FORM 51-102F3
MATERIAL CHANGE REPORT

(pursuant to Part 11 of National Instrument 81-106, Investment Fund Continuous Disclosure)

ITEM 1. NAME AND ADDRESS OF ISSUER

Pender Growth Fund (VCC) Inc. (the "Fund")
885 West Georgia Sreet, Suite 2200
Vancouver, B.C. V6C 3E8

ITEM 2. DATE OF MATERIAL CHANGE

January 5, 2010

ITEM 3. NEWS RELEASE

Issued January 8, 2010 and distributed through the facilities of Market News Publishing Inc.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Fund is adopting a revised procedure for processing redemptions of shares that are requested on or before January 29, 2010.

PenderFund Capital Management Ltd., the manager of the Fund, and the Fund are exploring a public listing of the Fund's shares to provide investors with liquidity.

This document contains "forward-looking statements" within the meaning of Canadian securities legislation. Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to making redemptions and estimating the date that it will be required to cease honoring redemption requests and the exploration of a public listing.

All forward-looking statements and information are based on the Fund's current beliefs as well as assumptions made by and information currently available to the Fund concerning its working capital position in the future, the rate of receipt of redemption requests and the Fund's ability to achieve a public listing. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect and risks exist that such forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as various factors could cause the actual results to differ materially from the expectations, estimates and intentions expressed in such forward-looking statements.

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

See news release attached as Schedule "A".

ITEM 6. RELIANCE ON SUBSECTION 11.2(2) OF NATIONAL INSTRUMENT 81-106

Not Applicable.

ITEM 7. OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. EXECUTIVE OFFICER

Contact: David Barr, President
Telephone: (604) 630-5446

ITEM 9. DATE OF REPORT

January 13, 2010

Schedule "A"

PENDER

PenderFund Capital Management Ltd.
885 West Georgia Street, Suite 2200
Vancouver, BC V6C 3E8

Tel: 604 688 1511
Toll Free: 1 866 377-4743
Fax: 604 681 7116
www.penderfund.com

NEWS RELEASE

FOR IMMEDIATE RELEASE

January 8, 2010
2010-01

Redemption Status and Revised Procedures

Investigating Alternative Liquidity Measures

VANCOUVER, B.C., January 8, 2010 – PenderFund Capital Management Ltd. ("Pender"), manager of Pender Growth Fund (VCC) Inc. (the "Fund") announces that it is adopting a revised procedure for processing redemptions of shares that are requested on or before January 29, 2010. All redemption requests received prior to 1:00 p.m. (PST) on January 29, 2010 will be deemed to have been received at that time and the amount available for paying redemption proceeds for the shares the Fund is redeeming will be paid shortly afterwards.

Current market conditions are very difficult for junior technology companies and the Fund is experiencing reduced opportunities for near-term liquidity among the companies in the Fund's portfolio. Pender has been working to complete two transactions that would have resulted in cash proceeds that would have been sufficient to fund the expected redemptions requests over the next few months. However, the Fund has recently learned that both anticipated transactions have been delayed or may not proceed and considers that it is prudent to alert its shareholders to the situation. Unless the Fund is able to complete the sale of one of more of its investments in the intervening period, the Fund expects not to have sufficient funds to continue to honor requested redemptions into March, 2010 and may have insufficient funds to honor all requested redemptions on January 29, 2010. In the latter case the Fund will redeem such shares on January 29, 2010 on a pro rata basis with the funds available and will at that time suspend further redemptions.

Providing liquidity to its shareholders has always been of paramount importance to Pender and the Fund. Accordingly, Pender and the Fund are exploring a public listing of the Fund's shares to provide investors with liquidity. Details of proposed liquidity measures will be announced as they are settled.

In order to treat its shareholders as fairly as possible in the face of a potential suspension of redemptions, the Fund has decided to alter its redemption procedures. Any holder of shares that are redeemable at any time on or before March 1, 2010 may submit a request for redemption at any time up to 1:00 p.m. (PST) on January 29, 2010. All such redemption requests will be deemed to be received concurrently and with equal priority at 1:00 p.m. (PST) on January 29, 2010. To the extent that redemption of shares will not result in the Fund having a working capital deficiency, the Fund will redeem shares requested to be redeemed on a pro rata basis. If all of the shares for which redemption requests have been received cannot be redeemed without putting the Fund in a working capital deficiency, the Fund will partially redeem shares and suspend further redemptions.

The Fund must comply with the British Columbia Small Business Venture Capital Act (SBVCA) with respect to determining available funds for redemption. The sources of the funds available to the Fund to meet redemption requests are investment income from investments, portfolio gains and "mature investments" in accordance with the rules of the SBVCA, which are essentially portfolio investments that have been held by the Fund for the minimum required five-year time period. Pursuant to its Articles, the Fund is also required to consider its future obligations to make eligible venture investments under the investment pacing requirements of the SBVCA in its determination of available funds for redemption.

About PenderFund Capital Management Ltd.

PenderFund Capital Management is a value-based, forward thinking fund manager with expertise in identifying investment opportunities in undervalued companies with the potential for significant capital appreciation. Pender was founded in 2003 and is currently the Manager of Pender Growth Fund, Pender Small Cap Opportunities Fund and Pender Corporate Bond Fund.

Visit www.penderfund.com

About Pender Growth Fund (VCC) Inc.

Pender Growth Fund ("PGF") is a later stage, diversified, venture capital corporation, focused on undervalued public companies. BC investors in PGF are eligible to receive a cash-back tax credit of 30% from the BC government for investments up to $200,000. The Fund was established in 2003 and has approximately $25 million of assets. It is managed by PenderFund Capital Management Ltd.

Visit www.penderfund.com/funds/pgf/

Contact

For further information please contact:

Kelly Edmison	David Barr
Chairman	President
Tel: 604-630-5445	604-630-5446
kedmison@penderfund.com	dbarr@penderfund.com

Toll Free: 1 866 377-4743
www.penderfund.com

On behalf of the Board of Directors of
PenderFund Capital Management Ltd.
"Kelly Edmison"
Chairman

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