



CC&L Global Market Neutral II Fund (formerly CC&L Alternative Global Equity 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 Market Neutral II Fund (formerly CC&L Alternative Global Equity Fund or the “Fund”) held \$16.9 million in total net assets. During the period, investors in Series A units in the Fund experienced a return of 4.43%. The performance of the different series within the funds will vary due to the differences in their expense structures. For specific returns by series, please refer to the “Past Performance” section of this report.

The Fund is a global equity market neutral strategy with a target absolute return and risk of 6-8% and no correlation to equity markets.

After experiencing heightened financial market volatility in March, investors welcomed a more stable market environment in the second quarter. Investor sentiment improved in response to several factors, including the resolution of the US debt ceiling discussions as well as growing enthusiasm regarding artificial intelligence (AI) that led many investors to improve their outlook for the technology sector. Economic data releases were generally robust, defying widely predicted recession expectations and leading investors to believe that the onset of a recession may occur later than previously anticipated. Persistently strong inflation figures, however, prompted many central banks to implement further interest rate increases. Most global equity markets rallied over the second quarter, particularly those with heavier weightings in the technology sector.

Factor groups within our model were generally well-rewarded throughout the quarter, particularly those assessing traditional fundamental characteristics. The continuation of year-to-date industry return trends in combination with the strength of fundamental stock-level growth metrics led to outperformance in our Growth composite, while the strong reward to measures of earnings sustainability provided a boost to our Quality composite. In addition, companies attractively valued relative to their industry peers outperformed, resulting in another strong quarter for Value. Opportunity measures performed broadly in-line with our longer-term expectations.

Effective March 23, 2023, the Fund adopted management and performance fee changes, investment objective changes and a name change.

The portfolio delivered a modest negative return in the second quarter of 2023. Security selection was mixed across sectors and was notably weak within the US technology and industrials sectors. Meanwhile stock selection within US healthcare was a notable contributor. From a country-sector allocation perspective, the long positions in US consumer discretionary was the largest contributor to performance while the short positions in US technology and long positions in Chinese consumer discretionary detracted.

Leverage

Leverage occurs when the Fund borrows money or securities, or uses derivatives, to generate investment exposure that is greater than the amount invested.

The Fund's leverage is determined by calculating the aggregate exposure through the sum of following: (i) the market value of the Fund's short positions; (ii) the amount of cash borrowed for investment purposes; and (iii) the notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. The Fund's exposure to leverage must not exceed 300% of the Fund's Net Asset Value ("NAV").

During the period ended June 30, 2023, the Fund's aggregate exposure ranged from 72.6% to 208.0% of the Fund's NAV. The aggregate exposure to leverage was within the expected range as outlined in the simplified prospectus. As at June 30, 2023, the Fund's aggregate exposure was 148.3% of the Fund's NAV. The primary sources of leverage were short positions in equity securities, short equity swap contracts and cash borrowings.

A component of the Fund's leverage is cash borrowing, comprised of bank indebtedness with prime brokers. Such facilities are repayable on demand. During the period ended June 30, 2023, the Fund's range of bank indebtedness was \$1,619 to \$15,765,627 with an average interest rate of 5.22%. As at June 30, 2023, the borrowing represented 0.0% of the Fund's NAV.

Recent Developments

While the overall level of investment opportunity across our model (as measured by the dispersion of return forecasts) remains stable at long-term average levels, there have been noteworthy shifts within certain groups over the second quarter. As Value-oriented companies have outperformed and the dispersion in valuation multiples has contracted, the opportunity level in Value – while still higher than long-term average levels – has fallen. Conversely, investment opportunities based on Growth themes continue to rebound from their first-quarter lows, driven mainly by a continuation in industry return price trends. That said, Growth opportunities remain below long-term average levels. Finally, portfolio exposures to the Complexity composite recently increased as insights linked to varying sensitivities to differential global markets displayed an increased opportunity level given relatively wide variation in the returns of global market indices in the second quarter.

