the Company to obtain additional financing when and as needed; dependence on a small number of key personnel; competition from other investment issuers; the Company's operating costs; the Company's ability to service debt obligations as they may arise and other related matters; the nature of the Company's investments; the available opportunities and competition for future investments; the concentration of the Company's investments in One45 Software Incorporated, D-Wave Systems Inc. and BasicGov Systems Inc. and other portfolio companies; risks relating to such portfolio companies, including risk relating to operations, shareholder dilution, personnel, changing technology, market growth and product development; the concentration of its investments in certain industries and sectors, equity securities, Canadian domiciled businesses and private sector businesses; the limited number of portfolio companies in the Company's portfolio; the Company's dependence on the Manager; the risk that the Manager may provide investment opportunities well-suited for the Company to other businesses; the risk that the payment of a performance fee to the Manager may create an incentive for it to cause the Company to make investments that are riskier or more speculative than if there were no performance fee; the risk that the Offering will not raise a minimum of \$15,000,000 and, therefore, the Management Fee will not be reduced, risks affecting the portfolio companies and other investments; investments by the Company in private issuers that have illiquid securities, including risks related to the Company's ability to dispose of its investment in a portfolio company on satisfactory terms and to the Company's valuation of its investment portfolio; management of the growth of the Company; and other risks and factors referenced in the Company's annual information form dated March 19, 2019 under the heading "Risk Factors", in the final base shelf prospectus of the Company dated April 11, 2019 under the heading "Risk Factors", in any amendment to the final base shelf prospectus and in any applicable prospectus supplement that has been filed.

Readers are cautioned that the foregoing lists of factors is not exhaustive and it would be unreasonable to rely on any such forward-looking statements and information as creating any legal rights, that the statements and information are not guarantees and may involve known and unknown risks and uncertainties, and that actual results may differ (and may differ materially) and objectives and strategies may differ or change from those expressed or implied in the forward-looking statements. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company is not under any duty and does not intend or undertake any obligation to publicly update or revise any forward-looking statements after the date of this presentation or to conform such statements to actual results or to changes in the Company as applicable.

By viewing this presentation you agree to be bound by the foregoing limitations and restrictions and, in particular, will be taken to have represented, that you have read and agree to comply with the contents of this notice.

Non-IFRS Financial Measures

This presentation contains references to "NAV" (Net Asset Value) and "Net Assets", which are non-IFRS financial measures. The terms Net Assets and Net Asset Value do not have any standardized meaning according to IFRS and therefore may not be comparable to similar measures presented by other companies. Management believes that these measures can provide information useful to the Company's shareholders in understanding the Company's performance, facilitate the comparison of results of its ongoing operations, and assist in the evaluation of the Company's business relative to its peers.

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Please see important disclosures at the beginning of this presentation.

Cautionary Disclaimer

Investment in the securities being offered in connection with this presentation is highly speculative and involves significant risks that investors should consider before purchasing such securities. Investors should carefully review the risks outlined in the final base shelf prospectus and in the documents incorporated by reference therein as well as the information under the heading “Cautionary Statement Regarding Forward-Looking Information” and “Risk Factors” and consider such risks and information in connection with an investment in the securities.

The Company’s returns are not guaranteed, its net asset value changes frequently and past performance may not be repeated.

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Agenda

- PenderFund Capital Management's experience in Private Equity
- PenderFund Capital Management's investment process
- Current portfolio of the Company
- Future investments
- Why invest?

Pender Growth Fund - Goal

To compound the value of Net Assets on a per share basis at an attractive rate over the long term

Investment Opportunity

- Pender Growth Fund can invest in:
 - Illiquid public companies
 - Private companies
 - Special situations
- It can also own companies outright
 - ...with no liquidity constraints

PenderFund Capital Management's Private Equity Experience

The PenderFund Capital Management Team



Micro Cap

David Barr, CFA
President & Portfolio Manager

Investing since 2000
Small to mid cap focus
Technology and special situations specialist
Joined PenderFund in 2003



Private Equity

Maria Pacella, CFA
Senior VP, Private Equity & Portfolio Manager

Investing since 2001
Emerging growth company specialist, focus on technology
Experience includes operational roles, M&A facilitation, board memberships
Joined PenderFund in 2017

