



CC&L Global Alpha Fund

Interim Management Report of Fund Performance

For the period ended
June 30, 2023

This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling us directly at 1.800.939.9674, by writing to us at 1400 – 130 King St. W., P.O. Box 240, Toronto, ON, M5X 1C8 or by visiting our website at www.cclfundsinc.com, or SEDAR at www.sedar.com.

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

Results of Operations

As at June 30, 2023, CC&L Global Alpha Fund (the “Fund”) held \$1.13 billion in total net assets. During the period, investors in Series A units in the Fund experienced a return of 2.04%. The benchmark for the Fund (MSCI World Small Cap Net Index (CAD\$)) returned 5.13% over the period. The performance of the different series within the Fund will vary due to the differences in their fee structures. For specific returns by series, please refer to the “Past Performance” section of the report.

The underperformance of the fund in the first half of 2023 was driven by both security selection and asset allocation. Within security selection, automobiles & components and capital goods were the biggest detractors, led by the underperformance of Motorcar Parts of America and both Lindsay Manufacturing and Titan Machinery. We have since exited MPAA but remain confident on the other two names. From a country standpoint, the underperformance came almost exclusively from the United States.

In term of contributors from security selection, consumer durables & apparel was the fund’s best performing industry due to the strong performance of names such as Samsonite International and Asics Corp. Security selection in the Euro area was also a strong contributor.

Within asset allocation, industries level contributors and detractors were more evenly distributed. The underweight to the US and the overweight to Hong-Kong detracted the most while the overweight to Japan and the Euro area helped the most.

During the first half of 2023, the MSCI World Small Cap Net Index (CAD\$) underperformed both the MSCI World Index and the S&P500 but outperformed the MSCI Emerging Markets Index. Within the fund’s benchmark, information technology was the top performer during the first half, returning 18.2%. Industrials was the second-best performer with a 12.8% return. The worst performing sectors were financials (-5.5%) and energy (-3.9%).

Some sectors changes were made during the period, almost exclusively driven by security level conviction as opposed to sector conviction. Our largest overweight at the end of the period were health care (+3.2%) and consumer discretionary (+1.8%), while financials (-2.8%) and industrials were our largest underweights. Industrials (-2.2%) was our largest trim, in part because the fund exited one of its top holdings, Biffa, as it got acquired. Our largest increase was in health care (+2.0%).

Recent Developments

Global Alpha has been back on the road with company meetings and conferences. Across the multiple regions we cover, we found mixed signals from management teams in various industries in the first quarter. Despite the continued ability of companies to pass on price increases and overall strong labor markets, there are still concerns around the weak resurgence of the Chinese consumer, persistent inflation, the impact of rate hikes on liquidity and continued geopolitical tensions.

The flight to safety that followed the fall of Silicon Valley Bank was short lived as the risk-on attitude resumed in the second quarter. Big tech dominance on US stock market returns so far this year means that almost everything not speculative is out of favor. Apple on its own is worth more than the entirety of the Russell 2000 or the UK's 100 biggest listed companies. Nvidia is reaching valuations not seen since the dotcom bubble as it joined the \$1 trillion market cap club. This is truly reminiscent of 2020 where every speculative stock was priced for perfection.

In this environment, we are sticking to our strategy of investing in companies with little debt and strong cash flow generation, as well as well-defined secular trends that will drive growth for years to come. We believe this volatile environment will provide active asset managers with opportunities to add value but it is likely to be a wild ride.

We are not making significant sector or country adjustments to the portfolio based on these expectations. Instead, we are maintaining a diversified list of holdings with defensible business models that are trading at a discount to their intrinsic value. Our portfolio remains well-diversified across the many countries, currencies and industries that comprise our benchmark.

Caution regarding forward-looking statements

Certain portions of this report, including, but not limited to, “Results of Operations” and “Recent Developments”, may contain forward looking statements including, but not limited to, statements relating to the Fund, its strategy, risks, expected performance and condition. The use of any of the words “anticipate”, “may”, “will”, “expect”, “estimate”, “should”, “believe” and similar expressions are intended to identify forward-looking statements. In addition, any statement that is predictive in nature, that depends upon or refers to future events or conditions, or that may be made concerning future performance, strategies or prospects, and possible future action to be made by the Fund, the Manager and the Fund’s portfolio manager, is also a forward-looking statement.

Such statements reflect the opinion of CFI and the Fund’s portfolio manager, Global Alpha Capital Management, regarding factors that might be reasonably expected to affect the performance and the distributions on units of the Fund, and are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, regulatory framework and the general business environment and other relevant information available at the time of this report. Changes in these factors may cause actual results to differ materially from the forward-looking information.

