



CC&L Alternative Canadian Equity Fund

Interim Management Report of Fund Performance

For the period ended
June 30, 2022

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, 2022, CC&L Alternative Canadian Equity Fund (the “Fund”) held \$18.5 million in total net assets. During the period, investors in Series A units in the Fund experienced a return of -10.28%. The benchmark for the Fund (S&P/TSX Composite Index) returned -9.87% over the period. 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.

In general, the Fund combines long exposure to Canadian equities with added-value from a global equity market neutral strategy to deliver higher return targets while maintaining a similar risk profile to long-only Canadian equity portfolios.

Global equities declined for the second consecutive quarter, as inflation and interest rates continued to move higher. Commodity-linked sectors, such as energy and materials, were stronger-performing sectors in the first quarter but pulled back later in the second quarter as fear over the potential for an economic recession intensified.

Notwithstanding the evolving macroeconomic backdrop during the quarter, factors within our investment model continued to be broadly rewarded. While most factor groups performed close to their long-term expectations, there are a couple of areas we want to highlight. First and foremost, rewards to Valuation measures were about three times higher than their typical levels (attractively priced companies outperformed their industry and country peers by a larger-than-usual margin). At the same time, valuation spreads (meaning the range between cheaper and more expensive companies) expanded during the quarter, indicating cheap companies became cheaper, and vice versa. Wider valuation spreads imply there is further opportunity for prices of similar companies to normalize. Quality was the worst-performing factor group, with neutral performance over the quarter. This followed what had been a very strong period for Quality earlier in 2022.

The benchmark for the portfolio declined -9.87% in the first half of 2022. Sector returns for the S&P/TSX Composite Index were generally negative. Energy (+26.2%), utilities (+1.4%) and consumer staples (-1.1%) were the strongest performers while information technology (-55.2%) and health care (-53.9%) underperformed. During this period, the Fund underperformed its benchmark. Security selection provided a negative contribution, while country-sector positioning contributed positively to performance. Stock selection within the consumer discretionary sector was the largest positive contributor, led by the portfolio’s short positions in internet & direct marketing retail companies. Offsetting these positive contributions was security selection within the materials sector, led by the portfolio’s underweight in gold companies. From a country sector-allocation perspective, the portfolio’s net underweight exposure to Canadian health care provided a positive contribution while the portfolio’s net underweight exposure to Canadian energy detracted from performance.

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, 2022, the Fund's aggregate exposure ranged from 65.4% to 130.8% 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, 2022, the Fund's aggregate exposure was 74.5% 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, 2022, the Fund's range of bank indebtedness was \$2,518,906 to \$12,262,358 with an average interest rate of 0.83%. As at June 30, 2022, the borrowing represented 19.7% of the Fund's NAV.

Recent Developments

Although the level of investment opportunity (alpha) and risk was not exceptional for most factors in the second quarter, the macroeconomic backdrop brought focus to top-down aspects of our model and, more specifically, industry-related factors. The recurring inflationary environment that began in 2021, and persisted through the first half of this year, resulted in an "early-late cycle" theme within industry-related forecasts (e.g., positive assessments for energy, materials and industrials, as well as negative assessments for consumer staples, health care and communications). Entering into the second quarter, our portfolio's positioning reflected this environment. That said, continuation of the inflationary environment, followed by increased volatility in industry leadership later in the second quarter, resulted in an assessment of increased risk associated with industry exposures. An important aspect of trading activity during the quarter was a reduction of our exposure to industry-related themes.

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, 2022, 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, 2022.

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 since inception. 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 30'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁴⁾
Net Assets, beginning of period ⁽¹⁾	\$11.74	\$10.58	\$10.50	\$10.00
Increase (decrease) from operations:				
Total revenues	0.15	0.35	0.33	0.31
Total expenses	(0.18)	(0.40)	(0.32)	(0.36)
Realized gains (losses) for the period	0.58	2.31	(0.11)	(0.16)
Unrealized gains (losses) for the period	(1.78)	1.17	0.40	0.78
Total increase (decrease) from operations ⁽²⁾	(1.23)	3.43	0.30	0.57
Distributions:				
From net investment income (excluding dividends)	-	-	-	-
From dividends	-	(0.47)	-	-
From capital gains	-	(1.93)	(0.22)	(0.09)
Return of capital	-	(0.13)	-	-
Total distributions^(2,3)	-	(2.53)	(0.22)	(0.09)
Net assets at June 30 or December 31 of year shown^(1,2)	\$10.53	\$11.74	\$10.58	\$10.50