The PenderFund Capital Management Experience – Venture Funds

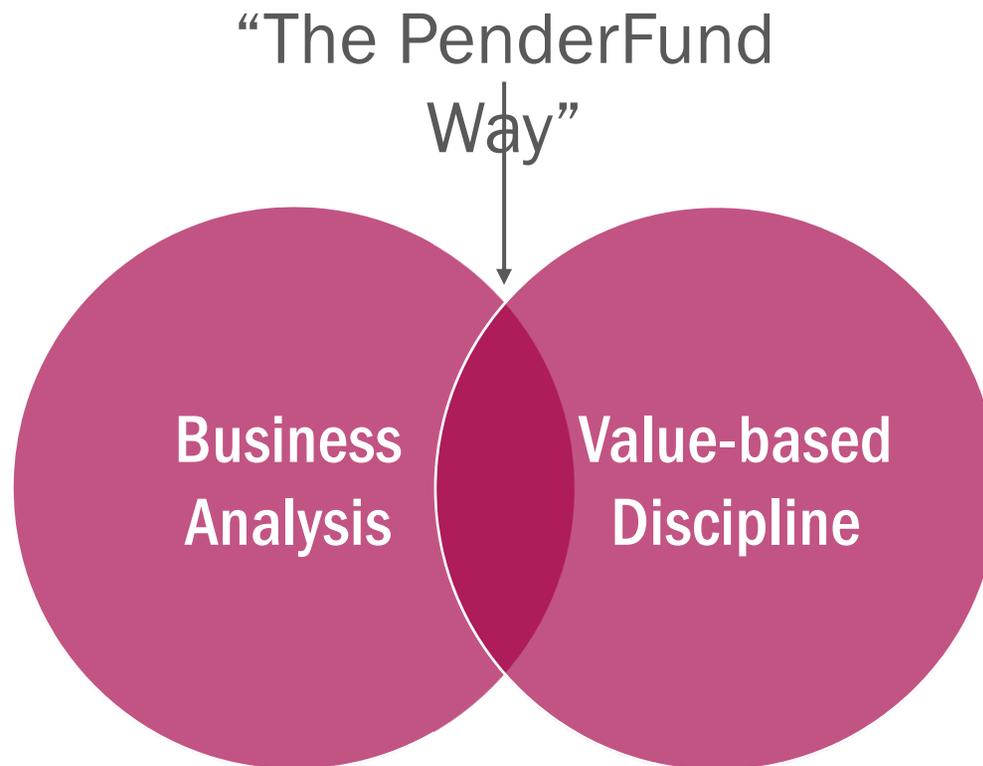
Funds managed by PenderFund Capital Management include:

- Pender Growth Fund
- Pender Technology Inflection Fund
- Pender Small Cap Opportunities Fund

PenderFund Capital Management's Investment Process

Investment Process

A “Scuttlebutt” Approach to Value Investing



Investment Process

Private Equity Approach

1. Complete “Scuttlebutt”¹ research and due diligence



“Fisher advocates a “scuttlebutt” method of investing ... [which] requires talking with customers, suppliers, competitors and various industry insiders to assess and evaluate the relative strengths and weaknesses of a company. Fisher’s key investment principles can be summarized as finding great out-of-consensus companies with compelling growth prospects, understanding these companies well, holding a concentrated portfolio of these companies and, after purchasing shares, holding them for the long-term.”²

¹ *Common Stocks and Uncommon Profits and Other Writings*, Philip A. Fisher

² Extracts from *PenderFund’s Reading List*, December 2017, www.penderfund.com/blog

Investment Process

Private Equity Approach

2. Work with investee companies



PenderFund is not an activist investor. It is, however, an active investor. We regard an investment as a tangible stake in a real business and we actively manage our holdings with a fiduciary duty to mitigate capital impairment and achieve returns. We do this through ongoing fundamental analysis of a company's prospects and risks. In select cases, we become more intimately involved with a company, maybe as a member of the board, in order to act as a friendly champion of the company (as opposed to a hostile agitator) and to support management in increasing a company's take-out potential.