CFI believes that the expectations reflected in these forward-looking statements and in the analysis are reasonable, but no assurance can be given that these expectations or the analysis will prove to be correct and accordingly they should not be unduly relied on. These statements speak only as of the date of this report. Actual events and outcomes may differ materially from those described in these forward-looking statements.

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 any undue reliance on forward-looking statements. Further, you should be aware of the fact that there is no specific intention of updating any forward-looking statements contained therein whether as a result of new information, future events or otherwise.

Related Party Transactions

The manager of the Fund, Connor, Clark & Lunn Funds Inc. (“CFI” or the “Manager”), is affiliated with Connor, Clark & Lunn Financial Group Ltd. As disclosed in the prospectus and annual information form, the portfolio manager retained by the Fund, Global Alpha Capital Management is also affiliated with Connor, Clark & Lunn Financial Group Ltd. During the period ended June 30, 2023, no additions or deletions were made to the portfolio managers providing services to the Fund.

As Manager, CFI receives management fees with respect to the day-to-day business and operations of the Fund, calculated based on the net asset value of each respective series of units of the Fund, as described in the section entitled “Management Fees”. These management fees are charged in the normal course of business and are measured at their exchange amount, which approximates that of an arm’s length transaction.

Recommendations or reports by the Independent Review Committee

The Independent Review Committee tabled no special reports and made no reportable material recommendations to the manager of the Fund during the period ended June 30, 2023.

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 past five years. The information is derived from the Fund's unaudited interim financial statements and audited annual financial statements.

The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit⁽¹⁾

Series A	Jun 30'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Net Assets, beginning of period ⁽¹⁾	\$10.80	\$12.91	\$11.47	\$11.22	\$9.52	\$10.71
Increase (decrease) from operations:						
Total revenues	0.11	0.20	0.34	0.14	0.22	0.19
Total expenses	(0.14)	(0.30)	(0.35)	(0.26)	(0.29)	(0.32)
Realized gains (losses) for the period	(0.08)	(0.12)	2.07	0.12	0.59	0.91
Unrealized gains (losses) for the period	0.32	(1.90)	0.28	(1.05)	1.69	(1.49)
Total increase (decrease) from operations ⁽²⁾	0.21	(2.12)	2.34	(1.05)	2.21	(0.71)
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	(0.00)	(0.03)	(0.29)	(0.01)	-	-
From capital gains	-	-	(0.76)	(0.15)	(0.47)	(0.78)
Return of capital	-	-	-	-	-	-
Total distributions ^(2,3)	(0.00)	(0.03)	(1.05)	(0.16)	(0.47)	(0.78)
Net assets at June 30 or December 31 of year shown ^{1,2)}	\$11.02	\$10.80	\$12.91	\$11.47	\$11.22	\$9.52

Series A inception date: May 12, 2014

Series F	Jun 30'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Net Assets, beginning of period ⁽¹⁾	\$11.42	\$13.54	\$11.95	\$11.57	\$9.75	\$10.91
Increase (decrease) from operations:						
Total revenues	0.12	0.21	0.36	0.15	0.22	0.20
Total expenses	(0.09)	(0.18)	(0.22)	(0.16)	(0.19)	(0.20)
Realized gains (losses) for the period	(0.07)	(0.02)	2.13	0.15	0.61	0.88
Unrealized gains (losses) for the period	0.36	(2.58)	0.40	(0.32)	1.62	(1.89)
Total increase (decrease) from operations ⁽²⁾	0.32	(2.57)	2.67	(0.18)	2.26	(1.01)
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	(0.04)	(0.05)	(0.37)	(0.01)	(0.04)	(0.01)
From capital gains	-	-	(0.80)	(0.15)	(0.48)	(0.86)
Return of capital	-	-	-	-	-	-
Total distributions ^(2,3,4)	(0.04)	(0.05)	(1.17)	(0.16)	(0.52)	(0.87)
Net assets at June 30 or December 31 of year shown ^(1,2)	\$11.68	\$11.42	\$13.54	\$11.95	\$11.57	\$9.75

Series F inception date: June 24, 2014

(1) This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not meant to be a reconciliation of beginning to ending net assets per share.

(3) The allocation of distributions between income and dividends is an estimate and may not reflect amounts distributed for tax purposes.

(4) Distributions were issued to unitholders by way of a combination of both cash payments and reinvestments in additional units of the Fund.

