



# SEMI-ANNUAL FINANCIAL STATEMENTS (UNAUDITED)

June 30, 2023

**CC&L Diversified Income Fund**  
**(formerly CC&L Diversified Income Portfolio)**

## TABLE OF CONTENTS

---

Financial Statements .....	3
Notes to Financial Statements .....	21



# CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)

Statements of Financial Position as at June 30 (unaudited) and December 31

	2023	2022
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 125,599	\$ 31,438
Short-term investments	422,455	188,412
Investments	21,653,619	22,842,452
Interest and dividends receivable	105,035	105,853
Due from broker	42,957	29,745
Subscriptions receivable	1,250	-
Unrealized appreciation on futures contracts	260	9,190
Unrealized appreciation on currency forward contracts	127	-
Daily variation margin	93,929	61,231
Other receivables	18,589	18,577
	<b>22,463,820</b>	<b>23,286,898</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Distributions payable	806	-
Accounts payable and accrued liabilities	191,008	217,380
Redemptions payable	3,620	-
Due to broker	77,074	56,150
Unrealized depreciation on futures contracts	1,661	2,016
Unrealized depreciation on currency forward contracts	139	-
Management fees payable	44,123	46,081
	<b>318,431</b>	<b>321,627</b>
<b>Net assets attributable to holders of redeemable units (Note 6)</b>	<b>\$ 22,145,389</b>	<b>\$ 22,965,271</b>
<b>Net assets attributable to holders of redeemable units per series</b>		
Series A	\$ 13,744,838	\$ 14,370,782
Series F	\$ 1,430,355	\$ 1,584,222
Series O	\$ 5,556,033	\$ 5,586,164
Reserve Series	\$ 1,292,251	\$ 1,301,214
Arbour Series	\$ 121,912	\$ 122,889
<b>Redeemable units outstanding (Note 6)</b>		
Series A	1,120,267	1,199,852
Series F	94,736	107,925
Series O	394,596	408,082
Reserve Series	82,727	85,273
Arbour Series	10,987	11,327
<b>Net assets attributable to holders of redeemable units per series unit</b>		
Series A	\$ 12.27	\$ 11.98
Series F	\$ 15.10	\$ 14.68
Series O	\$ 14.08	\$ 13.69
Reserve Series	\$ 15.62	\$ 15.26
Arbour Series	\$ 11.10	\$ 10.85

**Approved by the Manager**

*"Tim Elliott"*

*"Michael Freund"*

**Director**

**Director**

## CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)

Statements of Comprehensive Income (unaudited)

For six months periods ended June 30

	2023	2022
<b>Income</b>		
Net foreign exchange loss on cash	\$ (1,448)	\$ (4,123)
<b>Net gain (loss) on investments</b>		
Dividends	182,686	195,122
Interest for distribution purposes	201,399	132,989
Income distributions from pooled funds	-	55,806
Net realized gain (loss) on investments	502,389	185,134
Net realized gain (loss) on futures contracts	31,279	40,668
Net realized gain (loss) on currency forwards	71	-
Net change in unrealized appreciation (depreciation) on investments	46,909	(3,636,217)
Net change in unrealized appreciation (depreciation) on futures contracts	(8,575)	31,076
	<b>956,146</b>	<b>(2,995,422)</b>
<b>Total income (loss)</b>	<b>954,698</b>	<b>(2,999,545)</b>
<b>Expenses (Note 8)</b>		
Audit fees	13,924	13,918
Custodial and other unitholders' fees	67,936	59,892
Independent Review Committee fees	2,050	2,277
Management fees	223,974	259,057
Transaction costs (Notes 3 and 9)	8,007	9,603
Transfer agent fees	14,349	12,170
<b>Total operating expenses</b>	<b>330,240</b>	<b>356,917</b>
Withholding taxes (note 7)	11,324	11,811
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 613,134</b>	<b>\$ (3,368,273)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per series</b>		
Series A	\$ 361,458	\$ (2,190,259)
Series F	\$ 48,414	\$ (191,449)
Series O	\$ 168,910	\$ (763,521)
Reserve Series	\$ 31,492	\$ (205,711)
Arbour Series	\$ 2,860	\$ (17,333)
<b>Weighted average units outstanding per series</b>		
Series A	1,162,512	1,379,776
Series F	99,289	105,275
Series O	398,843	442,112
Reserve Series	83,526	100,784
Arbour Series	11,156	11,853
<b>Increase (decrease) in net assets attributable to holders of redeemable units per series unit*</b>		
Series A	\$ 0.31	\$ (1.59)
Series F	\$ 0.49	\$ (1.82)
Series O	\$ 0.42	\$ (1.73)
Reserve Series	\$ 0.38	\$ (2.04)
Arbour Series	\$ 0.26	\$ (1.46)

\* based on weighted average number of units outstanding during the period

# CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (unaudited)

For six months periods ended June 30

	2023 Series A	2022	2023 Series F	2022
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 361,458</b>	<b>\$ (2,190,259)</b>	<b>\$ 48,414</b>	<b>\$ (191,449)</b>
<b>Distributions to unitholders of redeemable units</b>				
Income	(12,820)	-	(3,220)	-
<b>Total distributions to holders of redeemable units</b>	<b>(12,820)</b>	<b>-</b>	<b>(3,220)</b>	<b>-</b>
<b>Redeemable unit transactions</b>				
Proceeds from issuance of units	382,555	645,452	-	281,435
Reinvested distributions	12,786	-	2,259	-
Payments on redemption of units	(1,369,923)	(1,171,209)	(201,320)	(19,732)
<b>Net increase (decrease) from redeemable unit transactions</b>	<b>(974,582)</b>	<b>(525,757)</b>	<b>(199,061)</b>	<b>261,703</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units during the period</b>	<b>(625,944)</b>	<b>(2,716,016)</b>	<b>(153,867)</b>	<b>70,254</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>14,370,782</b>	<b>18,546,881</b>	<b>1,584,222</b>	<b>1,614,971</b>
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>\$ 13,744,838</b>	<b>\$ 15,830,865</b>	<b>\$ 1,430,355</b>	<b>\$ 1,685,225</b>
	2023 Series O	2022	2023 Reserve Series	2022
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 168,910</b>	<b>\$ (763,521)</b>	<b>\$ 31,492</b>	<b>\$ (205,711)</b>
<b>Distributions to unitholders of redeemable units</b>				
Income	(12,010)	-	(1,042)	-
<b>Total distributions to holders of redeemable units</b>	<b>(12,010)</b>	<b>-</b>	<b>(1,042)</b>	<b>-</b>
<b>Redeemable unit transactions</b>				
Proceeds from issuance of units	125,761	236,552	420	420
Reinvested distributions	12,010	-	1,042	-
Payments on redemption of units	(324,802)	(310,018)	(40,875)	(105,751)
<b>Net increase (decrease) from redeemable unit transactions</b>	<b>(187,031)</b>	<b>(73,466)</b>	<b>(39,413)</b>	<b>(105,331)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units during the period</b>	<b>(30,131)</b>	<b>(836,987)</b>	<b>(8,963)</b>	<b>(311,042)</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>5,586,164</b>	<b>6,679,411</b>	<b>1,301,214</b>	<b>1,754,672</b>
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>\$ 5,556,033</b>	<b>\$ 5,842,424</b>	<b>\$ 1,292,251</b>	<b>\$ 1,443,630</b>

# CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (unaudited)

For six months periods ended June 30

	2023 Arbour Series	2022	2023 Total	2022
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 2,860</b>	<b>\$ (17,333)</b>	<b>\$ 613,134</b>	<b>\$ (3,368,273)</b>
<b>Distributions to unitholders of redeemable units</b>				
Income	(76)		(29,168)	-
<b>Total distributions to holders of redeemable units</b>	<b>(76)</b>	<b>-</b>	<b>(29,168)</b>	<b>-</b>
<b>Redeemable unit transactions</b>				
Proceeds from issuance of units	-	-	508,736	1,163,859
Reinvested distributions	76	-	28,173	-
Payments on redemption of units	(3,837)	(4,559)	(1,940,757)	(1,611,269)
<b>Net increase (decrease) from redeemable unit transactions</b>	<b>(3,761)</b>	<b>(4,559)</b>	<b>(1,403,848)</b>	<b>(447,410)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units during the period</b>	<b>(977)</b>	<b>(21,892)</b>	<b>(819,882)</b>	<b>(3,815,683)</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>122,889</b>	<b>146,546</b>	<b>22,965,271</b>	<b>28,742,481</b>
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>\$ 121,912</b>	<b>\$ 124,654</b>	<b>\$ 22,145,389</b>	<b>\$ 24,926,798</b>

# CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)

Statements of Cash Flows (unaudited)

For six months periods ended June 30

	2023	2022
<b>Cash flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 613,134	\$ (3,368,273)
<b>Adjustments to reconcile to operating cash flows:</b>		
Unrealized foreign exchange (gain) loss on currency	72	132
Income distributions from pooled funds	-	(55,806)
Net realized loss (gain) on investments	(502,389)	(185,134)
Net change in unrealized depreciation (appreciation) of investments and derivatives	(38,322)	3,605,141
Proceeds from investments sold	22,362,860	21,893,175
Purchase of investments	(20,851,060)	(21,619,655)
Decrease (increase) in daily variation margin	(32,698)	(40,451)
Decrease (increase) in interest and dividends receivable	818	(4,674)
Decrease (increase) in other receivables	(12)	12,107
Increase (decrease) in accrued expenses and management fees payable	(28,330)	22,496
<b>Net cash flows from Operating Activities</b>	<b>1,524,073</b>	<b>259,058</b>
<b>Cash flows from Financing Activities</b>		
Proceeds from redeemable units issued**	350,644	881,844
Redemption of redeemable units**	(1,780,295)	(1,365,458)
Distributions paid to unitholders, net of reinvestment	(189)	(826)
<b>Net cash flows from Financing Activities</b>	<b>(1,429,840)</b>	<b>(484,440)</b>
<b>Increase (decrease) in cash</b>		
Unrealized foreign exchange (gain) loss on currency	(72)	(132)
Net increase (decrease) in cash during the period	94,233	(225,382)
<b>Cash, beginning of period</b>	<b>31,438</b>	<b>283,156</b>
<b>Cash, end of period</b>	<b>\$ 125,599</b>	<b>\$ 57,642</b>
Dividends received, net of withholding taxes*	169,997	184,212
Interest received*	203,584	127,414

