



CC&L High Yield Bond 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

At June 30, 2023, CC&L High Yield Bond Fund (the “Fund”) held \$112.0 million in total net assets. During the period, investors in Series A units in the Fund experienced a return of 1.76%. The benchmark for the Fund (30% Merrill Lynch US High Yield Cash Pay BB Index (CAD\$) & 30% Merrill Lynch US High Yield Cash Pay BB Index (Hedged to CAD) & 30% FTSE Canada Corporate BBB Bond Index & 10% Merrill Lynch Canada BB-B High Yield Index) returned 2.83% over the period. The performance of the different series within the Fund 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 first quarter of 2023 proved to be a whirlwind for global financial markets. Initially, there was positive market sentiment driven by strong economic data, China’s economy reopening and subdued inflation releases. However, this positive sentiment was short-lived as unusually strong economic and inflation data caused financial markets to question the endpoint of central bank interest rate hikes and the probability and timing of a recession. In March, markets faced a significant shock when a confluence of factors led to a bank run across U.S. regional banks that ultimately resulted in the second- and third-largest U.S. bank failures in history. Despite support from the federal regulators, the turbulence spilled over to Europe with the collapse of Switzerland’s Credit Suisse, a systematically important financial institution, which was ultimately merged with its largest domestic peer. During this time, bond market volatility surged, with near-historic moves in yields. Equity market volatility increased, and although there was a decline in financial stocks in response to the threat of contagion and concerns of a larger banking troubles, overall equity markets held in quite well.

After a volatile March, investors welcomed a more stable market environment in the second quarter. Sentiment improved due to several factors, including the resolution of the US debt ceiling and the growing enthusiasm surrounding artificial intelligence (AI), which boosted the outlook for the technology sector. Another significant driver was the economic resilience observed in both the US and Canada. Data releases were generally robust, defying widely predicted recession expectations, leading investors to defer the anticipated onset of a recession. However, persistently strong inflation releases prompted central banks to implement further interest rate hikes. All in, the Bank of Canada and the US Federal Reserve raised their target rates by 50 basis points (bps) and 75 bps, respectively, during the period. Nevertheless, equity market volatility decreased significantly by the end of the period and bond market volatility also retraced from unusually high levels.

The Fund delivered a positive return and outperformed its benchmark, gross of fees, in the first half of 2023. Overweight positions in select US media, telecommunications and leisure companies contributed to performance. Within interest rate positions, the duration strategy that was adjusted during the period, as well as a global relative value strategy that favoured US Treasuries relative to Canada government bonds, were each positive. Sector allocation that was underweight US credit, detracted as high yield spreads compressed overall in the first half of the year, notwithstanding some periods of volatility (particularly in March).

Recent Developments

Economic releases were generally robust during the second quarter, with the economy bolstered by a combination of fiscal support and the continued drawdown of consumer and business excess savings that had accumulated during the pandemic. We continue to believe that a recession is the most likely scenario within the next year, as evidence of slowing economic momentum builds globally, excess cash savings are depleted and central banks raise interest rates further to combat inflationary pressures. We have, however, extended our expected timing for the recession. As central banks have resumed their interest rate increases, we also believe the risk of a deeper downturn has increased. Regardless, we continue to believe that monetary policymakers are approaching the end of their interest rate hiking cycles, although we do not expect interest rate cuts until the onset of a recession.

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 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 year⁽¹⁾	\$7.08	\$8.33	\$8.63	\$8.57	\$8.25	\$8.67
Increase (decrease) from operations:						
Total revenues	0.17	0.35	0.36	0.37	0.39	0.45
Total expenses	(0.08)	(0.16)	(0.18)	(0.18)	(0.15)	(0.18)
Realized gains (losses) for the period	(0.05)	(0.67)	0.02	0.22	0.25	(0.19)
Unrealized gains (losses) for the period	0.09	(0.54)	(0.15)	0.29	0.26	(0.22)
Total increase (decrease) from operations⁽²⁾	0.13	(1.02)	0.05	0.70	0.75	(0.14)
Distributions:						
From net investment income (excluding dividends)	(0.14)	(0.38)	(0.35)	(0.34)	(0.38)	(0.38)
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions^(2,3,4)	(0.14)	(0.38)	(0.35)	(0.34)	(0.38)	(0.38)
Net assets at June 30 or December 31 of year shown^(1,2)	\$7.06	\$7.08	\$8.33	\$8.63	\$8.57	\$8.25