FINANCIAL HIGHLIGHTS

Ratios & Supplemental Data:

Series A	Jun 30'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Total net asset value (000's) ⁽¹⁾	\$8,881	\$8,762	\$10,243	\$6,394	\$10,380	\$11,664
Number of units outstanding ⁽¹⁾	805,692	810,981	793,363	557,247	924,887	1,225,794
Management expense ratio ⁽²⁾	2.38%	2.38%	2.37%	2.39%	2.35%	2.47%
Management expense ratio before waivers or absorptions ⁽³⁾	2.38%	2.38%	2.37%	2.39%	2.35%	2.47%
Portfolio turnover rate ⁽⁴⁾	10.17%	29.05%	30.05%	40.70%	37.86%	42.41%
Trading expense ratio ⁽⁵⁾	0.03%	0.07%	0.07%	0.13%	0.15%	0.19%
Net asset value per unit	\$11.02	\$10.80	\$12.91	\$11.47	\$11.22	\$9.52

Series A inception date: May 12, 2014

Series F	Jun 30'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Total net asset value (000's) ⁽¹⁾	\$41,104	\$40,535	\$44,414	\$30,680	\$37,972	\$27,442
Number of units outstanding ⁽¹⁾	3,519,897	3,549,501	3,280,786	2,566,494	3,281,555	2,814,990
Management expense ratio ⁽²⁾	1.32%	1.33%	1.31%	1.31%	1.32%	1.36%
Management expense ratio before waivers or absorptions ⁽³⁾	1.32%	1.33%	1.31%	1.31%	1.32%	1.36%
Portfolio turnover rate ⁽⁴⁾	10.17%	29.05%	30.05%	40.70%	37.86%	42.41%
Trading expense ratio ⁽⁵⁾	0.03%	0.07%	0.07%	0.13%	0.15%	0.19%
Net asset value per unit	\$11.68	\$11.42	\$13.54	\$11.95	\$11.57	\$9.75

Series F inception date: June 24, 2014

(1) This information is provided as at June 30 or December 31 of the years shown.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

(3) The manager of the Fund, CC&L Funds Inc., may waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is determined periodically on a series by series basis at the discretion of the manager and the manager can terminate the waiver or absorption at any time.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(5) 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.

MANAGEMENT FEES

Management Fees

The Fund is managed by CFI. As consideration for providing investment advisory and management services, CFI receives a management fee from the Fund, based on the net asset value of the respective series, calculated daily and payable monthly in arrears. CFI uses a portion of management fees to pay for trailing commissions to registered dealers (if applicable) based on amounts invested in the Fund. CFI uses the remaining portion of the management fees to pay for investment advice, including fees charged by the Fund's portfolio manager, and general administration expenses and retains the balance for profit. The following table summarizes the annual management fee rates (excluding GST and HST) of each series of the Fund, expressed as a percentage of the Fund's value, and the portion used for dealer compensation and the portion used for or attributed to investment advice, general administration and profit.

	Annual Rates	Dealer Compensation	<u>As a percentage of management fees</u> Investment advice, administration and profit
Series A	2.20%	45.45%	54.55%
Series F	1.20%	0.00%	100.00%

PAST PERFORMANCE

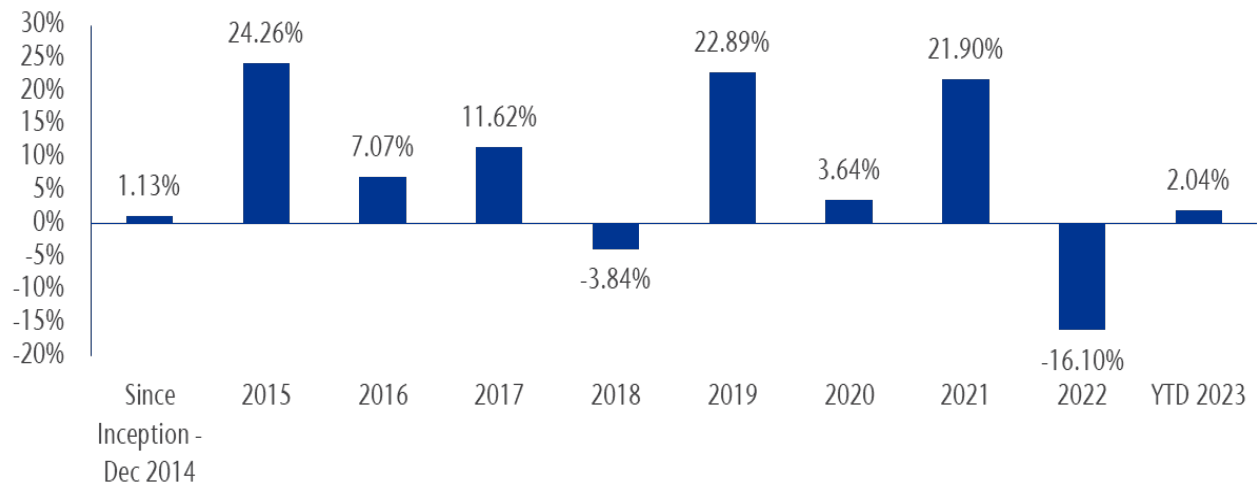
Past Performance

The performance information shown below assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. Note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-by-year Returns