Series A inception date: February 15, 2019

Series F	Jun 30'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁴⁾
Net Assets, beginning of period ⁽¹⁾	\$11.97	\$10.76	\$10.59	\$10.00
Increase (decrease) from operations:				
Total revenues	0.17	0.35	0.34	0.31
Total expenses	(0.14)	(0.36)	(0.24)	(0.28)
Realized gains (losses) for the period	0.28	2.44	(0.27)	(0.19)
Unrealized gains (losses) for the period	(2.53)	1.28	(0.24)	0.83
Total increase (decrease) from operations ⁽²⁾	(2.22)	3.71	(0.41)	0.67
Distributions:				
From net investment income (excluding dividends)	-	-	-	-
From dividends	-	(0.49)	-	-
From capital gains	-	(1.97)	(0.31)	(0.09)
Return of capital	-	(0.13)	-	-
Total distributions^(2,3)	-	(2.59)	(0.31)	(0.09)
Net assets at June 30 or December 31 of year shown^(1,2)	\$10.79	\$11.97	\$10.76	\$10.59

Series F inception date: February 15, 2019

Series I	Jun 30'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁴⁾
Net Assets, beginning of period ⁽¹⁾	\$11.96	\$10.73	\$10.63	\$10.00
Increase (decrease) from operations:				
Total revenues	0.15	0.35	0.34	0.32
Total expenses	(0.09)	(0.13)	(0.16)	(0.21)
Realized gains (losses) for the period	0.74	2.49	(0.11)	(0.13)
Unrealized gains (losses) for the period	(1.80)	1.31	0.49	0.78
Total increase (decrease) from operations ⁽²⁾	(1.00)	4.02	0.56	0.76
Distributions:				
From net investment income (excluding dividends)	-	-	-	-
From dividends	-	(0.64)	-	-
From capital gains	-	(2.00)	(0.46)	(0.09)
Return of capital	-	(0.15)	-	-
Total distributions^(2,3)	-	(2.79)	(0.46)	(0.09)
Net assets at June 30 or December 31 of year shown^(1,2)	\$10.82	\$11.96	\$10.73	\$10.63

Series I inception date: February 15, 2019

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

(4) For the period from February 15, 2019 (date of commencement of operations) to December 31, 2019.

FINANCIAL HIGHLIGHTS

Ratios & Supplemental Data:

Series A	Jun 30'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁶⁾
Total net asset value ('000s) ⁽¹⁾	\$463	\$491	\$229	\$212
Number of units outstanding ⁽¹⁾	43,957	41,855	21,600	20,206
Management expense ratio ⁽²⁾	2.44%	2.72%	2.46%	2.15%
Management expense ratio before waivers or absorptions ⁽³⁾	2.44%	2.72%	2.46%	2.15%
Portfolio turnover rate ⁽⁴⁾	118.37%	262.52%	394.10%	402.57%
Trading expense ratio ⁽⁵⁾	0.65%	0.39%	0.68%	1.58%
Net asset value per unit	\$10.53	\$11.74	\$10.58	\$10.50

Series A inception date: February 15, 2019

Series F	Jun 30'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁶⁾
Total net asset value ('000s) ⁽¹⁾	\$3,944	\$424	\$279	\$434
Number of units outstanding ⁽¹⁾	365,474	35,406	25,945	41,007
Management expense ratio ⁽²⁾	1.52%	2.32%	1.37%	1.06%
Management expense ratio before waivers or absorptions ⁽³⁾	1.52%	2.32%	1.37%	1.06%
Portfolio turnover rate ⁽⁴⁾	118.37%	262.52%	394.10%	402.57%
Trading expense ratio ⁽⁵⁾	0.65%	0.39%	0.68%	1.58%
Net asset value per unit	\$10.79	\$11.97	\$10.76	\$10.59