Series A inception date: May 16, 2012

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⁾	\$7.57	\$8.80	\$9.01	\$8.85	\$8.44	\$8.78
Increase (decrease) from operations:						
Total revenues	0.18	0.37	0.38	0.39	0.50	0.45
Total expenses	(0.04)	(0.08)	(0.09)	(0.08)	(0.09)	(0.10)
Realized gains (losses) for the period	(0.05)	(0.74)	0.01	0.21	0.25	(0.19)
Unrealized gains (losses) for the period	0.09	(0.37)	(0.14)	0.01	0.13	(0.17)
Total increase (decrease) from operations⁽²⁾	0.18	(0.82)	0.16	0.53	0.79	(0.01)
Distributions:						
From net investment income (excluding dividends)	(0.15)	(0.40)	(0.38)	(0.35)	(0.37)	(0.38)
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions^(2,3,4)	(0.15)	(0.40)	(0.38)	(0.35)	(0.37)	(0.38)
Net assets at June 30 or December 31 of year shown^(1,2)	\$7.59	\$7.57	\$8.80	\$9.01	\$8.85	\$8.44

Series F inception date: September 19, 2012

Series I	Jun 30'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Net Assets, beginning of period⁽¹⁾	\$8.46	\$9.77	\$9.93	\$9.66	\$9.15	\$9.45
Increase (decrease) from operations:						
Total revenues	0.20	0.41	0.42	0.43	0.44	0.47
Total expenses	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
Realized gains (losses) for the period	(0.06)	(0.81)	-	0.18	0.28	(0.26)
Unrealized gains (losses) for the period	0.09	(0.49)	(0.13)	0.02	0.21	(0.06)
Total increase (decrease) from operations⁽²⁾	0.23	(0.90)	0.28	0.62	0.92	0.13
Distributions:						
From net investment income (excluding dividends)	(0.17)	(0.46)	(0.43)	(0.38)	(0.42)	(0.44)
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions^(2,3,4)	(0.17)	(0.46)	(0.43)	(0.38)	(0.42)	(0.44)
Net assets at June 30 or December 31 of year shown^(1,2)	\$8.53	\$8.46	\$9.77	\$9.93	\$9.66	\$9.15

Series I inception date: May 16, 2012

(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 ('000s) ⁽¹⁾	\$339	\$341	\$619	\$945	\$278	\$382
Number of units outstanding ⁽¹⁾	47,959	48,172	74,353	109,520	32,415	46,338
Management expense ratio ⁽²⁾	2.19%	2.19%	2.20%	2.07%	1.78%	2.10%
Management expense ratio before waivers or absorptions ⁽³⁾	2.19%	2.19%	2.20%	2.07%	1.78%	2.10%
Portfolio turnover rate ⁽⁴⁾	95.17%	175.26%	109.10%	222.17%	206.34%	119.74%
Trading expense ratio ⁽⁵⁾	-	-	-	-	-	-
Net asset value per unit	\$7.06	\$7.08	\$8.33	\$8.63	\$8.57	\$8.25

Series A inception date: May 16, 2012

Series F	Jun 30'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Total net asset value ('000s) ⁽¹⁾	\$233	\$225	\$248	\$174	\$278	\$301
Number of units outstanding ⁽¹⁾	30,716	29,776	28,226	19,327	31,376	35,677
Management expense ratio ⁽²⁾	1.03%	1.01%	0.97%	0.93%	1.06%	1.08%
Management expense ratio before waivers or absorptions ⁽³⁾	1.03%	1.01%	0.97%	0.93%	1.06%	1.08%
Portfolio turnover rate ⁽⁴⁾	95.17%	175.26%	109.10%	222.17%	206.34%	119.74%
Trading expense ratio ⁽⁵⁾	-	-	-	-	-	-
Net asset value per unit	\$7.59	\$7.57	\$8.80	\$9.01	\$8.85	\$8.44