The following bar charts show the Fund's annual performance for each of the years shown and illustrate how the Fund's performance has changed from year to year, for each series of the Fund. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

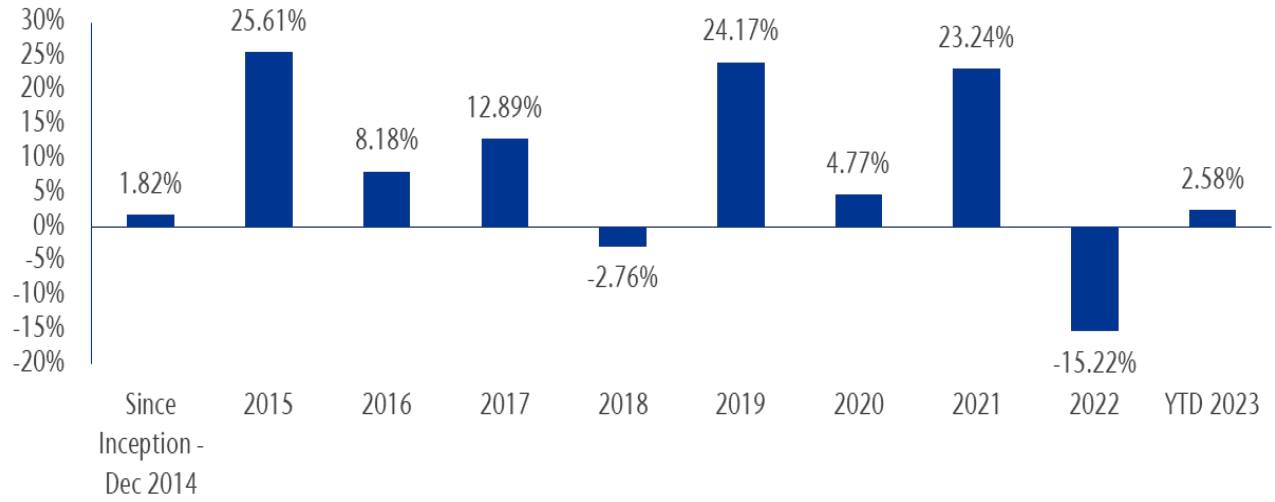
Series A



Performance for 2014 represents returns from May 13 to December 31, 2014.

PAST PERFORMANCE

Series F



Performance for 2014 represents returns from June 24 to December 31, 2014.

SUMMARY OF INVESTMENT PORTFOLIO

Below is a breakdown of the Fund's investment holdings as at June 30, 2023. The individual holdings and their relative percentage of the overall fund will change between reporting periods as markets change and the portfolio manager buys and sells individual securities.

Asset Mix	% of Net Asset Value	Top 25 Investments		% of Net Asset Value
North America	54.7	1	Rothschild & Co	3.5
Europe & Middle East ex UK	20.5	2	Melia Hotels International	3.3
Japan	11.0	3	Boardwalk Real Estate Investment Trust	3.3
Pacific ex Japan	6.6	4	Sega Sammy Holdings Inc	3.2
United Kingdom	5.8	5	Ormat Technologies Inc	2.9
Other assets less liabilities	1.5	6	Raffles Medical Group Ltd	2.6
	100.0	7	Radnet Inc	2.6
		8	limoneira co	2.4
		9	Eagle Materials Inc.	2.4
		10	Farmland Partners Inc	2.3
		11	ATN International Inc	2.2
		12	DMG Mori Co Ltd	2.2
		13	L'Occitane	2.2
		14	Internet Initiative Japan	2.1
		15	ACI Worldwide Inc	2.1
		16	Verint Systems Inc	2.0
		17	Extencare Inc	2.0
		18	Samsonite International SA	1.9
		19	Asics Corp	1.9
		20	Curtiss-Wright Corp	1.8
		21	Clean Energy Fuels Corp	1.8
		22	Savills PLC	1.7
		23	Umb Financial Corp	1.7
		24	Als Ltd	1.6
		25	Loomis Ab-B	1.6
			Top long positions as a percentage of total net asset value	57.5
Asset Mix	% of Net Asset Value			
Communication services	4.3			
Consumer discretionary	14.8			
Consumer staples	5.9			
Energy	3.5			
Financials	10.7			
Health care	14.0			
Industrials	17.6			
Information technology	9.3			
Materials	6.5			
Real estate	9.1			
Utilities	2.8			
Other assets less liabilities	1.5			
	100.0			

Note: The investments and percentages may have changed by the time you purchase units of this Fund. The top 25 investment holdings are made available quarterly, 60 days after quarter end.