Series F inception date: February 15, 2019

Series I	Jun 30'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁶⁾
Total net asset value ('000s) ⁽¹⁾	\$14,122	\$23,988	\$17,363	\$16,483
Number of units outstanding ⁽¹⁾	1,305,247	2,004,975	1,618,362	1,550,645
Management expense ratio ⁽²⁾	0.75%	0.56%	0.80%	0.64%
Management expense ratio before waivers or absorptions ⁽³⁾	0.75%	0.56%	0.80%	0.64%
Portfolio turnover rate ⁽⁴⁾	118.37%	262.52%	394.10%	402.57%
Trading expense ratio ⁽⁵⁾	0.65%	0.39%	0.68%	1.58%
Net asset value per unit	\$10.82	\$11.96	\$10.73	\$10.63

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 absorbed 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	1.50%	66.67%	33.33%
Series F	0.50%	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 based on the performance of a Series of the Fund relative to the performance of the Fund's hurdle and is equal to 20% of the amount by which the Fund outperforms the hurdle. 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. The S&P/TSX Composite Index (TR) return is the hurdle for the Fund.

PAST PERFORMANCE

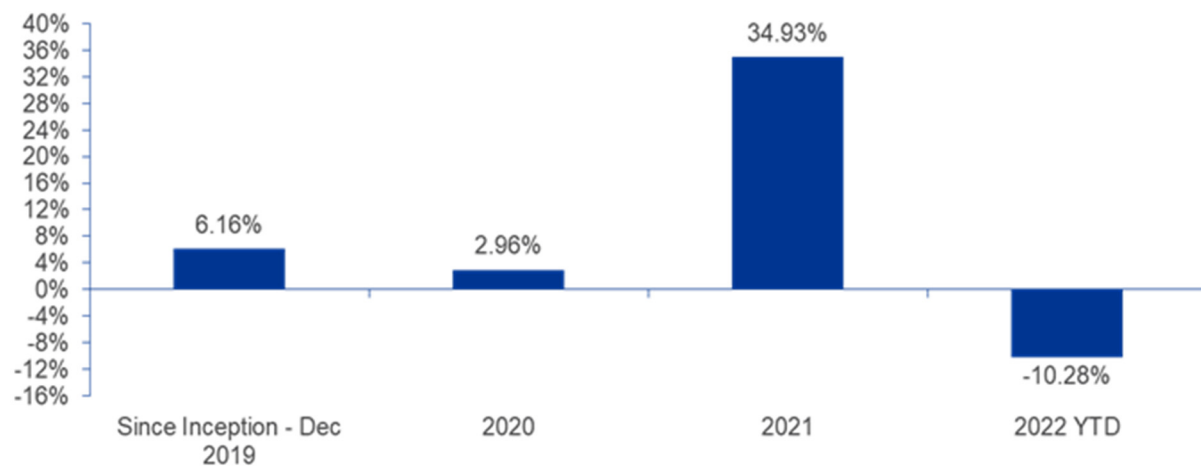
Past Performance

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.