Series F inception date: September 19, 2012

Series I	Jun 30'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Total net asset value ('000s) ⁽¹⁾	\$111,473	\$99,282	\$122,861	\$116,099	\$114,539	\$95,377
Number of units outstanding ⁽¹⁾	13,068,570	11,732,642	12,580,103	11,697,235	11,857,912	10,426,583
Management expense ratio ⁽²⁾	0.10%	0.12%	0.08%	0.10%	0.15%	0.21%
Management expense ratio before waivers or absorptions ⁽³⁾	0.10%	0.12%	0.08%	0.10%	0.15%	0.21%
Portfolio turnover rate ⁽⁴⁾	95.17%	175.26%	109.10%	222.17%	206.34%	119.74%
Trading expense ratio ⁽⁵⁾	-	-	-	-	-	-
Net asset value per unit	\$8.53	\$8.46	\$9.77	\$9.93	\$9.66	\$9.15

Series I inception date: May 16, 2012

(1) This information is provided as at June 30 or December 31 for 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. 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	1.85%	54.05%	45.95%
Series F	0.85%	0.00%	100.00%
Series I	0.00%	0.00%	0.00%

PAST PERFORMANCE

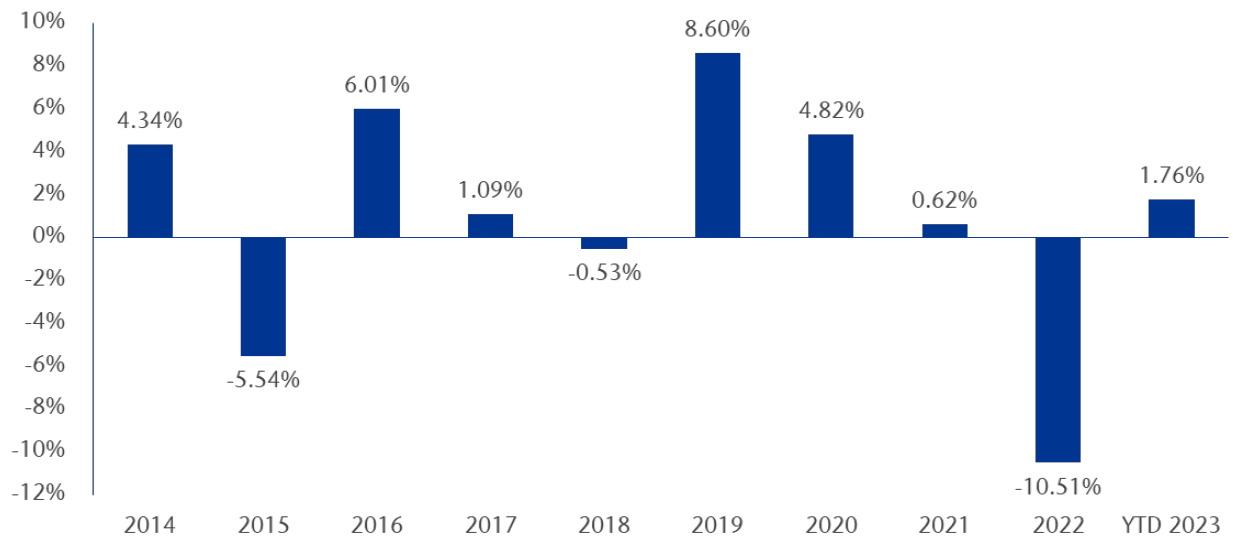
Past Performance

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

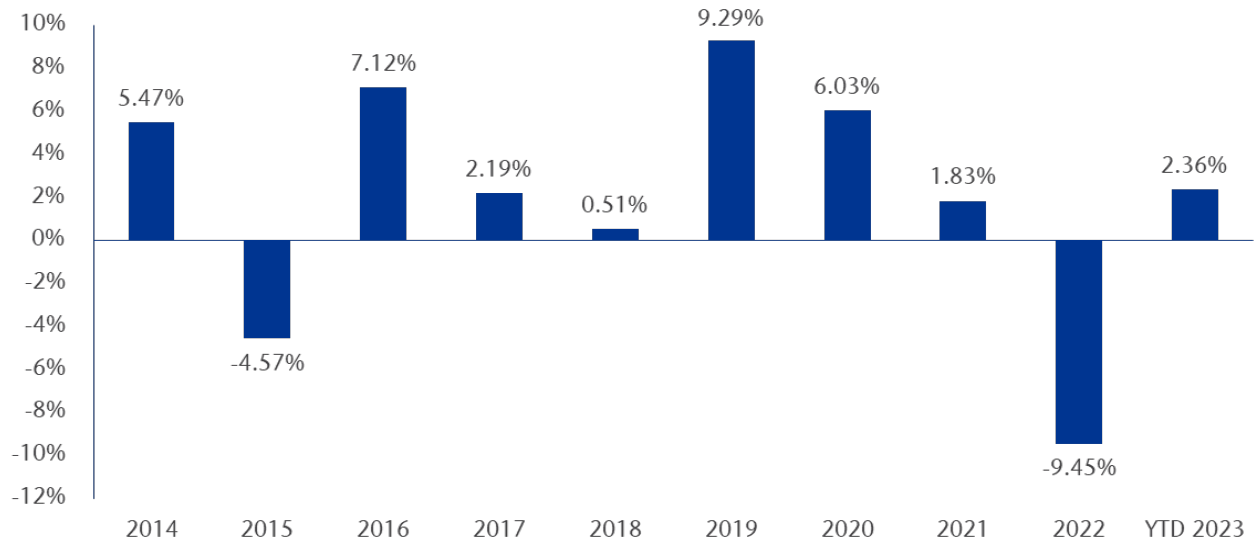
The following bar charts show the Fund's annual performance for each of the years shown and illustrate how the Fund's performance has changed from year to year, for each series of the Fund. The charts show, in percentage terms, how much an investment made on the first day of each financial period would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