\*included in operating activities

\*\*net of non-cash switches of \$156,842 (2022 - \$281,435)



**CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)**  
**Schedule of Investment Portfolio (unaudited)**  
**As at June 30, 2023**

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
<b>Short-Term Investments</b>				
Canadian Imperial Bank of Commerce Bankers' Acceptance, 5.030%, 2023/08/31	15,000	14,843	14,875	
Government of Canada Treasury Bill, 4.520%, 2023/07/20	200,000	198,965	199,508	
Government of Canada Treasury Bill, 4.920%, 2023/09/28	40,000	39,515	39,526	
Royal Bank of Canada Bankers' Acceptance, 4.780%, 2023/08/01	15,000	14,827	14,940	
Royal Bank of Canada Bankers' Acceptance, 4.820%, 2023/07/04	5,000	4,942	4,998	
Royal Bank of Canada Bankers' Acceptance, 4.840%, 2023/08/14	25,000	24,757	24,856	
Royal Bank of Canada Bankers' Acceptance, 5.090%, 2023/09/11	20,000	19,779	19,801	
Royal Bank of Canada Bankers' Acceptance, 5.130%, 2023/09/25	15,000	14,817	14,821	
Toronto-Dominion Bank (The) Bankers' Acceptance, 4.800%, 2023/08/23	40,000	39,522	39,725	
Toronto-Dominion Bank (The) Bankers' Acceptance, 5.110%, 2023/09/25	50,000	49,385	49,405	
<b>Total Short-Term Investments</b>		<b>421,352</b>	<b>422,455</b>	<b>1.91%</b>
<b>Canadian Equities</b>				
<b>Communication Services</b>				
BCE Inc.	1,922	117,013	116,089	
Rogers Communications Inc., Class 'B'	1,608	97,091	97,187	
TELUS Corp.	4,927	134,969	127,018	
Thomson Reuters Corp.	1,308	102,691	233,949	
Total Communication Services		451,764	574,243	
<b>Consumer Discretionary</b>				
Restaurant Brands International Inc.	1,397	109,075	143,486	
Total Consumer Discretionary		109,075	143,486	
<b>Consumer Staples</b>				
George Weston Ltd.	861	112,929	134,850	
Loblaw Cos. Ltd.	246	30,413	29,835	
Maple Leaf Foods Inc.	2,190	54,810	56,677	
Premium Brands Holdings Corp.	415	39,486	43,380	
Saputo Inc.	1,531	52,362	45,440	
Total Consumer Staples		290,000	310,182	
<b>Energy</b>				
ARC Resources Ltd.	9,726	137,176	171,858	
Canadian Natural Resources Ltd.	1,027	82,781	76,491	
Enbridge Inc.	4,561	229,514	224,584	
Pembina Pipeline Corp.	2,901	124,784	120,827	
TC Energy Corp.	2,261	135,879	121,054	
Topaz Energy Corp.	1,836	39,527	37,877	
Tourmaline Oil Corp.	2,041	115,686	127,399	
Total Energy		865,347	880,090	
<b>Financials</b>				
Bank of Montreal	1,618	156,616	193,577	
Bank of Nova Scotia	1,838	131,613	121,823	
Definity Financial Corp.	1,490	37,408	52,373	
Element Fleet Management Corp.	7,282	61,131	146,951	
iA Financial Corp. Inc.	1,124	67,269	101,441	
Intact Financial Corp.	772	114,104	157,905	
Manulife Financial Corp.	1,103	27,733	27,619	
Royal Bank of Canada	3,673	313,269	464,708	

**CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)**  
**Schedule of Investment Portfolio (unaudited)**  
**As at June 30, 2023**

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
<b>Financials (continued)</b>				
Sun Life Financial Inc.	1,737	112,963	119,957	
TMX Group Ltd.	2,991	72,252	89,162	
Toronto-Dominion Bank (The)	4,135	254,096	339,525	
Total Financials		1,348,454	1,815,041	
<b>Industrials</b>				
Canadian National Railway Co.	1,640	174,600	263,089	
Exchange Income Corp.	1,090	56,410	57,127	
Finning International Inc.	1,370	45,004	55,828	
RB GLOBAL INC	883	68,116	70,198	
Toromont Industries Ltd.	283	30,186	30,799	
WSP Global Inc.	611	63,960	106,937	
Total Industrials		438,276	583,978	
<b>Information Technology</b>				
Open Text Corp.	2,899	141,403	159,735	
Total Information Technology		141,403	159,735	
<b>Materials</b>				
CCL Industries Inc., Class 'B'	823	55,334	53,594	
Methanex Corp.	578	37,341	31,640	
Nutrien Ltd.	1,004	82,015	78,523	
Russel Metals Inc.	613	21,293	22,497	
Stella-Jones Inc.	815	48,371	55,599	
West Fraser Timber Co. Ltd.	465	49,459	52,921	
Total Materials		293,813	294,774	
<b>Real Estate</b>				
Canadian Apartment Properties REIT	2,659	117,396	135,237	
Crombie REIT	3,173	51,370	43,407	
First Capital REIT	2,398	43,157	35,059	
Granite REIT	506	41,671	39,660	
InterRent REIT	2,056	29,636	26,358	
Total Real Estate		283,230	279,721	
<b>Utilities</b>				
Boralex Inc., Class 'A'	1,121	45,337	40,434	
Brookfield Infrastructure Partners L.P.	3,815	134,338	184,722	
Brookfield Renewable Partners L.P.	1,116	45,017	43,591	
Fortis Inc.	2,242	124,517	127,996	
Hydro One Ltd.	654	22,948	24,754	
Total Utilities		372,157	421,497	
<b>Total Canadian Equities</b>		<b>4,593,519</b>	<b>5,462,747</b>	<b>24.75%</b>
<b>United States Equities (U.S. Dollar)</b>				
<b>Communication Services</b>				
Alphabet Inc., Class 'C'	1,410	110,100	225,704	
VeriSign Inc.	111	30,574	33,191	

**CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)**  
**Schedule of Investment Portfolio (unaudited)**  
**As at June 30, 2023**

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
<b>Communication Services (continued)</b>				
Verizon Communications Inc.	47	3,043	2,313	
Total Communication Services		<u>143,717</u>	<u>261,208</u>	
<b>Consumer Discretionary</b>				
Home Depot Inc. (The)	16	1,945	6,577	
Marriott International Inc., Class 'A'	470	46,408	114,242	
McDonald's Corp.	417	79,827	164,661	
Starbucks Corp.	500	48,951	65,540	
Yum! Brands Inc.	692	<u>72,165</u>	<u>126,869</u>	
Total Consumer Discretionary		<u>249,296</u>	<u>477,889</u>	
<b>Consumer Staples</b>				
Coca-Cola Co. (The)	1,601	104,354	127,577	
Estée Lauder Cos. Inc. (The), Class 'A'	370	56,893	96,148	
McCormick & Co. Inc.	473	43,184	54,597	
PepsiCo Inc.	442	48,772	108,331	
Philip Morris International Inc.	465	<u>57,173</u>	<u>60,067</u>	
Total Consumer Staples		<u>310,376</u>	<u>446,720</u>	
<b>Financials</b>				
Bank of America Corp.	828	26,820	31,434	
JPMorgan Chase & Co.	368	38,556	70,823	
S&P Global Inc.	216	<u>50,712</u>	<u>114,583</u>	
Total Financials		<u>116,088</u>	<u>216,840</u>	
<b>Health Care</b>				
Becton	152	43,211	53,101	
Johnson & Johnson	499	83,742	109,293	
Stryker Corp.	432	71,541	174,403	
UnitedHealth Group Inc.	254	<u>60,408</u>	<u>161,546</u>	
Total Health Care		<u>258,902</u>	<u>498,343</u>	
<b>Industrials</b>				
Honeywell International Inc.	165	22,733	45,305	
Lockheed Martin Corp.	153	19,304	93,207	
Northrop Grumman Corp.	110	23,389	66,345	
Verisk Analytics Inc., Class 'A'	134	<u>30,815</u>	<u>40,079</u>	
Total Industrials		<u>96,241</u>	<u>244,936</u>	
<b>Information Technology</b>				
Apple Inc.	981	28,217	251,794	
Automatic Data Processing Inc.	177	28,883	51,478	
Intuit Inc.	189	42,473	114,591	
Mastercard Inc., Class 'A'	293	72,572	152,487	
Microsoft Corp.	1,118	61,617	503,793	
Moody's Corp.	245	71,707	112,729	
MSCI Inc., Class 'A'	152	22,588	94,390	
Visa Inc., Class 'A'	406	<u>49,991</u>	<u>127,584</u>	
Total Information Technology		<u>378,048</u>	<u>1,408,846</u>	

**CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)**  
**Schedule of Investment Portfolio (unaudited)**  
**As at June 30, 2023**

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
<b>Real Estate</b>				
Crown Castle International Corp.	599	73,426	90,312	
Equinix Inc.	96	71,973	99,586	
Total Real Estate		145,399	189,898	
<b>Utilities</b>				
NextEra Energy Inc.	1,422	77,016	139,619	
Total Utilities		77,016	139,619	
<b>Total United States Equities</b>		<b>1,775,083</b>	<b>3,884,299</b>	<b>17.60%</b>
<b>International Equities</b>				
<b>Australia (Australian Dollar)</b>				
CSL Ltd.	49	12,180	11,972	
Goodman Group	1,437	23,434	25,404	
Macquarie Group Ltd.	242	21,107	37,861	
Santos Ltd.	3,691	24,672	24,448	
Total Australia		81,393	99,685	0.45%
<b>China (Chinese Yuan)</b>				
China National Building Material Co. Ltd.	12,000	11,392	9,767	
Total China		11,392	9,767	0.04%
<b>Denmark (Danish Kroner)</b>				
Novo Nordisk AS, Class 'B'	178	17,315	37,942	
Total Denmark		17,315	37,942	0.17%
<b>European Union (European Union Euro)</b>				
ASML Holding NV	30	22,790	28,714	
BNP Paribas SA	275	21,558	22,915	
Cellnex Telecom SA	338	19,604	18,050	
Experian PLC	410	11,685	20,817	
L'Oréal SA	29	13,027	17,881	
LVMH Moët Hennessy Louis Vuitton SE	24	13,681	29,901	
Medtronic PLC	518	32,214	60,388	
Muenchener Rueckversicherungs-Gesellschaft AG, Registered	174	58,674	86,312	
Mytilineos SA	985	18,412	45,988	
Nordea Bank ABP	1,834	28,032	26,355	
OPAP SA	1,035	15,120	23,877	
Orange SA	2,719	45,669	42,009	
Wolters Kluwer NV	203	25,942	34,083	
Total European Union		326,408	457,290	2.07%
<b>Faroe Islands (Norwegian Krone)</b>				
Bakkafrost P/F	303	31,552	24,026	
Total Faroe Islands		31,552	24,026	0.11%
<b>Great Britain (Pound Sterling)</b>				
AstraZeneca PLC	428	40,951	81,191	
HSBC Holdings PLC	2,365	23,429	24,735	
National Grid PLC	1,348	25,377	23,596	

**CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)**  
**Schedule of Investment Portfolio (unaudited)**  
**As at June 30, 2023**

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
<b>Great Britain (Pound Sterling) (continued)</b>				
Prudential PLC	1,806	30,099	33,679	
RELX PLC	868	29,457	38,273	
Shell PLC	3,613	133,318	142,382	
SSE PLC	2,195	62,317	67,982	
Tate & Lyle PLC	2,083	27,913	25,441	
Total Great Britain		372,861	437,279	1.98%
<b>Hong Kong (Hong Kong Dollar)</b>				
AIA Group Ltd.	2,800	38,925	37,398	
Budweiser Brewing Co. APAC Ltd.	3,200	11,143	10,915	
Geely Automobile Holdings Ltd.	4,000	21,925	6,457	
Hong Kong Exchanges & Clearing Ltd.	400	23,847	19,938	
Total Hong Kong		95,840	74,708	0.34%
<b>India (United States Dollar)</b>				
HDFC Bank Ltd., ADR	124	11,543	11,437	
Total India		11,543	11,437	0.05%
<b>Japan (Japanese Yen)</b>				
Hoya Corp.	300	42,755	46,898	
Mitsubishi UFJ Financial Group Inc.	2,100	19,329	20,476	
Nippon Telegraph & Telephone Corp.	40,000	54,883	62,438	
Sekisui House Ltd.	4,768	94,056	126,831	
Sony Group Corp.	100	5,899	11,870	
Sumitomo Mitsui Financial Group Inc.	400	22,412	22,555	
Terumo Corp.	700	27,907	29,236	
Total Japan		267,241	320,304	1.45%
<b>Malaysia (Malaysian Ringgit)</b>				
Heineken Malaysia BHD	3,312	15,771	24,507	
Total Malaysia		15,771	24,507	0.11%
<b>Singapore (Singapore Dollar)</b>				
DBS Group Holdings Ltd.	1,700	45,332	52,376	
Oversea-Chinese Banking Corp. Ltd.	1,900	18,312	22,813	
Total Singapore		63,644	75,189	0.34%
<b>Sweden (Swedish Kroner)</b>				
Tele2 AB, Class 'B'	3,553	56,952	38,791	
Total Sweden		56,952	38,791	0.18%
<b>Switzerland (Swiss Franc)</b>				
Givaudan SA, Registered	5	22,996	21,927	
Nestlé SA, Registered	631	88,342	100,423	
Sika AG, Registered	34	4,153	12,859	
Zurich Insurance Group AG	64	38,426	40,221	
Total Switzerland		153,917	175,430	0.79%

**CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)**  
**Schedule of Investment Portfolio (unaudited)**  
**As at June 30, 2023**

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
<b>Taiwan (New Taiwan Dollar)</b>				
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	578	36,382	77,187	
Total Taiwan		36,382	77,187	0.35%
<b>Total International Equities</b>		<b>1,542,211</b>	<b>1,863,542</b>	<b>8.43%</b>
<b>Total Equities</b>		<b>7,910,813</b>	<b>11,210,588</b>	<b>50.78%</b>
<b>Fixed Income</b>				
<b>Domestic Sovereign Bonds and Guarantees</b>				
Canada Housing Trust No. 1, Floating Rate, 5.260%, 2024/09/15	180,000	180,864	180,776	
Government of Canada, 1.250%, 2025/03/01	3,000	2,837	2,841	
Government of Canada, 1.750%, 2053/12/01	226,000	167,229	166,804	
Government of Canada, 2.000%, 2051/12/01	223,000	180,984	176,545	
Government of Canada, 2.750%, 2064/12/01	73,000	80,873	67,119	
Government of Canada, 2.750%, 2048/12/01	53,000	50,439	49,496	
Government of Canada, 3.500%, 2028/03/01	14,000	13,877	13,893	
Government of Canada, 3.500%, 2045/12/01	223,000	235,349	234,480	
Government of Canada, 3.750%, 2025/05/01	421,000	418,795	415,024	
Government of Canada, 4.000%, 2041/06/01	43,000	48,080	47,520	
Government of Canada, Real Return, 4.250%, 2026/12/01	120,000	325,589	230,350	
Total Domestic Sovereign Bonds and Guarantees		1,704,916	1,584,848	7.18%
<b>Provincial Bonds and Guarantees</b>				
55 School Board Trust, Callable, Series 'A', 5.900%, 2033/06/02	19,000	23,756	21,410	
First Nations Finance Authority, 1.710%, 2030/06/16	54,000	45,879	46,395	
First Nations Finance Authority, 2.850%, 2032/06/01	25,000	23,569	22,730	
Municipal Finance Authority of British Columbia, 3.300%, 2032/04/08	37,000	35,224	35,049	
OMERS Finance Trust, 2.600%, 2029/05/14	13,000	11,611	11,961	
OPB Finance Trust, Callable, Series 'F', 2.980%, 2027/01/25	20,000	19,160	18,973	
Province of Alberta, 1.650%, 2031/06/01	59,000	49,910	49,699	
Province of Alberta, 3.050%, 2048/12/01	13,000	12,446	10,768	
Province of Alberta, 3.100%, 2050/06/01	13,000	13,381	10,869	
Province of Alberta, 3.300%, 2046/12/01	13,000	11,293	11,295	
Province of Alberta, 3.900%, 2033/12/01	112,000	113,134	110,623	
Province of Alberta, 4.150%, 2033/06/01	43,000	43,117	43,526	
Province of British Columbia, 1.550%, 2031/06/18	47,000	38,857	39,344	
Province of British Columbia, 2.200%, 2030/06/18	201,000	195,316	179,724	
Province of British Columbia, 4.300%, 2042/06/18	16,000	20,710	16,320	
Province of Manitoba, 2.850%, 2046/09/05	8,000	6,361	6,364	
Province of Manitoba, 3.200%, 2050/03/05	17,000	17,791	14,348	
Province of Manitoba, 3.900%, 2032/12/02	21,000	20,887	20,798	
Province of Manitoba, 4.650%, 2040/03/05	24,000	25,594	25,070	
Province of New Brunswick, 4.550%, 2037/03/26	11,000	15,020	11,403	
Province of New Brunswick, 4.800%, 2041/06/03	24,000	32,236	25,667	
Province of Newfoundland and Labrador, 1.750%, 2030/06/02	80,000	71,393	68,651	
Province of Newfoundland and Labrador, 2.050%, 2031/06/02	31,000	29,453	26,611	
Province of Newfoundland and Labrador, 2.850%, 2029/06/02	34,000	31,867	31,785	
Province of Newfoundland and Labrador, 3.700%, 2048/10/17	20,000	24,579	17,679	
Province of Newfoundland and Labrador, Series '6X', 3.300%, 2046/10/17	9,000	9,201	7,445	
Province of Nova Scotia, 2.400%, 2031/12/01	40,000	36,288	35,432	
Province of Nova Scotia, 4.700%, 2041/06/01	10,000	10,722	10,578	
Province of Ontario, 2.050%, 2030/06/02	17,000	15,531	15,053	
Province of Ontario, 2.150%, 2031/06/02	139,000	122,949	121,897	
Province of Ontario, 2.550%, 2052/12/02	5,000	3,705	3,750	

**CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)**  
**Schedule of Investment Portfolio (unaudited)**  
**As at June 30, 2023**