During the period, unitholders of the Fund approved changes to the management fees and performance fees of the Fund and changes to the investment objectives of the Fund. In connection with the changes to investment objectives, the name of the Fund was changed to CC&L Global Market Neutral II Fund (formerly CC&L Alternative Global Equity Fund). The changes to management fees and performance fees are outlined below:

Series	Former Management Fee	New Management Fee	Former Performance Fee	New Performance Fee
A	1.50%	1.90%	20% of the amount by which the total return of the Series A units exceeds a hurdle equal to the return of the MSCI ACWI Index (CAD) (net).	20% of the net positive return of the Series A units for the calendar quarter, with a perpetual high-water mark.
F	0.50%	0.90%	20% of the amount by which the total return of the Series F units exceeds a hurdle equal to the return of the MSCI ACWI Index (CAD) (net).	20% of the net positive return of the Series F units for the calendar quarter, with a perpetual high-water mark.

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, Connor, Clark & Lunn Investment Management Ltd., 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

CFI 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, Connor, Clark & Lunn Investment Management Ltd., 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 met with Connor, Clark and Lunn Funds Inc. (“CFI”) on January 18, 2023. The IRC provided positive recommendations for Proposed Management Fee Changes & Shift in Investment Objectives. CC&L Global Market Neutral II Fund (formerly the CC&L Alternative Global Equity Fund), proposed to pursue a more absolute return-oriented objectives regardless of the direction of their respective equity markets and in turn reduce fund volatility.

FINANCIAL HIGHLIGHTS

Ratios & Supplemental Data:

Series A	Jun 30'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁶⁾
Total net asset value ('000s) ⁽¹⁾	\$212	\$147	\$165	\$91	\$100
Number of units outstanding ⁽¹⁾	19,672	14,220	13,355	8,196	9,391
Management expense ratio ⁽²⁾	2.95%	2.65%	3.01%	2.62%	2.13%
Management expense ratio before waivers or absorptions ⁽³⁾	2.95%	2.65%	3.01%	2.62%	2.13%
Portfolio turnover rate ⁽⁴⁾	220.72%	315.23%	436.66%	715.02%	668.21%
Trading expense ratio ⁽⁵⁾	1.89%	0.80%	0.64%	1.28%	2.83%
Net asset value per unit	\$10.79	\$10.33	\$12.33	\$11.07	\$10.70

Series A inception date: February 15, 2019

Series F	Jun 30'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁶⁾
Total net asset value ('000s) ⁽¹⁾	\$5,702	\$1,931	\$3,923	\$3,250	\$2,313
Number of units outstanding ⁽¹⁾	527,951	187,498	321,623	295,883	220,130
Management expense ratio ⁽²⁾	1.98%	1.75%	2.58%	1.42%	1.51%
Management expense ratio before waivers or absorptions ⁽³⁾	1.98%	1.75%	2.58%	1.42%	1.51%
Portfolio turnover rate ⁽⁴⁾	220.72%	315.23%	436.66%	715.02%	668.21%
Trading expense ratio ⁽⁵⁾	1.89%	0.80%	0.64%	1.28%	2.83%
Net asset value per unit	\$10.80	\$10.30	\$12.20	\$10.98	\$10.51

Series F inception date: February 15, 2019

Series I	Jun 30'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁶⁾
Total net asset value ('000s) ⁽¹⁾	\$10,981	\$18,706	\$24,131	\$19,167	\$16,713
Number of units outstanding ⁽¹⁾	1,019,639	1,833,972	1,970,842	1,746,010	1,591,554
Management expense ratio ⁽²⁾	0.58%	0.75%	0.61%	0.85%	0.77%
Management expense ratio before waivers or absorptions ⁽³⁾	0.58%	0.75%	0.61%	0.85%	0.77%
Portfolio turnover rate ⁽⁴⁾	220.72%	315.23%	436.66%	715.02%	668.21%
Trading expense ratio ⁽⁵⁾	1.89%	0.80%	0.64%	1.28%	2.83%
Net asset value per unit	\$10.77	\$10.20	\$12.24	\$10.98	\$10.50

Series I inception date: February 15, 2019

(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 margin interest, 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 margin interest, borrow fees on investments sold short, total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(6) As at December 31, 2019 or for the period from February 15, 2019 (date of commencement of operations) to December 31, 2019, as applicable.