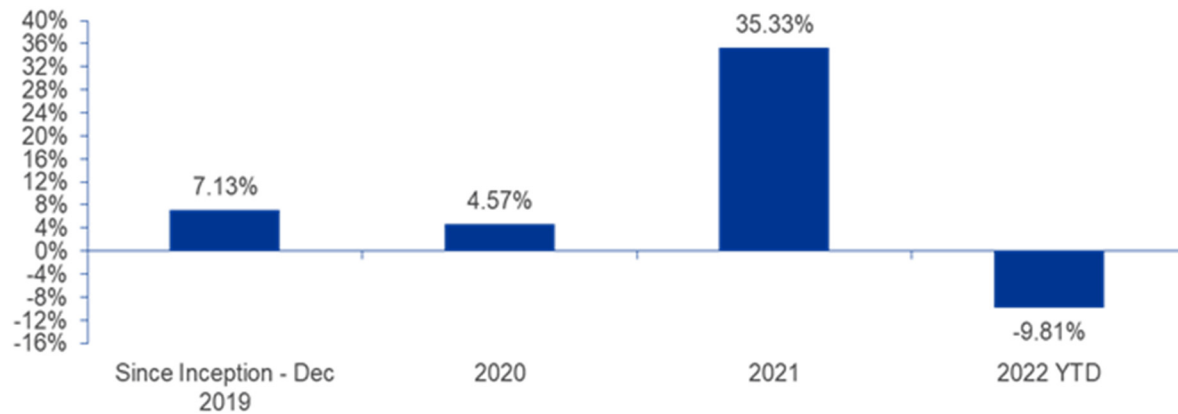
Series A



Performance for 2019 represents returns from February 15 to December 31, 2019. Performance for 2022 represents returns from January 1, 2022 to June 30, 2022.

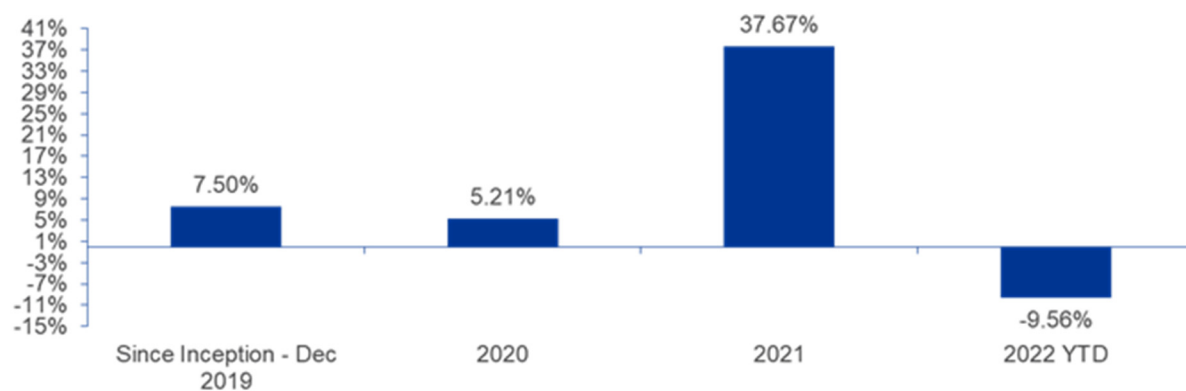
PAST PERFORMANCE

Series F



Performance for 2019 represents returns from February 15 to December 31, 2019. Performance for 2022 represents returns from January 1, 2022 to June 30, 2022.

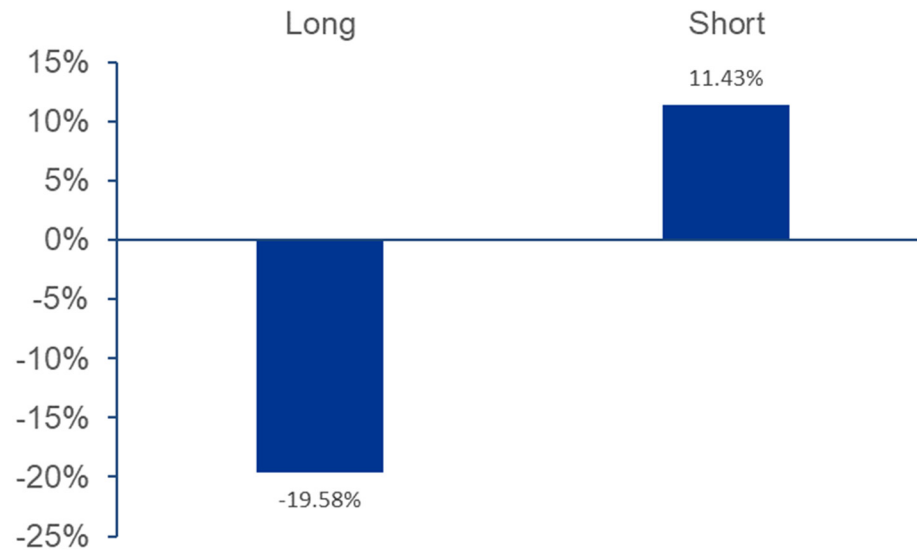
Series I



Performance for 2019 represents returns from February 15 to December 31, 2019. Performance for 2022 represents returns from January 1, 2022 to June 30, 2022.