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
<b>Provincial Bonds and Guarantees (continued)</b>				
Province of Ontario, 2.700%, 2029/06/02	125,000	116,474	116,634	
Province of Ontario, 2.800%, 2048/06/02	19,000	15,033	15,213	
Province of Ontario, 3.500%, 2043/06/02	14,000	12,565	12,800	
Province of Ontario, 3.600%, 2028/03/08	240,000	241,909	235,540	
Province of Ontario, 4.650%, 2041/06/02	20,000	19,989	21,276	
Province of Prince Edward Island, 4.600%, 2041/05/19	6,000	7,650	6,211	
Province of Quebec, 1.500%, 2031/09/01	39,000	33,103	32,346	
Province of Quebec, 1.900%, 2030/09/01	261,000	225,132	227,867	
Province of Quebec, 2.750%, 2028/09/01	24,000	23,226	22,617	
Province of Quebec, 4.250%, 2043/12/01	22,000	20,656	22,367	
Province of Saskatchewan, 2.150%, 2031/06/02	70,000	61,329	61,287	
Total Provincial Bonds and Guarantees		1,908,006	1,845,375	8.36%
<b>Municipal Bonds and Guarantees</b>				
City of Greater Sudbury, 3.457%, 2047/03/15	7,000	7,000	5,989	
City of Montreal, 1.750%, 2030/09/01	13,000	10,953	11,083	
City of Montreal, 2.000%, 2031/09/01	30,000	25,415	25,552	
City of Montreal, 3.150%, 2036/12/01	13,000	10,651	11,478	
City of Montreal, 3.500%, 2038/12/01	46,000	44,892	41,414	
City of Montreal, 4.100%, 2034/12/01	16,000	15,630	15,823	
City of Montreal, 4.700%, 2041/12/01	20,000	20,423	20,754	
City of Ottawa, 2.500%, 2051/05/11	8,000	7,269	5,700	
City of Ottawa, 3.050%, 2039/05/10	5,000	4,933	4,236	
City of Ottawa, 4.400%, 2033/10/22	4,000	4,031	4,094	
City of Toronto, 2.600%, 2039/09/24	11,000	9,943	8,723	
City of Toronto, 2.850%, 2041/11/23	7,000	6,968	5,630	
City of Toronto, 3.500%, 2036/06/02	49,000	44,880	45,163	
City of Toronto, 4.150%, 2044/03/10	13,000	13,962	12,556	
City of Toronto, 4.250%, 2033/07/11	17,000	16,995	17,308	
City of Toronto, 4.400%, 2042/12/14	8,000	7,980	7,984	
City of Toronto, 4.550%, 2042/07/27	7,000	7,017	7,120	
City of Winnipeg, 4.100%, 2045/06/01	16,000	16,886	15,218	
Regional Municipality of Halton, 3.150%, 2045/04/06	10,000	10,776	8,248	
Regional Municipality of Peel, 3.850%, 2042/10/30	5,000	5,823	4,630	
Regional Municipality of Peel, 4.250%, 2033/12/02	14,000	13,980	14,163	
Regional Municipality of Peel, 5.100%, 2040/06/29	9,000	12,008	9,726	
Regional Municipality of York, 2.150%, 2031/06/22	9,000	8,068	7,859	
Regional Municipality of York, 3.650%, 2033/05/13	9,000	8,890	8,720	
Regional Municipality of York, 4.050%, 2034/05/01	35,000	34,383	34,693	
Regional Municipality of York, Series 'F', 4.000%, 2032/05/31	17,000	18,445	16,958	
Total Municipal Bonds and Guarantees		388,201	370,822	1.68%
<b>Corporate Bonds and Guarantees</b>				
Allied Properties REIT, Callable, Series 'E', 3.113%, 2027/04/08	10,000	9,345	8,976	
Allied Properties REIT, Callable, Series 'G', 3.131%, 2028/05/15	5,000	4,761	4,344	
Allied Properties REIT, Callable, Series 'H', 1.726%, 2026/02/12	22,000	20,448	19,652	
AltaLink L.P., Callable, 4.692%, 2032/11/28	17,000	17,518	17,165	
AltaLink L.P., Callable, Series '20-1', 1.509%, 2030/09/11	4,000	3,345	3,269	
ARC Resources Ltd., Callable, 2.354%, 2026/03/10	27,000	25,052	24,867	
ARC Resources Ltd., Callable, 3.465%, 2031/03/10	11,000	9,831	9,660	
AT&T Inc., Callable, 4.000%, 2025/11/25	9,000	9,885	8,699	
Bank of Montreal, 2.850%, 2024/03/06	240,000	235,606	235,888	
Bank of Montreal, Callable, 1.551%, 2026/05/28	6,000	5,394	5,403	
Bank of Montreal, Callable, 3.650%, 2027/04/01	51,000	49,778	48,270	
Bank of Montreal, Variable Rate, Callable, 2.077%, 2030/06/17	29,000	26,977	26,948	

**CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)**  
**Schedule of Investment Portfolio (unaudited)**  
**As at June 30, 2023**

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
<b>Corporate Bonds and Guarantees (continued)</b>				
Bank of Nova Scotia, 2.490%, 2024/09/23	360,000	347,976	346,831	
Bank of Nova Scotia, 5.500%, 2026/05/08	41,000	41,219	41,139	
Bank of Nova Scotia, Variable Rate, Callable, 3.890%, 2029/01/18	170,000	166,859	168,463	
Bank of Nova Scotia (The), Variable Rate, Callable, 5.679%, 2033/08/02	10,000	9,999	9,965	
Bell Canada, Callable, 2.200%, 2028/05/29	22,000	20,472	19,380	
Bell Canada, Callable, 4.700%, 2023/09/11	160,000	160,946	159,777	
BMW Canada Auto Trust, Callable, Series '21-1', Class 'A3', 0.755%, 2025/12/20	10,000	10,000	9,801	
Brookfield Renewable Partners ULC, Callable, 4.250%, 2029/01/15	14,000	13,483	13,375	
Brookfield Renewable Partners ULC, Callable, 5.292%, 2033/10/28	12,000	12,000	11,972	
Brookfield Renewable Partners ULC, Callable, 5.880%, 2032/11/09	8,000	8,465	8,334	
CAE Inc., Callable, 5.541%, 2028/06/12	12,000	12,000	12,029	
Canadian Commercial Mortgage Origination Trust 5, Callable, Series '22-5', Class 'A', 3.320%, 2026/11/12	98,461	93,471	93,179	
Canadian Imperial Bank of Commerce, 2.750%, 2025/03/07	17,000	16,292	16,227	
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 2.010%, 2030/07/21	93,000	85,641	86,032	
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 2.950%, 2029/06/19	150,000	145,580	145,709	
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 5.330%, 2033/01/20	14,000	13,881	13,723	
Canadian Pacific Railway Co., Callable, 1.589%, 2023/11/24	150,000	146,448	147,831	
Canadian Western Bank, 1.570%, 2023/09/14	70,000	68,226	69,479	
Canadian Western Bank, Floating Rate, 5.345%, 2024/01/22	70,000	69,959	70,078	
Cards II Trust, 6.457%, 2026/01/15	55,000	55,000	56,226	
Choice Properties REIT, Callable, Series 'L', 4.178%, 2028/03/08	7,000	6,608	6,646	
Choice Properties REIT, Callable, Series 'P', 2.848%, 2027/05/21	4,000	3,685	3,652	
CNH Capital Canada Receivables Trust, Callable, Series '21-1', Class 'A2', 1.001%, 2026/11/16	8,055	8,055	7,681	
Coast Capital Savings Federal Credit Union, Floating Rate, 5.373%, 2023/10/27	150,000	148,987	149,831	
Cogeco Communications Inc., Callable, 2.991%, 2031/09/22	2,000	1,676	1,687	
CU Inc., Callable, 4.211%, 2055/10/29	3,000	2,777	2,761	
Dollarama Inc., Callable, 3.550%, 2023/11/06	120,000	118,460	119,273	
Dream Industrial REIT, Floating Rate, Series 'B', 5.647%, 2024/06/17	152,000	149,906	151,062	
Dream Industrial REIT, Restricted, Callable, Series 'D', 2.539%, 2026/12/07	23,000	21,488	20,679	
Dream Industrial REIT, Restricted, Callable, Series 'E', 3.968%, 2026/04/13	17,000	16,574	16,156	
Dream Summit Industrial L.P., Callable, Series 'C', 2.250%, 2027/01/12	3,000	2,666	2,668	
Eagle Credit Card Trust, Series 'A', 3.042%, 2023/07/17	170,000	169,002	169,905	
Eagle Credit Card Trust, Series 'C', 7.364%, 2028/06/17	20,000	20,000	19,928	
Enbridge Gas Inc., Callable, 2.370%, 2029/08/09	10,000	8,902	8,853	
Enbridge Gas Inc., Callable, 2.900%, 2030/04/01	22,000	20,083	19,867	
Enbridge Inc., Callable, 3.200%, 2027/06/08	1,000	916	932	
Enbridge Inc., Variable Rate, Callable, 5.375%, 2077/09/27	19,000	18,252	17,426	
Enbridge Inc., Variable Rate, Callable, Series 'C', 6.625%, 2078/04/12	2,000	1,973	1,932	
Enbridge Pipelines Inc., Callable, 4.130%, 2046/08/09	8,000	7,762	6,626	
Enbridge Pipelines Inc., Callable, 5.330%, 2040/04/06	2,000	1,936	1,972	
Equitable Bank, 1.774%, 2023/09/21	160,000	155,737	158,611	
Fair Hydro Trust, Callable, 3.357%, 2033/05/15	25,000	23,514	23,197	
First Capital REIT, Callable, Series 'Q', 3.900%, 2023/10/30	31,000	30,422	30,825	
First Capital REIT, Callable, Series 'R', 4.790%, 2024/08/30	7,000	7,675	6,858	
First Capital REIT, Callable, Series 'S', 4.323%, 2025/07/31	26,000	27,442	25,000	
First West Credit Union, 6.797%, 2024/11/29	95,000	95,000	94,254	
Ford Auto Securitization Trust II, Callable, Series '22-A', Class 'A1', 4.956%, 2024/10/15	19,072	19,072	19,060	
Ford Auto Securitization Trust, Callable, Series '21-A', Class 'C', 2.700%, 2029/04/15	7,000	7,000	6,290	
Ford Auto Securitization Trust, Callable, Series '23-A', Class 'A1', 5.211%, 2025/06/15	74,929	74,929	74,880	
Glacier Credit Card Trust, 2.438%, 2025/09/22	20,000	19,488	18,269	
Glacier Credit Card Trust, 4.138%, 2023/09/20	11,000	11,000	10,950	
Glacier Credit Card Trust, Series '19-1', 3.430%, 2024/06/06	20,000	20,000	19,413	
Greater Toronto Airports Authority, Callable, Series '00-1', 7.050%, 2030/06/12	23,000	33,021	26,056	
Greater Toronto Airports Authority, Series '97-3', 6.450%, 2027/12/03	27,000	35,476	28,782	
H&R REIT, Callable, 3.369%, 2024/01/30	110,000	108,387	108,525	
Honda Canada Finance Inc., 3.176%, 2023/08/28	130,000	128,481	129,632	
Honda Canada Finance Inc., Floating Rate, 5.140%, 2024/02/26	120,000	119,348	120,233	



**CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)**  
**Schedule of Investment Portfolio (unaudited)**  
**As at June 30, 2023**