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. In respect of units of all series of the Fund other than Series I, the management fee is paid by the Portfolio to CFI. Management fees in respect of Series I units are arranged directly and charged outside the Portfolio. Management fees on Series I units are not expenses of the Portfolio. 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	1.90%	52.63%	47.37%
Series F	0.90%	0.00%	100.00%
Series I	0.00%	0.00%	0.00%

Performance Fees

The Fund pays a quarterly performance fee to the Manager, calculated and accrued daily. The Performance Fee is 20% of the net positive return of the Series for the Performance Period, subject to a perpetual high-water mark. The Performance Fee is applicable to Series A and Series F units. Unitholders of Series I units may negotiate a performance fee to be paid by the investor directly to the Manager.

PAST PERFORMANCE

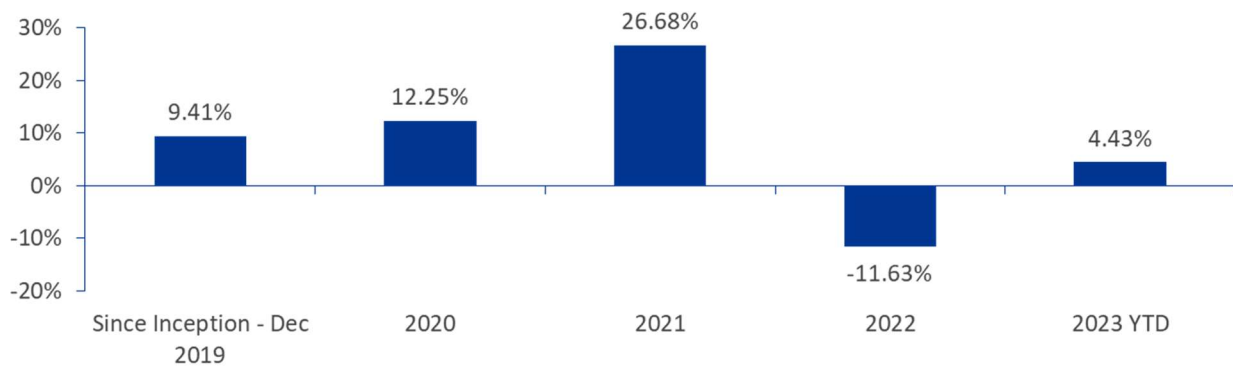
Past Performance

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.

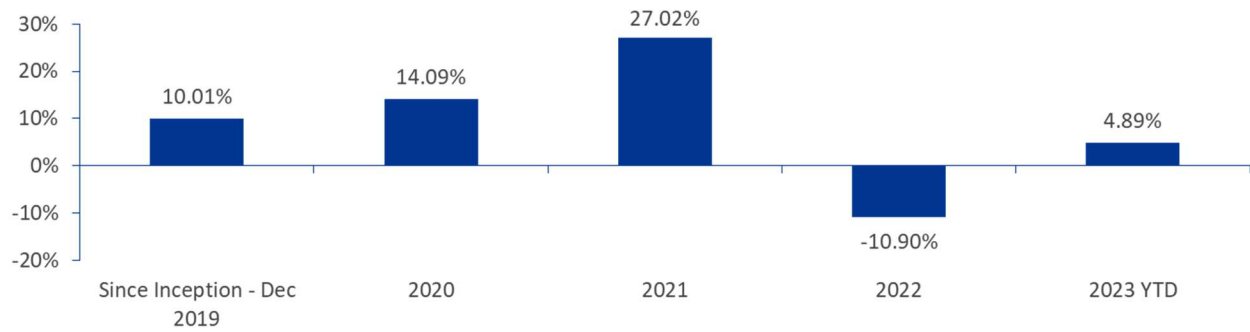
Series A



Performance for 2019 represents returns from February 15 to December 31, 2019.