Investment Process

Private Equity Approach

3. Drive a liquidity event or exit



The two ways PenderFund Capital Management looks for liquidity are:

- (1) through disposition in the public markets as a result of an increased share price, or
- (2) through the sale of a company.

The two key questions to ask when determining whether or not a company will be sold en bloc, are:

- (1) Will anyone buy the company?
- (2) Will management, directors and / or shareholders agree to a sale?

By researching a company, PenderFund attempts to gain an indication of where the company fits into the competitive landscape. This knowledge can assist PenderFund assess whether or not it is an attractive takeover candidate for a competitor or if it is more likely to be acquired by a financial buyer.

Pender Growth Fund Inc. Current Portfolio - Controlled Private Holdings

Controlled Private Company Holdings

One45 Software Incorporated

- Software as a service (“SaaS”) company focused on the medical education market

BasicGov Systems Inc.

- SaaS provider for state and municipal government market

**Pender Growth Fund Inc.
Current Portfolio -
Minority Private Company Investments**

Minority Private Company Holdings

D-Wave Systems Inc.

- Quantum computing company based in Burnaby, British Columbia

Tantalus Systems Corp.

- Smart grid communications technology provider for utility companies

Pender Growth Fund Inc. Current Portfolio - Key Public Holdings

Public Company Holdings

Redline Communications Group Inc. (TSX:RDL)

- Wireless company focused on various industries (oil and gas, mining, etc.)

ProntoForms Corporation (TSXV: PFM)

- Provides software solutions to help customers transform paper forms to mobile forms

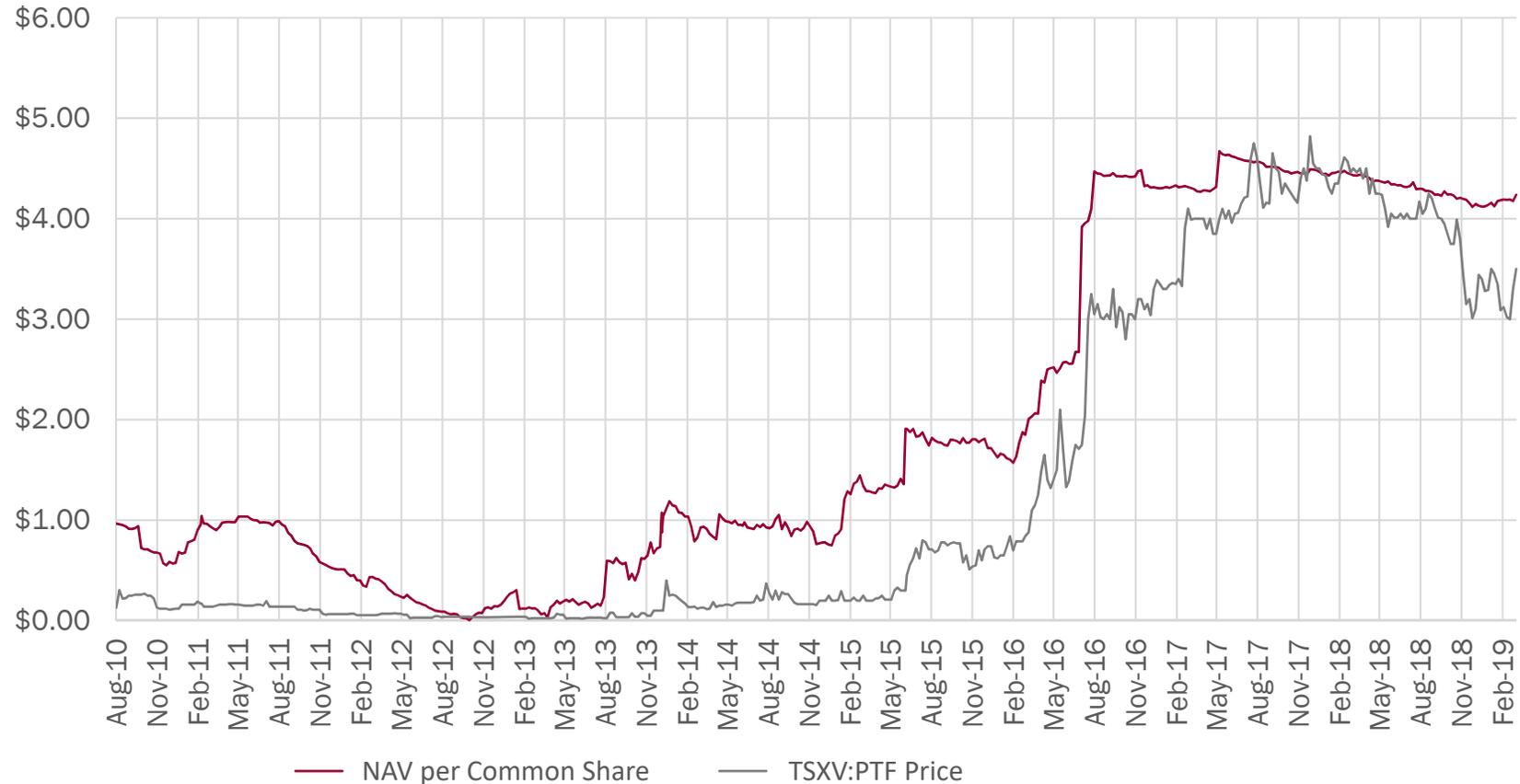
Future Investments?