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
<b>Corporate Bonds and Guarantees (continued)</b>				
HSBC Bank Canada, 3.245%, 2023/09/15	230,000	228,160	229,130	
Hydro One Inc., Callable, 3.930%, 2029/11/30	6,000	5,999	5,826	
Hydro One Inc., Callable, 4.910%, 2028/01/27	26,000	26,200	26,238	
Hydro One Ltd., Callable, 1.410%, 2027/10/15	2,000	1,787	1,749	
iA Financial Corp. Inc., Variable Rate, Callable, 5.685%, 2033/06/20	3,000	3,000	3,007	
Intact Financial Corp., Callable, 3.691%, 2025/03/24	47,000	46,860	45,644	
Inter Pipeline Ltd., Callable, 2.608%, 2023/09/13	50,000	48,861	49,726	
Inter Pipeline Ltd., Callable, 4.232%, 2027/06/01	4,000	3,899	3,812	
Inter Pipeline Ltd., Callable, 5.710%, 2030/05/29	25,000	25,000	25,057	
Inter Pipeline Ltd., Callable, 5.760%, 2028/02/17	18,000	18,243	18,084	
Inter Pipeline Ltd., Callable, 6.380%, 2033/02/17	3,000	3,100	3,101	
Inter Pipeline Ltd., Callable, Series '14', 5.849%, 2032/05/18	8,000	8,240	8,002	
Laurentian Bank of Canada, 4.600%, 2025/09/02	17,000	17,005	16,521	
Manulife Financial Corp., Variable Rate, Callable, 3.049%, 2029/08/20	90,000	87,440	87,161	
Manulife Financial Corp., Variable Rate, Callable, 5.409%, 2033/03/10	22,000	21,880	21,826	
Master Credit Card Trust II, Series 'C', 4.473%, 2023/12/21	25,000	25,000	24,895	
National Australia Bank Ltd., Variable Rate, Callable, 3.515%, 2030/06/12	30,000	30,126	28,147	
National Bank of Canada, 2.237%, 2026/11/04	11,000	9,983	9,999	
National Bank of Canada, 5.296%, 2025/11/03	55,000	55,220	54,795	
National Bank of Canada, Variable Rate, Callable, 1.573%, 2026/08/18	24,000	22,330	22,115	
National Bank of Canada, Variable Rate, Callable, 5.426%, 2032/08/16	46,000	45,116	45,283	
National Bank Of Canada, 5.219%, 2028/06/14	20,000	20,000	20,023	
New York Life Global Funding, Floating Rate, 5.900%, 2026/06/30	100,000	100,000	100,308	
Nissan Canada Inc., 2.103%, 2025/09/22	3,000	2,841	2,729	
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'L', 1.200%, 2023/12/01	230,000	223,224	226,237	
Northern Courier Pipeline L.P., Sinkable, 3.365%, 2042/06/30	16,743	16,743	14,632	
Northwestern Hydro Acquisition Co. II L.P., Series 'I', 3.877%, 2036/12/31	29,000	29,632	25,190	
Nova Scotia Power Inc., Callable, 3.307%, 2050/04/25	13,000	9,423	9,602	
Nova Scotia Power Inc., Callable, 3.612%, 2045/05/01	1,000	817	803	
Nova Scotia Power Inc., Callable, 4.951%, 2032/11/15	35,000	35,118	34,658	
Nova Scotia Power Inc., Callable, 5.355%, 2053/03/24	8,000	8,159	8,278	
Pembina Pipeline Corp., Callable, 3.620%, 2029/04/03	1,000	900	922	
Pembina Pipeline Corp., Callable, 4.240%, 2027/06/15	6,000	5,782	5,789	
Primaris REIT, Callable, 5.934%, 2028/03/29	4,000	3,974	3,939	
Primaris REIT, Restricted, 4.267%, 2025/03/30	5,000	5,000	4,801	
RioCan REIT, Callable, 5.611%, 2027/10/06	2,000	2,006	1,974	
RioCan REIT, Callable, 5.962%, 2029/10/01	13,000	12,996	13,054	
RioCan REIT, Callable, Series 'AC', 2.361%, 2027/03/10	26,000	25,745	22,935	
RioCan REIT, Callable, Series 'AD', 1.974%, 2026/06/15	3,000	2,707	2,685	
RioCan REIT, Callable, Series 'AE', 2.829%, 2028/11/08	7,000	6,949	6,020	
RioCan REIT, Restricted, Callable, 4.628%, 2029/05/01	3,000	2,991	2,818	
Rogers Communications Inc., Callable, 3.650%, 2027/03/31	2,000	1,901	1,880	
Rogers Communications Inc., Callable, 3.800%, 2027/03/01	12,000	11,635	11,349	
Rogers Communications Inc., Callable, 4.400%, 2028/11/02	47,000	44,865	44,964	
Royal Bank of Canada, 3.296%, 2023/09/26	240,000	236,858	238,943	
Royal Bank of Canada, 4.612%, 2027/07/26	4,000	4,045	3,920	
Royal Bank of Canada, 5.235%, 2026/11/02	51,000	51,142	50,994	
Royal Bank of Canada, 5.341%, 2026/06/23	31,000	31,000	31,042	
Royal Bank of Canada, Variable Rate, Callable, 2.088%, 2030/06/30	8,000	7,436	7,433	
Royal Bank of Canada, Variable Rate, Callable, 5.010%, 2033/02/01	26,000	26,006	25,227	
Saputo Inc., Callable, 5.250%, 2029/11/29	21,000	21,574	21,171	
Sea To Sky Highway Investment L.P., Sinkable, Callable, Series 'A', 2.629%, 2030/08/31	8,979	8,989	7,948	
Shaw Communications Inc., Callable, 3.300%, 2029/12/10	21,000	18,380	18,680	
Shaw Communications Inc., Callable, 6.750%, 2039/11/09	3,000	4,204	3,323	
SmartCentres REIT, Callable, Series 'S', 3.834%, 2027/12/21	7,000	6,509	6,447	

**CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)**  
**Schedule of Investment Portfolio (unaudited)**  
**As at June 30, 2023**

	<b>Number of Shares/Par Value</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>	<b>Percentage of Net Assets %</b>
<b>Corporate Bonds and Guarantees (continued)</b>				
SmartCentres REIT, Callable, Series 'V', 3.192%, 2027/06/11	2,000	1,828	1,816	
Summit Industrial Income REIT, Callable, Series 'D', 2.440%, 2028/07/14	3,000	2,577	2,582	
Sun Life Financial Inc., Variable Rate, Callable, 2.460%, 2031/11/18	5,000	4,523	4,524	
Sun Life Financial Inc., Variable Rate, Callable, 3.050%, 2028/09/19	172,000	168,359	171,152	
Sun Life Financial Inc., Variable Rate, Callable, 5.500%, 2035/07/04	14,000	13,986	14,057	
TELUS Corp., Callable, 5.000%, 2029/09/13	6,000	6,007	5,977	
TELUS Corp., Callable, Series 'CAA', 3.150%, 2030/02/19	1,000	906	891	
Toronto Hydro Corp., Callable, Series '14', 2.430%, 2029/12/11	4,000	3,592	3,561	
Toronto-Dominion Bank (The), 2.260%, 2027/01/07	47,000	42,677	42,588	
Toronto-Dominion Bank (The), 2.667%, 2025/09/09	71,000	67,649	66,956	
Toronto-Dominion Bank (The), 4.210%, 2027/06/01	10,000	9,758	9,659	
Toronto-Dominion Bank (The), 4.680%, 2029/01/08	23,000	23,000	22,567	
Toronto-Dominion Bank (The), Floating Rate, 5.293%, 2025/01/31	330,000	329,109	329,921	
Toronto-Dominion Bank (The), Variable Rate, Callable, 3.105%, 2030/04/22	13,000	12,346	12,368	
Tourmaline Oil Corp., Callable, Series '1', 2.077%, 2028/01/25	18,000	16,017	15,748	
Tourmaline Oil Corp., Callable, Series '2', 2.529%, 2029/02/12	3,000	2,694	2,623	
TransCanada Pipelines Ltd., Callable, 5.419%, 2026/03/10	65,000	65,000	64,563	
TransCanada PipeLines Ltd., Callable, 5.277%, 2030/07/15	8,000	8,034	8,026	
TransCanada PipeLines Ltd., Floating Rate, 5.542%, 2024/06/09	150,000	148,882	150,751	
TransCanada Trust, Variable Rate, Callable, Series '2017-A', 4.650%, 2077/05/18	76,000	77,435	67,677	
Union Gas Ltd., Callable, 3.190%, 2025/09/17	15,000	16,173	14,361	
United States Treasury Bond, 3.625%, 2053/05/15	36,000	45,605	45,709	
Verizon Communications Inc., Callable, 2.375%, 2028/03/22	32,000	31,257	28,456	
VW Credit Canada Inc., 1.200%, 2023/09/25	150,000	146,933	148,602	
Wells Fargo & Co., Callable, 3.184%, 2024/02/08	110,000	108,358	108,454	
<b>Total Corporate Bonds and Guarantees</b>		<b>6,637,262</b>	<b>6,597,488</b>	<b>29.89%</b>
<b>Mortgage-backed Securities</b>				
Classic RMBS Trust, Callable, Series '22-1', Class 'A', 2.630%, 2052/08/15	13,830	13,830	13,169	
Institutional Mortgage Securities Canada Inc., Callable, Series '14-5', Class 'A2', 2.616%, 2024/01/12	8,935	8,837	8,803	
MBARC Credit Canada Inc., Callable, Series '21-A', Class 'A3', 0.932%, 2026/02/17	14,000	14,000	13,806	
NHA MBS First National Financial Group Corp., 2.690%, 2023/11/01	8,779	8,727	8,720	
<b>Total Mortgage-backed Securities</b>		<b>45,394</b>	<b>44,498</b>	<b>0.20%</b>
<b>Total Fixed Income</b>		<b>10,683,779</b>	<b>10,443,031</b>	<b>47.31%</b>
<b>Total Investments (before transaction costs)</b>		<b>19,015,944</b>	<b>22,076,074</b>	<b>100.00%</b>
<b>Embedded Broker Commissions (note 3)</b>		(2,818)		
<b>Total Investments</b>		<b>19,013,126</b>	<b>22,076,074</b>	<b>100.00%</b>
Unrealized appreciation on futures contracts (Schedule 1)			260	
Unrealized depreciation on futures contracts (Schedule 2)			(1,661)	
Unrealized appreciation on currency forward contracts (Schedule 3)			127	
Unrealized depreciation on currency forward contracts (Schedule 4)			(139)	
<b>Other Assets Less Liabilities</b>			70,728	
<b>Net Assets Attributable to Holders of Redeemable Units</b>			<b>22,145,389</b>	

# CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)

## Schedule of Investment Portfolio (unaudited)

As at June 30, 2023

The Portfolio's investment portfolio is concentrated in the following

	June 30, 2023	December 31, 2022
<b>Equity</b>		
Canada	24.75%	24.93%
United States	17.60%	16.79%
Australia	0.45%	0.55%
China	0.04%	0.20%
Denmark	0.17%	0.10%
European Union	2.07%	1.98%
Faroe Islands	0.11%	0.11%
Great Britain	1.98%	1.71%
Hong Kong	0.34%	0.28%
India	0.05%	—%
Japan	1.45%	1.28%
Malaysia	0.11%	0.11%
Norway	—%	0.18%
Singapore	0.34%	0.42%
Sweden	0.18%	0.10%
Switzerland	0.79%	0.94%
Taiwan	0.35%	0.30%
<b>Fixed Income</b>		
Domestic Sovereign	7.18%	8.44%
Provincial	8.36%	9.64%
Municipal	1.68%	1.28%
Corporate	29.89%	29.62%
Mortgage-backed Securities	0.20%	0.22%
Short-Term Investments	1.91%	0.82%
	<b>100.00%</b>	<b>100.00%</b>

## CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)

Futures Contracts (unaudited)

As at June 30, 2023

### Schedule 1:

Description	Maturity Date	Number of Contracts	Fair Value \$	Unrealized Appreciation \$
Five-Year Government of Canada Bond	20-Sep-23	(2)	(220,300)	260
			<b>(220,300)</b>	<b>260</b>

### Schedule 2:

Description	Maturity Date	Number of Contracts	Fair Value \$	Unrealized Depreciation \$
Two-Year Government of Canada Bond	20-Sep-23	2	204,650	(1,661)
			<b>204,650</b>	<b>(1,661)</b>

**CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)****Foreign Currency Forward Contracts Schedules (unaudited)**

As at June 30, 2023

**Schedule 3:**

<b>Counterparty</b>	<b>Credit Rating of Counterparty</b>	<b>Currency Code</b>	<b>Amount Sold</b>	<b>Currency Code</b>	<b>Amount Bought</b>	<b>Contract Rate</b>	<b>Maturity Date</b>	<b>Unrealized Gain \$</b>
Royal Bank of Canada	A-1+	USD	(17,062)	CAD	22,678	0.752	20-Sep-23	127
								<b>127</b>

**Schedule 4:**

<b>Counterparty</b>	<b>Credit Rating of Counterparty</b>	<b>Currency Code</b>	<b>Amount Sold</b>	<b>Currency Code</b>	<b>Amount Bought</b>	<b>Contract Rate</b>	<b>Maturity Date</b>	<b>Unrealized Loss \$</b>
Toronto-Dominion Bank (The)	A-1+	USD	(17,459)	CAD	22,936	0.761	20-Sep-23	(139)
								<b>(139)</b>

# CC&L Diversified Income Fund

## (formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements (unaudited)  
June 30, 2023 and December 31, 2022

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### 1. General information

The CC&L Diversified Income Fund (the “Diversified Income Fund”, or the “Fund”) was established by a declaration of trust dated January 1, 2006 and commenced operations on January 30, 2006. The Fund is an open-ended mutual fund trust established under the laws of the Province of British Columbia. The address of the Fund’s registered office is 2300 – 1111 West Georgia Street, Vancouver, British Columbia, V6E 4M3.

CIBC Mellon Trust Company is the trustee and custodian (the “Trustee”) of the Fund. The investment activity of the Fund is managed by Connor, Clark & Lunn Funds Inc. (“CFI”).

The investment objective of the Diversified Income Fund is to provide investors with a modest potential for growth of capital over time with limited variability of return from year to year. It is broadly diversified across different types of fixed income and equity securities to increase stability.

The Fund currently offers units under Series A, Series F, Series I, Series O, Reserve Series and Arbour Series.

The financial statements were authorized for issue by the Manager on August 23, 2023.

### 2. Basis of presentation

#### (a) Statement of compliance:

These financial statements have been prepared in compliance with International Financial Reporting Standards, including International Accounting Standards (“IAS”) 34: Interim Financial Reporting, as issued by the International Accounting Standards Board (“IFRS”). The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivatives) at fair value through profit and loss.

The policies applied in these financial statements are based on IFRS issued and outstanding as of the date that the financial statements were authorized for issue.

#### (b) Functional and presentational currency:

The Fund’s subscriptions, redemptions and certain operating activities are denominated in Canadian dollars, which is also the functional and presentation currency.

### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) Financial instruments:

The Fund has determined that they meet the definition of an ‘investment entity’. An investment entity is an entity that: obtains funds from one or more investors for the purpose of providing them with investment management services; commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of substantially all of its investments on a fair value basis. The significant judgment that the Fund has made in determining that they meet this definition is that fair value is the primary measurement attribute used to measure and evaluate the performance of substantially all of their investments.

The Fund classifies and measures financial instruments in accordance with IFRS 9, Financial Instruments - Classification and Measurement (“IFRS 9”). The standard requires financial assets to be classified as amortized cost, fair value through profit or loss (“FVTPL”), or fair value through other comprehensive income (“FVOCI”) based on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of these assets. Assessment and decision on the business model approach used is an accounting judgement. The Fund classifies investments based on both the Fund’s business models for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess performance and to make decisions. Consequently, all investments are measured at fair value through profit or loss.

# CC&L Diversified Income Fund

## (formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements (unaudited)  
June 30, 2023 and December 31, 2022

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More specifically, the Fund's investments, derivative assets and liabilities, if any, are measured at FVTPL. The Fund's obligations for Net Assets attributable to holders of redeemable units are presented at the redemption amount. All other financial assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost. Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when appropriate, at the financial instrument's effective interest rate. The fair values of the Fund's financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

The net asset value ("NAV") per unit is determined by dividing the aggregate market value of the net assets of the Fund by the total number of units of the Fund outstanding before giving effect to redemptions or subscriptions to units on that day.

The interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds. Dividends are recognized as income on the ex-dividend date. Distributions from income trusts and pooled funds are recognized when the Fund has earned the right to receive payment of the distributions. The cost of investments is determined using the average cost method.

(b) Redeemable units of the Fund:

Under IAS 32, "Financial Instruments: Presentation", the Fund classified its redeemable units as liabilities. The Fund's redeemable units do not meet the criteria in IAS 32 for classification as equity as the Fund has more than one contractual obligation to its unitholders. Investors have the right to require redemption, subject to available liquidity, for cash at a unit price based on the Fund's valuation policies at each redemption date. Unitholders are also entitled to distributions when declared, and have the right to receive distributions in cash. Therefore, the ongoing redemption feature is not the only contractual obligation related to units.

(c) Increase (decrease) in net assets attributable to holders of redeemable units per series unit:

The increase (decrease) in net assets attributable to holders of redeemable units per series unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the period for that series.

(d) Cash:

Cash includes cash in hand and bank indebtedness. Bank indebtedness are shown in current liabilities in the statement of financial position.

(e) Short-term investments:

Short-term investments consist of debt investments with maturities of less than one year on acquisition.

(f) Foreign exchange:

Foreign currency denominated investments and other foreign currency denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses on foreign currency denominated assets and liabilities other than investments are presented separately in the Statements of Comprehensive Income. Foreign currency gains and losses on investments are included in the net realized gain (loss) on investments and net change in unrealized appreciation (depreciation) on investments in the Statements of Comprehensive Income.

(g) Income and expense allocation:

Realized gains/losses, changes in unrealized appreciation (depreciation) on investments, income and expenses that are common to the Fund as a whole are allocated daily to each series based on the proportionate share of the net asset value of the series. The proportionate share of each series is determined by adding the current day's net unitholder subscriptions of the series to the prior day's net asset value of the series. Any income or expense amounts that are unique to a particular series (for example, management fees) are accounted for separately in that particular series so as not to affect the net asset value of the other series.

# CC&L Diversified Income Fund

## (formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements (unaudited)  
June 30, 2023 and December 31, 2022

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(h) Income taxes:

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). All of the Fund's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statement of Financial Position as a deferred income tax asset.

(i) Transaction costs:

Transaction costs such as brokerage commissions incurred in the purchase and sale of securities are expensed as incurred and are recognized in the Statements of Comprehensive Income.

(j) Futures:

The Fund may purchase standardized, exchange-traded futures contracts. Any outstanding futures contracts as at reporting period end date are listed in the Schedule of Investment Portfolio. Any difference between the value at the close of business on the current valuation day and that of the previous valuation day is settled in cash daily and recorded in the Statements of Comprehensive Income as Net change in unrealized appreciation (depreciation) on futures contracts. Any amounts receivable (payable) from settlement of futures contracts are reflected in the Statements of Financial Position as Daily variation margin. Short-term debt instruments as indicated in the Schedule of Investment Portfolio have been segregated and are held as margin against the futures contracts purchased by the Fund.

(k) Investments in underlying funds and unconsolidated structured entities:

Underlying funds are valued on each business day at their net asset value as reported by the underlying funds' managers. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches). The Fund considers all of its investments in other funds ("Investee Funds") to be investments in unconsolidated structured entities. The Fund may invest in Investee Funds whose objectives range from achieving medium to long term capital growth and whose investment strategy does not include the use of leverage. The Investee Funds may be managed by related or unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives. The Investee Funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitles the holder to a proportional stake in the respective fund's net assets. The Fund holds redeemable units in each of its Investee Funds. The change in fair value of each Investee Fund is included in the Statements of Comprehensive Income in Net change in unrealized appreciation (depreciation) on investments.

(l) Currency forward contracts:

The Fund may enter into foreign exchange forward contracts for economic hedging purposes or to establish an exposure to a particular currency. Open forward contracts are valued at the gain or loss that would arise as a result of closing the position on the valuation date. Unrealized gains and losses on foreign exchange forward contracts are included in Net change in unrealized appreciation (depreciation) on currency forward contracts in the Statements of Comprehensive Income, and upon closing of a contract, the realized gain or loss is included in Net realized gain (loss) on currency forward contracts. Outstanding settlement amounts on the close out of foreign exchange forward contracts are included in Unrealized appreciation (depreciation) on currency forward contracts in the Statements of Financial Position.

(m) New standards and interpretations not yet adopted:

The Fund has determined there are no IFRS standards that are issued but not yet effective that could materially impact the Fund's financial statements.



# CC&L Diversified Income Fund

## (formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements (unaudited)  
June 30, 2023 and December 31, 2022

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#### 4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

#### 5. Fair value of financial instruments

##### (a) Fair value hierarchy:

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

*Level 1:* Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

*Level 2:* inputs other than quoted prices included within Level 1 that are observable either directly or indirectly; and

*Level 3:* inputs that are unobservable.

The fair values of financial assets and financial liabilities that are traded in active markets (such as publicly trade derivatives and marketable securities) are based on quoted market prices or dealer price quotations at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

For all other financial instruments, the Fund determines fair values using other valuation techniques.

##### **Fair value measurement of derivatives and securities not quoted in an active market**

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Fund uses widely recognized valuation models for determining the fair value of financial instruments such as future, option, forward and swap contracts that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, and exchange-traded derivatives, such as futures and options, and over-the-counter (OTC) derivatives such as forward contracts and swaps. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

##### **Classification of investments under the Fair Value Hierarchy**

The tables below illustrate the classification of the Fund's financial instruments measured at fair value at the reporting date. The amounts are based on the values recognized in the Statements of Financial Position.