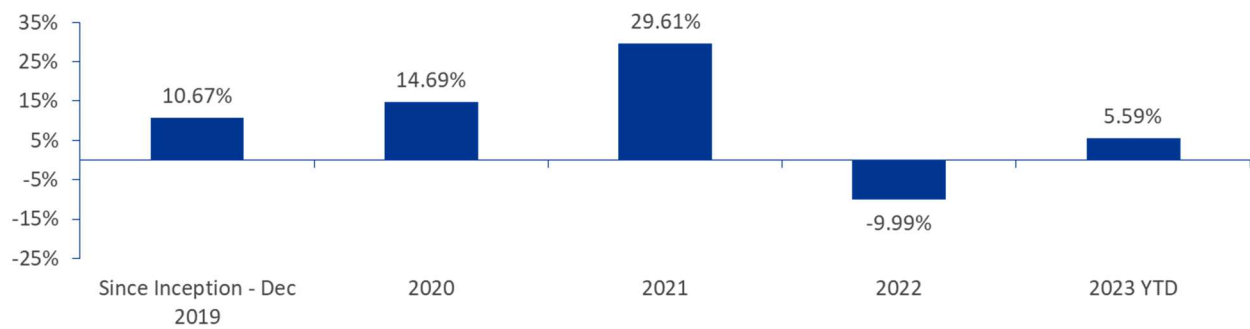
PAST PERFORMANCE

Series F



Performance for 2019 represents returns from February 15 to December 31, 2019.

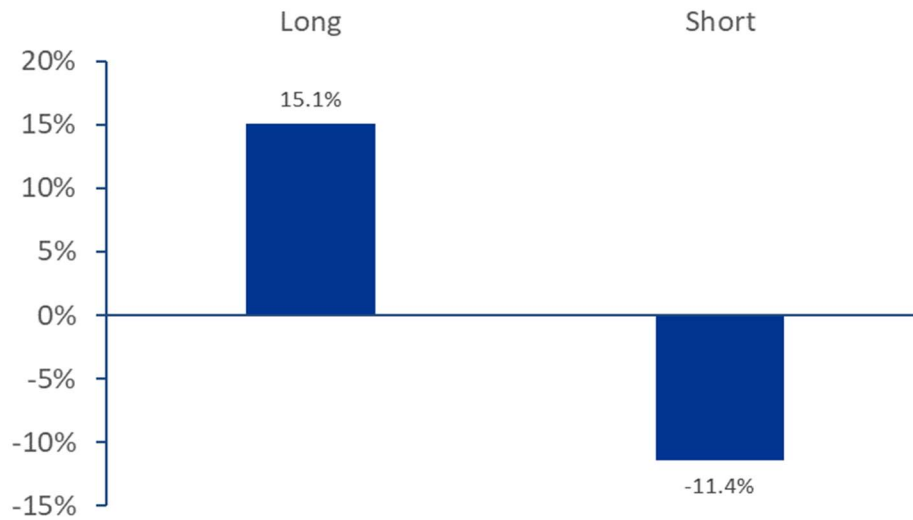
Series I



Performance for 2019 represents returns from February 15 to December 31, 2019.

PAST PERFORMANCE

The following bar chart shows the performance of the Fund's long and short portfolio positions for the period from January 1, 2023 to June 30, 2023 before deducting fees and expenses and before the impact of other assets less liabilities.



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.

