



Relationship Disclosure Statement

Pursuant to Section 14.2 of National Instrument 31-103 – Registration Requirements and Exemptions, Pendfund Income Fund Inc. (the "Registrant"), an exempt market dealer in the Province of British Columbia, hereby discloses to potential subscribers ("Subscribers") for units in the Pendfund Income Fund I (the "Trust") as issued by the Pendfund Income Fund Inc. (the "Issuer") the following information regarding the relationship of the Registrant with the Subscribers:

Description of information required to be delivered	Information
<i>Nature or type of the client's account:</i>	Client's "accounts" are opened for the sole purpose of assessing suitability through the collection of "know-your-client" information. Securities purchased by the client through the Registrant will be registered in the client's name or as the client may otherwise direct; no securities purchased by the client through the Registrant will be held or controlled by the Registrant.
<i>Products or services the Registrant offers to a client:</i>	Registrant offers qualified clients prospectus exempt investments in a connected issuer.
<i>Types of risks that a client should consider when making an investment decision:</i>	See Issuer's offering memorandum.
<i>Risks to a client of using borrowed money to finance a purchase of a security:</i>	See below.
<i>Conflicts of interest that the Registrant is required to disclose to a client under securities legislation:</i>	See the Issuer's offering memorandum.
<i>Costs to a client for the operation of an account:</i>	N/A
<i>Costs a client will pay in making, holding and selling investments:</i>	See the Issuer's offering memorandum.
<i>Compensation paid to the Registrant in relation to the different types of products that a client may purchase through the registered firm:</i>	The Registrant is paid a fee by the Issuer for capital raising activities undertaken on behalf of the Issuer. See the Issuer's offering memorandum for complete details.
<i>Content and frequency of reporting for each account or portfolio of a client:</i>	Statements will be delivered to clients as required by applicable securities laws. No securities purchased by the client through the Registrant will be held or controlled by the Registrant, therefore the Registrant is not required to deliver statements to client other than in respect of periods when clients execute a transaction through the Registrant, not including transactions pursuant to the distribution re-investment plan.

Independent dispute resolution or mediation services are available to a client, at the Registrant's expense, to mediate any dispute that might arise between the client and the Registrant about a product or service of the Registrant.

The obligation of determining whether the purchase or sale of a security properly suits a client rests with the Registrant prior to or after the transaction.

Disclosure concerning Leveraging and Borrowed Money

If you borrow money to purchase securities there will be greater risk than with using cash. If the return or value of the security changes, the loan will not. It will need to be repaid according to its terms and conditions.

Connected / Related Issuer Disclosure

Pursuant to Section 13.6 of National Instrument 31-103 – Registration Requirements and Exemptions, Pendfund Income Fund Inc. (the "Registrant"), an exempt market dealer approved in the Provinces of Saskatchewan, Manitoba, Ontario (pending) and Québec and currently registered in British Columbia and Alberta, hereby discloses to potential subscribers for units in Pendfund Income Fund I (the "Trust") that directors and senior officers of the Registrant may be Trustees of the Issuer, may act as officers of the Manager of the Trust, Canada Penfund Mortgage Corporation and may act as underwriters of securities.

Investment Performance Benchmarks

You may assess the performance of your investments by comparing them to an investment performance benchmark. Benchmarks show the performance over time of a select group of securities. There are many different benchmarks. When choosing a benchmark, pick one that reflects an investment in mortgage assets similar to those invested in by the Issuer.

The Registrant does not provide performance benchmarks in its required reporting to clients. The Registrant is not an investment advisor. Please speak to your own investment advisor if you have questions about the performance of the Issuer or what benchmark(s) might be appropriate for the Issuer or for your portfolio as a whole.