# CC&L Diversified Income Fund

## (formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements (unaudited)  
June 30, 2023 and December 31, 2022

### June 30, 2023

	Level 1	Level 2	Level 3	Total
Short-Term Investments	\$—	\$422,455	\$—	\$422,455
Equities	11,210,588	—	—	11,210,588
Fixed Income	—	10,443,031	—	10,443,031
Derivative Assets	260	127	—	387
Derivative Liabilities	(1,661)	(139)	—	(1,800)
Total Investments	\$11,209,187	\$10,865,474	\$—	\$22,074,661

### December 31, 2022

	Level 1	Level 2	Level 3	Total
Short-Term Investments	\$—	\$188,412	\$—	\$188,412
Equities	11,511,908	—	—	11,511,908
Fixed Income	—	11,330,544	—	11,330,544
Derivative Assets	9,190	—	—	9,190
Derivative Liabilities	(2,016)	—	—	(2,016)
Total Investments	\$11,519,082	\$11,518,956	\$—	\$23,038,038

There were no transfers between level 1, level 2 and level 3 for the period ending June 30, 2023 and year ended December 31, 2022. All fair value measurements above are recurring.

Equity positions (including income trusts, exchange-traded funds and limited partnerships) are classified as Level 1 when the security is actively traded and a reliable price is observable. If equities do not trade frequently and observable prices are not available, fair value is determined using observable market data (e.g. transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Bonds and mortgage backed securities include primarily government and corporate bonds, which are valued using models with inputs including interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2.

Short-term investments are classified as Level 2, since they are stated at amortized cost, which approximates fair value.

Derivative assets and liabilities consist of foreign currency forward contracts, forward rate agreements and swap contracts which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value are classified as Level 2.

Futures contracts are classified as Level 1, as a quoted price is used based on observable market information.

Warrants are classified as Level 1, unless observable prices are not available. In such cases, fair value is determined using observable market data and the fair value is classified as Level 2.

## 6. Redeemable units of the Fund

Redeemable units of the Fund are offered to the public by way of prospectus. The Fund has authorized an unlimited number of series of units and may issue an unlimited number of units of each series. All issued units are fully paid and have been recorded in the official listing of unitholders maintained by the Fund's Trustee. Fund units are sold, and are redeemable at the holder's option, in accordance with the provisions of the declaration of trust at the prevailing Net Asset Value per Unit.

The Fund has no restrictions or specific capital requirements on the subscription and redemption of units. The relevant movements are shown on the Statements of Changes in Net Assets attributable to holders of redeemable units. In accordance with the objectives and risk management policies outlined in Note 10, the Fund endeavors to invest subscriptions received

# CC&L Diversified Income Fund

## (formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements (unaudited)  
June 30, 2023 and December 31, 2022

in appropriate investments while maintaining sufficient liquidity to meet redemptions. Liquidity is supported by the disposal of marketable securities when necessary.

The Fund currently offers the following series of units:

- Series A: Series A units are available to all investors who purchase through dealers and who invest the minimum amount.
- Series F: Series F units are available to investors who participate in fee-based programs through their dealer, whose dealer has signed a Series F agreement with us and who invest the minimum amount.
- Series I: Series I units are designed for those investors wishing to pay fees directly to the Manager. Series I units are available to institutional and other comparable investors as the Manager may determine from time to time who invest \$1 million or such lesser amount as the Manager may agree. In addition, Series I units are available to investors who purchase through dealers, invest in the amount described above, pay fees directly to the Manager, have entered into an agreement with their dealer in relation to the payment of fees to their dealer and have authorized that both the Manager's fees and the dealer's fees be paid through a redemption of units.
- Series O: Series O units are available to investors who purchase through dealers, have entered into an agreement with their dealer in relation to payment of fees through redemption of units, and who invests the minimum amount.
- Arbour Series: Arbour Series units are available to investors who purchase through representatives registered with the relevant securities regulator, selected at the discretion of the Manager and who invest the minimum amount.
- Reserve Series: Reserve Series units are available to investors who purchase through Equity Associates Inc. representatives registered with the relevant securities regulator and who invest the minimum amount. The Reserve Series units may also be made available by the Manager to other authorized dealers acceptable to the Manager.

### For the period ended June 30, 2023

	Series A	Series F	Series O	Reserve Series	Arbour Series
Balance, beginning of period	1,199,852	107,925	408,082	85,273	11,327
Issued during the period					
Sales	31,423	—	9,025	27	—
Reinvested distributions	1,042	150	855	67	7
Redeemed during the period	(112,050)	(13,339)	(23,366)	(2,640)	(347)
	(79,585)	(13,189)	(13,486)	(2,546)	(340)
Balance - End of period	1,120,267	94,736	394,596	82,727	10,987

### For the year ended December 31, 2022

	Series A	Series F	Series O	Reserve Series	Arbour Series
Balance, beginning of year	1,386,042	99,348	440,416	102,783	12,048
Issued during the year					
Sales	70,698	24,884	16,819	53	—
Reinvested distributions	10,028	807	4,152	683	87
Redeemed during the year	(266,916)	(17,114)	(53,305)	(18,246)	(808)
	(186,190)	8,577	(32,334)	(17,510)	(721)
Balance - End of year	1,199,852	107,925	408,082	85,273	11,327

# CC&L Diversified Income Fund

## (formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements (unaudited)  
June 30, 2023 and December 31, 2022

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### 7. Taxation of the Fund

As at December 31, 2022, the Fund has capital losses of \$60,095 (2022 - \$Nil), which may be carried forward indefinitely to reduce future net realized capital gains. There were \$Nil (2022 - \$Nil) non-capital losses available for tax purposes.

Certain dividend and interest income received by the Fund are subject to withholding tax imposed in the country of origin. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income.

As at December 31, 2022 and 2021, the Fund has considered uncertain tax liabilities and related interest and penalties with respect to foreign capital gains taxes and determined that no amount need be accrued in respect of such amounts. While this represents the Manager's best estimate, the estimated value could differ significantly from the amount ultimately payable.

### 8. Related Party transactions and other expenses

#### Management fees and trailer fees

As the Manager of the Fund, Connor, Clark & Lunn Funds Inc. ("CFI") is responsible for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio and making arrangements with registered dealers for the purchase and sale of units of the Fund by investors.

The Fund pays a management fee, which is accrued daily and paid annually. The annual management fee rates, exclusive of taxes are noted in the table below:

Ser. A	Ser. F	Ser. I*	Ser. O	Reserve	Arbour
%	%	%	%	%	%
1.95	1.00	-	1.00	2.05	2.24

\*Fees are negotiable and charged outside the Fund, but may not exceed 1.00%.

The Fund pays a trailing commission to dealers whose clients hold Series A, Reserve Series and Arbour Series. The Manager pays these trailing commissions to dealers from the management fees it collects from the Fund. The details of these trailing commissions are as follows:

Series A – either monthly or quarterly as agreed, a trailing commission of 0.95% per annum of the aggregate net asset value of the units held through the dealer in respect of the investment in Series A units of the Fund.

Reserve Series – either monthly or quarterly as agreed, a trailing commission of 1.00% per annum of the aggregate net asset value of the units held through Equity Associates Inc. in respect of the investment in Reserve Series units of the Fund.

Arbour Series – either monthly or quarterly as agreed, a trailing commission of 1.15% per annum of the aggregate net asset value of the units held through the dealer in respect of the investment in Arbour Series units of the Fund.

The Manager has entered into sub-advisory agreements for investment management services with companies that are related through common ownership. These companies include Connor, Clark & Lunn Investment Management Ltd., Baker Gilmore & Associates Inc., NS Partners Ltd., PCJ Investment Counsel Ltd. and Scheer, Rowlett & Associates Investment Management Ltd. The Manager pays for the services of the sub-advisors from the management fees it collects from the Fund.

#### Other expenses

Unless otherwise noted in these Notes, the Fund is responsible for the payment of all expenses relating to the operation of the Fund. Operating expenses include accounting, legal, audit, transfer agent, custodian, administrative and trustee fees, and investor servicing costs (such as semi-annual reports, annual reports and prospectus reports) and IRC fees.

# CC&L Diversified Income Fund

## (formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements (unaudited)  
June 30, 2023 and December 31, 2022

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### **Independent Review Committee fees**

In accordance with National Instrument 81-107, the Manager has established an Independent Review Committee (“IRC”) for the Fund. The mandate of the IRC is to review and make recommendations with respect to, or in certain circumstances, approve, conflicts of interest matters brought to it by the Manager. Remuneration paid to members of the IRC are charged to the Fund and the amounts are included in “Independent review committee fees” in the Statements of Comprehensive Income.

### **9. Brokerage commissions and soft dollars**

The Manager may select brokers who charge commissions in “soft dollars” if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. Soft dollars represent a means of paying for products or services provided by brokerage firms (e.g., research reports) in exchange for direction transactions (e.g., trade execution) to the brokerage. Fund managers may use soft dollars allocated by brokerages to pay for a portion of the total commissions owed to the brokerage.

The Fund paid \$8,007 (2022 - \$9,603) in brokerage commission and other transaction costs for portfolio transactions during the period. The soft dollars paid during the period were approximately \$337 (2022 - \$178).

### **10. Financial risk management**

The Fund may be exposed to a variety of financial risks which are described below. The Fund’s exposure to these risks is concentrated in their investment holdings including derivative instruments where applicable. In determining the risks that apply, and the extent to which they apply, reference should be made to the Schedule of Investment Portfolio and supporting schedules that group securities by asset class, market segment and geographic region (when securities are held in multiple currencies). The Manager manages the potential effects of these financial risks on the Fund’s performance by employing and overseeing professional and experienced portfolio managers that regularly monitor the Fund’s holdings, market events and overall economic conditions.

The portfolio managers use a variety of means to monitor the Fund including the measurement of specific financial and economic variables pertinent to the Fund. The Fund’s risk management program is based on monitoring compliance against investment guidelines contained in the Statement of Investment Policy (“SIP”). The SIP is an internal document that outlines how the Fund is managed. The SIP states the investment objective of the Fund and the investment guidelines. The investment objective is to maximize long-term total return while protecting the capital value of the Fund from major market fluctuations through prudent diversification and selection of investments. The guidelines include permitted investments, acceptable levels of diversification and the permitted uses of derivatives.