Series A

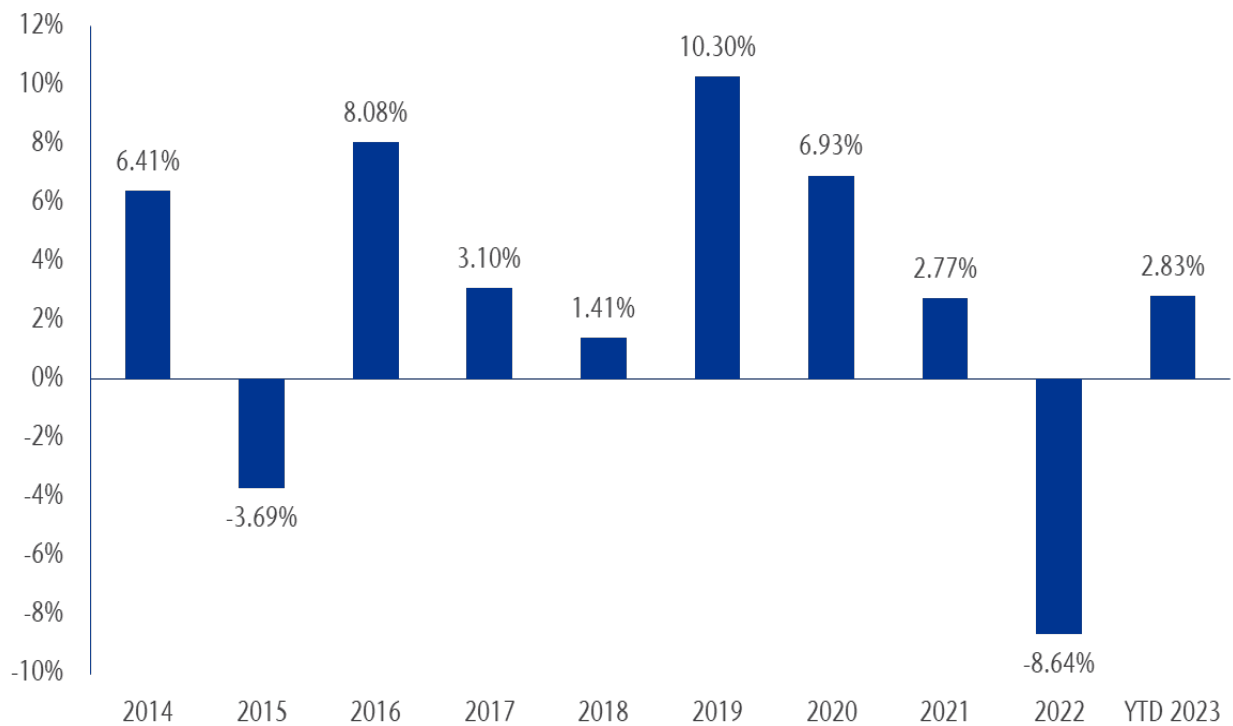


PAST PERFORMANCE

Series F



Series I



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
U.S. high yield bonds	45.9	1	Ford Motor Credit Co Llc 4.27% 2027.01.09	2.5
Canadian high yield bonds	45.3	2	Cco Holdings Llc / Cco Holdings Capital Corp 5.00% 2028.02.01	2.3
Other bonds	1.6	3	Canada 1.75% 2053.12.01	1.7
Short-term investments	4.8	4	Rogers Communications In 5.00% 2026.12.17	1.6
Other assets less liabilities	2.4	5	Transcanada Pipelines 5.28% 2030.07.15	1.6
	100.0	6	Transcanada Trust 4.65% 2027.05.18	1.5
		7	Royal Bank Of Canada 5.24% 2026.11.02	1.5
		8	Sprint Capital Corp 6.88% 2028.11.15	1.5
		9	Civitas Resources Inc 8.38% 2028.07.01	1.4
		10	Enbridge Inc. 5.38% 2027.09.27	1.4
		11	Cable One Inc 4.00% 2030.11.15	1.2
		12	Kraft Heinz Foods Co 4.88% 2049.10.01	1.1
		13	Telus Corp 5.00% 2029.09.13	1.1
		14	National Bank Of Canada 5.43% 2027.08.16	1.1
		15	Cleveland-Cliffs Inc 6.75% 2030.04.15	1.1
		16	Emera Inc 6.75% 2026.06.15	1.1
		17	Videotron Ltd 4.50% 2030.01.15	1.0
		18	Inter Pipeline Ltd 5.76% 2028.02.17	1.0
		19	Air Canada 4.63% 2029.08.15	1.0
		20	Performance Food Group I 4.25% 2029.08.01	0.9
		21	Transcanada Pipelines 3.80% 2027.04.05	0.9
		22	Sprint Capital Corp 8.75% 2032.03.15	0.9
		23	Charter Comm Opt Llc/Cap 2.25% 2029.01.15	0.9
		24	Royal Bank Of Canada 5.01% 2028.02.01	0.9
		25	Ovintiv Inc 6.25% 2033.07.15	0.9
			Top long positions as a percentage of total net asset value	32.1
Asset Mix	% of Net Asset Value			
Automotive	5.2			
Banking	13.8			
Basic industry	1.8			
Capital goods	3.0			
Communications	5.4			
Consumer goods	4.2			
Energy	16.8			
Health care	3.0			
Leisure	1.6			
Media	8.5			
Real estate	4.7			
Retail	0.5			
Services	1.9			
Technology & electronics	1.6			
Telecommunications	9.4			
Transportation	1.1			
Utility	10.4			
Short-term investments	4.8			
Other assets less liabilities	2.4			
	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.