Future Investments

The Company expects to make future investments in accordance with its investment policy and investment restrictions, including:

- Micro-cap public company opportunities that have been on our watchlist
- Private company opportunities sourced by the PenderFund Capital Management team

NAV per Common Share vs TSXV:PTF Share Price



Up to March 29, 2019. Source: NAV – PenderFund; PTF – Yahoo Finance

Why Invest?

- Investment opportunity set not available to most investors
- Non-correlated asset classes
- Experienced investment management team
- Aligned management, ~14.4% of the Company's Common Shares outstanding are held directly by PenderFund employees and directors

Summary Term Sheet

ISSUER:	Pender Growth Fund Inc. (“Pender Growth Fund” or the “Company”).
OFFERING:	Class C participating common shares (the “Common Shares”).
OFFERING SIZE:	Approximately \$20,000,000 (excluding exercise of the Over-Allotment Option).
OFFERING PRICE:	Priced in context of the market.
OVER-ALLOTMENT OPTION:	Up to 15% of the Offering (the “Over-Allotment Option”) at the same price, to cover over-allotments, if any, and for market stabilization purposes for 30 days following the Closing Date.
OFFERING BASIS:	Marketed public offering in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario by way of a prospectus supplement to the Company’s final short form base shelf prospectus dated April 11, 2019.
USE OF PROCEEDS:	To invest in public and private investment opportunities principally in the information technology and telecommunications sectors, according to the Company’s investment strategies, as well as for working capital and general corporate purposes.
LEAD AGENT:	PI Financial Corp.
LISTING:	The Common Shares are listed on the TSX Venture Exchange under the symbol “PTF”.
ELIGIBILITY:	Qualified investments for RRSPs, RRIFs, DPSPs, RESPs and TFSAs.
PRICING DATE:	On or about May 2, 2019.
CLOSING DATE:	On or about May 8, 2019 (the “Closing Date”).

Fees

MANAGEMENT FEE:	<p>2.50% per annum – on the Company’s NAV up to \$50 million. 2.00% per annum – on the Company’s NAV above \$50 million Calculated monthly, on the last valuation day of each month</p> <p>In the event the Offering raises a minimum of \$15,000,000, the Management Fee will be reduced to: 2.50% per annum – on the Company’s NAV up to \$15 million. 1.75% per annum – on the Company’s NAV above \$15 million Calculated monthly, on the last valuation day of each month</p>
PERFORMANCE FEE:	<p>20% with a hurdle rate of 6% subject to a High Water Mark. High Water Mark was initially set as the NAV of the Common Shares as at December 31, 2016, and rises each year that a performance fee is not payable, at the hurdle rate of 6%. No performance fee has accrued since the High Water Mark was initially set.</p> <p>Calculated on the last valuation day of the year Payable upon the publication of the Company’s audited annual financial statements</p>