Securities are selected with the intent of maximizing returns within the risk parameters defined in the SIP. On a daily basis, these guidelines and other restrictions are monitored against the positions in the Fund using an electronic compliance system to confirm there are no violations and to ensure market movements do not leave the Fund’s portfolio holdings outside specified ranges. Corrective action is taken when necessary and any guideline violations are reported to the Manager.

The economic uncertainties around persistent inflation pressure, global pandemic recovery, geopolitical events, climate change and ongoing natural disasters could slow growth in the global economy. Developing reliable estimates and applying judgment continue to be substantially complex. Actual results may differ from those estimates and assumptions.

#### **Currency risk**

Currency risk is the risk that the value of monetary assets and liabilities denominated in currencies other than the Canadian dollar (the functional and presentational currency of the Fund) will fluctuate due to changes in foreign exchange rates. The Schedule of Investment Portfolio and supporting schedules identify all investments and derivative instruments denominated in foreign currencies. Bonds and short-term investments issued in foreign countries are exposed to that country’s currency unless otherwise noted. Bonds, short-term investments and derivatives denominated in foreign currencies are exposed to currency risk as prices are converted to the Fund’s functional currency in determining fair value. Foreign equities are not exposed to currency risk since they are considered non-monetary investments. Changes in the market value of these securities due to fluctuations in exchange rates are considered a component of other price risk (see below).

The portfolio manager may utilize hedging strategies at their discretion to minimize exposure to currency risk.

# CC&L Diversified Income Fund

## (formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements (unaudited)  
June 30, 2023 and December 31, 2022

The table below summarize the Fund's exposure to foreign currencies as at June 30, 2023 and December 31, 2022 in Canadian dollars. Amounts shown are based on the fair value of monetary assets (including cash and short-term investments) as well as the underlying principal amounts of forward foreign currency contracts, as applicable. Other financial assets such as interest and dividends receivable and amounts due to or from broker that are denominated in foreign currencies do not expose the Fund to significant currency risk.

The table also illustrate the potential impact on Net Assets attributable to holders of redeemable units as a result of a 5% change in these currencies relative to the Canadian dollar, with all other factors remaining constant. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

	June 30, 2023	December 31, 2022
	\$	\$
<b>China Renminbi</b>	744	—
<b>Danish Krone</b>	25	—
<b>Euro</b>	693	—
<b>Japanese Yen</b>	765	(8)
<b>Swedish Krona</b>	(6)	—
<b>United States Dollar</b>	(43,487)	2,425
<b>Total</b>	(41,266)	2,417
<b>% of Net Assets</b>	(0.2)	0.0
<b>Sensitivity (+/-)</b>	(2,063)	121

The Fund is also exposed to indirect currency risk through its investment in the mutual fund.

### Interest rate risk

Interest rate risk is the risk that the fair value of the Fund's interest-bearing investments will fluctuate due to changes in prevailing interest rates. The longer the term to maturity, all else being equal, the more sensitive a security is to interest rate risk. The Fund's exposure to interest rate risk is concentrated in their investment in debt securities (such as bonds and short-term investments) and interest rate derivative instruments (if any). Other assets and liabilities are short-term in nature and non-interest bearing.

The portfolio manager targets the Fund's duration to be within a specified tolerance of the benchmark or as otherwise specified in the SIP in order to minimize exposure to interest rate risk.

As at June 30, 2023, the Fund had direct exposure to interest rate risk through its investment in fixed income and short-term debt. The tables below summarize the Fund's exposure to interest rate risk as at June 30, 2023 and December 31, 2022. Amounts shown are based on the carrying values of debt instruments and exclude cash and cash equivalents and preferred shares.

### As at June 30, 2023

Debt Instruments Grouped by Maturity Date	Total \$	% of Net Assets
Less than 1 year	3,434,330	15.6
1 to 3 years	2,088,036	9.4
3 to 5 years	1,085,413	4.9
5 to 10 years	2,591,147	11.7
Greater than 10 years	1,666,560	7.5
<b>Total</b>	<b>10,865,486</b>	<b>49.1</b>

# CC&L Diversified Income Fund

## (formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements (unaudited)  
June 30, 2023 and December 31, 2022

As at December 31, 2022

Debt Instruments Grouped by Maturity Date	Total \$	% of Net Assets
Less than 1 year	3,555,617	15.5
1 to 3 years	2,124,479	9.3
3 to 5 years	949,448	4.1
5 to 10 years	3,236,882	14.1
Greater than 10 years	1,652,530	7.2
<b>Total</b>	<b>11,518,956</b>	<b>50.2</b>

If prevailing interest rates had been raised or lowered by 1.0%, assuming a parallel shift in the yield curve, with all other factors remaining constant, net assets attributable to holders of redeemable units would have decreased or increased by approximately \$439,000 (December 31, 2022 - \$448,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material. The Fund is also exposed indirectly to interest rate risk through its investment in the mutual fund.

### Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

Unexpected volatility or illiquidity could occur due to legal, political, regulatory, economic or other developments, such as public health emergencies, including an epidemic or pandemic, natural disasters, war and related geopolitical risks, and may impair the portfolio manager's ability to carry out the objectives of the Fund or cause the Fund to incur losses. Neither the duration nor ultimate effect of any such market conditions, nor the degree to which such conditions may worsen can be predicted.

The portfolio manager adheres to specified investment constraints in relation to asset class and diversification, thus minimizing exposure to other price risk.

Other assets and liabilities are monetary items that are short-term in nature and not subject to other price risk.

As at June 30, 2023 and December 31, 2022, the Fund was exposed to other price risk primarily through its equity investments that trade on stock exchanges. Approximately 50.6% (December 31, 2022– 50.1%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk because of exposure to market fluctuations (not caused by other factors mentioned previously). If prices of the securities held had increased or decreased by 10%, with all other factors remaining constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$1,121,000 (December 31, 2022 – \$1,151,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Credit risk

Credit risk is the risk that a loss could arise when a security issuer or counterparty to a financial instrument is unable to meet its financial obligations. To maximize the credit quality of its investments, the Fund's portfolio manager performs ongoing credit evaluations of debt issuers. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. Credit risk can also arise with counterparties on forward contracts. Credit risk exposure for over-the-counter derivative instruments is based on the Fund's unrealized gain of the contractual obligations with the counterparty as at the reporting date. The credit exposure of other assets is represented by their carrying amount. The Fund can also be exposed to credit risk to the extent that the Fund's custodian may not be able to settle trades for cash. CIBC Mellon Trust Company, which is the custodian for the Fund, is approved by Canadian Securities Administrator to act as custodian.

The tables below summarize the Fund's exposure to credit risk as at June 30, 2023 and December 31, 2022. Amounts shown are based on the carrying values of debt instruments and the unrealized gain on derivative instruments outstanding with counterparties. Credit ratings are determined from a composite of bond rating services such as Standard & Poor's, Moody's and Dominion Bond Rating Services. The Fund is also exposed indirectly to interest rate risk through their investment in the mutual fund.

# CC&L Diversified Income Fund

## (formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements (unaudited)  
June 30, 2023 and December 31, 2022

### As at June 30, 2023

Debt on Counterparty Credit Ratings	Total \$	% of Net Assets
AAA	2,256,084	10.2
AA	1,331,752	6.0
A	3,766,638	17.0
BBB	3,070,976	13.9
Below BBB	440,036	2.0
<b>Total</b>	<b>10,865,486</b>	<b>49.1</b>

### As at December 31, 2022

Debt on Counterparty Credit Ratings	Total \$	% of Net Assets
AAA	2,536,985	11.1
AA	1,835,718	8.0
A	3,628,493	15.8
BBB	3,517,760	15.3
<b>Total</b>	<b>11,518,956</b>	<b>50.2</b>

### Liquidity risk

Liquidity risk is the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund's exposure to liquidity risk is concentrated in the daily cash redemptions of redeemable units, which are due on demand. The liquidity of some securities held by the Fund, which may need to be disposed of in order to meet immediate or short-term obligations, are susceptible to rapid negative movements in credit markets; in particular non-government issued fixed income securities found on the Schedule of Investment Portfolio. Like all fixed income securities, the market value of these securities is based on a credit risk premium or 'spread'. The greater the credit risk associated with a security, the greater the spread demanded by holders. There is a negative correlation between the size of the spread and the value or price of the underlying security.

To mitigate this risk, the Fund retains sufficient cash, short-term investments and marketable securities that can be readily disposed of to maintain liquidity. Liquidity risk is considered negligible. The Fund's financial liabilities are all short-term in nature and are expected to mature within three months of the June 30, 2023 financial statement date, with the exception of certain derivatives and redeemable units, which are due on demand. All of the Fund's financial liabilities as at December 31, 2022 and matured within three months of the financial statement date.

### Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographic region, asset type or sector.

The portfolio manager adheres to specified investment constraints in relation to asset class and diversification, thus minimizing exposure to concentration risk.

The Schedule of Investment Portfolio provides detailed information on the Fund's concentration risk exposure.

### Capital risk management

Redeemable units issued and outstanding are considered to be capital of the Fund. The Fund is not subject to any internally or externally imposed restrictions on its capital. Each unit is redeemable at the option of the unitholder in accordance with the Declaration of Trust and entitles the unitholder to a pro rata share of the Fund's net asset value (NAV). Unitholders are entitled to distributions when declared. Distributions on units of the Fund are reinvested in additional units of the Fund or at the option of the unitholder, paid in cash.



# CC&L Diversified Income Fund

## (formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements (unaudited)  
June 30, 2023 and December 31, 2022

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### 11. Investments in structured entities

The Fund has determined that all of the mortgage-related and other asset-backed securities in which they invest are unconsolidated structured entities. These securities include mortgage pass-through securities, collateralized mortgage obligations, commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. The debt and equity securities issued by these securities may include tranches with varying levels of subordination. These securities may provide a monthly payment which consists of both interest and principal payments. Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans.

As at June 30, 2023 and December 31, 2022, the carrying value of mortgage related and other asset-backed securities included in investments in the Statements of Financial Position is \$44,498 (December 31, 2022 - \$51,330). This amount also represents the maximum exposure to losses at that date. The change in fair value of mortgage related and other asset backed securities are included in the Statements of Comprehensive Income in Net change in unrealized appreciation (depreciation) on investments.

The Fund accounts for these unconsolidated structured entities at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, as applicable, represents the maximum exposure to losses at that date.