Top 25 Investments - Long		% of Net Asset Value	Top 25 Investments - Short		% of Net Asset Value
1	Carnival Corp.	1.0	1	CAE Inc.	(1.0)
2	Tokyo Electron Ltd	1.0	2	Mitsubishi UFJ Financial Group	(0.9)
3	Advanced Micro Devices	1.0	3	Lightspeed Commerce Inc-Sub Vote	(0.8)
4	Norwegian Cruise Line Holdin	1.0	4	Commonwealth Bank of Australia	(0.8)
5	Exxon Mobil Corp.	1.0	5	Bayer AG	(0.7)
6	ChevronTexaco Corp.	1.0	6	Vermilion Energy Inc.	(0.7)
7	Baker Hughes Co	1.0	7	Advantest Corp	(0.7)
8	Ryanair Hldgs ADR	1.0	8	Japan Tobacco Inc	(0.7)
9	Estee Lauder Companies Class A	1.0	9	Westpac Banking Corp.	(0.7)
10	Intel Corp.	1.0	10	Southwestern Energy Co	(0.7)
11	Alphabet Inc - CL A	1.0	11	Eli Lilly & Co.	(0.7)
12	Walt Disney Co.	0.9	12	Fedex Corp.	(0.6)
13	Volkswagen AG Pref	0.9	13	Clarivate PLC	(0.6)
14	Zillow Group Inc	0.9	14	Catalent Inc	(0.6)
15	Atlassian Corp Plc-Class A	0.9	15	Northrop Grumman Corp.	(0.6)
16	Canadian Pacific Kansas City Ltd	0.9	16	Lucid Group Inc	(0.6)
17	Brookfield Corp	0.9	17	Chugai Pharmaceutical Co Ltd	(0.6)
18	Roku Inc	0.8	18	Trinet Group Inc	(0.5)
19	Pure Storage Inc - Class A	0.8	19	Marvell Technology Inc	(0.5)
20	Target Corp.	0.8	20	Nexi Spa	(0.5)
21	Novo Nordisk A/S-B	0.8	21	Symrise Ag	(0.5)
22	Toast Inc	0.8	22	Coloplast-B	(0.5)
23	NRG Energy Inc	0.8	23	Hut 8 Mining Corp	(0.5)
24	Koninklijke Philips Electron	0.7	24	Energy Fuels Inc	(0.5)
25	NVIDIA Corp.	0.7	25	Ryman Healthcare Ltd	(0.4)
	Top long positions as a percentage of total net asset value	<u>22.4</u>		Top short positions as a percentage of total net asset value	<u>(16.1)</u>

Portfolio Allocation	% of Net Asset Value			Sector Allocation	% of Net Asset Value		
	Long	Short	Net		Long	Short	Net
U.S. equities	78.7	(49.7)	29.0	Communication services	6.7	(3.7)	3.0
International equities	42.1	(27.6)	14.5	Consumer discretionary	17.0	(6.0)	11.0
Canadian equities	7.5	(8.0)	(0.5)	Consumer staples	5.6	(4.0)	1.7
Other assets less liabilities	58.6		58.6	Energy	9.6	(7.4)	2.2
Swap contracts*	0.8	(2.4)	(1.6)	Financials	15.1	(12.9)	2.2
	<u>187.7</u>	<u>(87.7)</u>	<u>100.0</u>	Health care	17.9	(14.4)	3.6
				Industrials	19.5	(13.7)	5.8
				Information technology	23.4	(10.6)	12.8
Net Currency Exposure				Materials	6.9	(5.6)	1.3
Canadian dollar			143.2	Real estate	3.6	(6.0)	(2.5)
U.S. dollar			(34.0)	Utilities	3.0	(1.1)	1.9
Euro			(3.0)	Other assets less liabilities	58.6		58.6
Swedish krona			(2.4)	Swap contracts*	0.8	(2.4)	(1.6)
Norwegian krone			(2.0)		<u>187.7</u>	<u>(87.7)</u>	<u>100.0</u>
Other			(1.8)				
			<u>100.0</u>				

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.

* - Notional principal values represent 83.9% of total net asset value for equity swaps.