PAST PERFORMANCE

The following bar chart shows the performance of the Fund's long and short portfolio positions for the period from January 1, 2022 to June 30, 2022 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, 2022. 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	Royal Bank of Canada	6.1	1	Atlantia Spa	(0.4)
2	Toronto-Dominion Bank	5.6	2	Aercap Holdings Nv	(0.4)
3	Enbridge Inc.	3.9	3	Occidental Petroleum Corp.	(0.4)
4	Bank of Nova Scotia	3.4	4	HSBC Holdings PLC - Spons. ADR	(0.3)
5	Canadian Pacific Railway Ltd.	3.0	5	Ovintiv Inc.	(0.3)
6	Brookfield Asset Management Inc.	3.0	6	Gold Fields Ltd - Spon ADR	(0.3)
7	Bank of Montreal	2.9	7	BHP Billiton Ltd. Spons ADR	(0.3)
8	Canadian National Railway	2.8	8	Nippon Paint Co Ltd	(0.3)
9	Canadian Natural Resources Ltd.	2.6	9	Celsius Holdings Inc	(0.3)
10	TC Energy Corp	2.5	10	Moderna Inc	(0.3)
11	Suncor Energy Inc.	2.3	11	Tenaris S.A. ADR	(0.3)
12	BCE Inc.	2.2	12	Eog Resources	(0.3)
13	Canadian Imperial Bank of Commerce	2.1	13	Apache Corp.	(0.3)
14	Constellation Software Inc.	2.0	14	Nexi Spa	(0.2)
15	Telus Corp.	1.8	15	Orange - Spon Adr	(0.2)
16	Nutrien Ltd	1.7	16	TD SYNEX Corp	(0.2)
17	Waste Connections Inc	1.6	17	Marathon Oil Company	(0.2)
18	Alimentation Couche-Tard Inc -mvtg	1.5	18	Fortuna Silver Mines Inc.	(0.2)
19	Barrick Gold Corp.	1.5	19	Z Holdings Corp	(0.2)
20	Cenovus Energy Inc.	1.5	20	Pfizer Inc.	(0.2)
21	Shopify Inc - Class A	1.4	21	Unilever PLC Spons ADR	(0.2)
22	Franco-Nevada Corp.	1.3	22	Coca-Cola Europacific Partners PLC	(0.2)
23	Manulife Financial Corp.	1.2	23	Nippon Yusen	(0.2)
24	Sun Life Financial Inc.	1.1	24	Hess Corp.	(0.2)
25	Fortis Inc.	1.1	25	Vermilion Energy Inc.	(0.2)
Top long positions as a percentage of total net asset value		59.9	Top short positions as a percentage of total net asset value		(6.4)

Portfolio and Regional Allocation	% of Net Asset Value			Sector Allocation	% of Net Asset Value		
	Long	Short	Net		Long	Short	Net
Canadian equities	101.7	(2.5)	99.2	Communication services	6.9	(2.1)	4.8
International equities	11.0	(14.2)	(3.2)	Consumer discretionary	4.4	(2.5)	1.9
U.S. equities	7.0	(8.3)	(1.3)	Consumer staples	4.2	(1.5)	2.7
Other assets less liabilities	5.1	(0.1)	5.0	Energy	22.2	(3.6)	18.6
Swap contracts*	4.0	(3.8)	0.3	Financials	32.3	(1.9)	30.4
	128.8	(28.9)	100.0	Health care	3.2	(3.4)	(0.2)
				Industrials	15.1	(3.5)	11.6
				Information technology	8.1	(2.5)	5.6
				Materials	13.3	(2.7)	10.6
				Real estate	3.9	(0.9)	3.0
				Utilities	6.0	(0.4)	5.6
				Other assets less liabilities	5.1		5.1
				Swap contracts*	4.0	(3.8)	0.3
					128.7	(28.8)	100.0

Net Currency Exposure	% of Net Asset Value		
	Long	Short	Net
Canadian dollar			93.0
U.S. dollar			3.4
Japanese Yen			1.5
Australian dollar			1.4
Other			0.7
			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.

* - Notional principal values represent 65.3% of total net asset value for equity swaps.