



CC&L Alternative Income Fund

Management Report of Fund Performance

For the year ended
December 31, 2023

This annual management report of fund performance contains financial highlights but does not contain 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.sedarplus.ca

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.

Investment Objective and Strategies

Investment objectives — The CC&L Alternative Income Fund (the “Fund”) seeks to provide unitholders with long-term returns. The portfolio manager will actively manage a diversified portfolio of primarily global fixed income securities by opportunistically utilizing both long and short positions.

The Fund will engage in short selling, borrowing and use derivatives to meet its investment objective. The aggregate gross exposure of the Fund will not exceed the limits on the use of leverage described in the Investment Strategy section below or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund cannot be changed without the approval of a majority of the unitholders at a meeting called to consider the change.

Investment strategies — To achieve the Fund’s investment objectives, the manager, Connor, Clark & Lunn Funds Inc. (“CFI” or the “Manager”) has retained Connor, Clark & Lunn Investment Management Ltd., as portfolio manager, to invest the assets of the Fund with full authority and responsibility for security selection.

To achieve the Fund’s investment objective, the portfolio manager will actively manage a diversified portfolio of primarily global fixed income securities by opportunistically utilizing both long and short positions. The portfolio manager assesses specific investment opportunities based on both top-down and bottom-up analysis. On average, over time, it is expected that for every \$100 invested, the Fund portfolio’s use of leverage will be approximately \$200-\$300. To obtain this leverage, the Fund will engage in short selling, borrowing and use derivatives as described below. The net market exposure of the Fund will typically range between 50% and 250%.

Risk

During the year from January 1, 2023 to December 31, 2023, the risk profile of the Fund was managed in accordance with the goals set out in the simplified prospectus. In the view of the Manager, the risks associated with an investment in the portfolio are adequately described in the simplified prospectus and have not altered as result of subsequent changes in the underlying investments.

Results of Operations

As at December 31, 2023, CC&L Alternative Income Fund (the “Fund”) held \$27.1 million in total net assets. During the year ended December 31, 2023, investors in Series A units in the Fund experienced a return of 3.64%. The benchmark for the Fund (FTSE Canada 91 Day T-Bill Index) returned 4.71% over the year. The performance of the different series within the funds will vary due to the differences in their expense structures. For specific returns by series, please refer to the “Past Performance” section of this report.

The first quarter of 2023 proved to be a whirlwind for global financial markets. Initially, there was positive market sentiment driven by strong economic data, China’s economy reopening and subdued inflation releases. However, this positive sentiment was short-lived as unusually strong economic and inflation data caused financial markets to question the endpoint of central bank interest rate hikes and the probability and timing of a recession. In March, markets faced a significant shock when a confluence of factors led to a bank run across U.S. regional banks that ultimately resulted in the second and third largest U.S. bank failures in history. Despite support from the federal regulators, the turbulence spilled over to Europe with the collapse of Switzerland’s Credit Suisse, a systematically important financial institution, which was ultimately merged with its largest domestic peer. During this time, bond market volatility surged, with near-historic moves in yields. Equity market volatility increased, and although there was a decline in financial stocks in response to the threat of contagion and concerns of larger banking troubles, overall equity markets held in quite well. After a volatile March, investors welcomed a more stable market environment in the second quarter. Sentiment improved due to several factors, including the resolution of the US debt ceiling and the growing enthusiasm surrounding artificial intelligence (AI), which boosted the outlook for the technology sector. Another significant driver was the economic resilience observed in both the US and Canada.

Data releases were generally robust, defying widely predicted recession expectations, leading investors to defer the anticipated onset of a recession. However, persistently strong inflation releases prompted central banks to implement further interest rate hikes. Market sentiment shifted in the third quarter with generally upbeat data releases in the US and Canada leading to expectations for a soft landing, supported by resilient economic activity and slowing inflation. However, as the quarter progressed, the market tone gravitated toward the increasing likelihood that interest rates might remain higher for a prolonged period. Moreover, monetary policymakers maintained a hawkish stance. This caused a spike in bond yields to new cycle highs near the end of September and volatility in equity markets. This persisted early into the fourth quarter. However, in November the market narrative shifted yet again with signs of a slowing economy and data pointing towards a return to a broader disinflationary trend. This rejuvenated the “soft landing” theme, where inflation and economic growth slow, allowing monetary policymakers to shift away from their tightening measures. This notion gained further momentum when the US Federal Reserve (the “Fed”) pivoted toward a more dovish stance, even as US economic indicators remained resilient. Bond yields plunged in response, and stock prices surged, culminating in a strong quarter, and year, for both bond and equity markets.

The Fund's performance was positive for year though slightly underperformed the benchmark. Shorter-term bond yields increased earlier in the period, while longer-term yields declined, leading to further yield curve inversion. This trend reversed in the latter half of the year, with the yield curve moving toward normalization. For the year as a whole, bond yields declined in Canada in a roughly parallel shift. In the US, short-term yields declined, while longer-term yields were nearly unchanged overall. Credit spreads generally tightened, notwithstanding some volatility in March in response to US regional bank stresses, and again in the summer. Credit spreads tightened significantly near the end of the year. Security selection detracted modestly from performance driven by an industry tilt in favour of US telecommunications earlier in the year, and a tilt away from homebuilders. Within macro strategies, interest rate positioning contributed to performance, driven by the yield curve strategy. A global relative value strategy that favoured US Treasuries relative to Canada government bonds, as well as sector allocation, each detracted from performance. Duration positioning was neutral for 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 years ended December 31, 2023 and 2022, the Fund's aggregate exposure to leverage ranged from 111.3% to 263.9% (2022 - 85.2% to 191.1%) of the Fund's NAV. The aggregate exposure range to leverage was within the expected range as outlined in the simplified prospectus. As at December 31, 2023, the Fund's aggregate exposure was 251.2% (2022 – 182.4%) of the Fund's NAV. The primary sources of leverage were short positions in fixed income securities, short positions in short-term investments, short bond forwards, futures and cash borrowing.

A component of the Fund's leverage is cash borrowing. Such facilities are repayable on demand. During the years ended December 31, 2023 and 2022, the Fund's range of cash borrowing was \$Nil to \$11,856,996 (2022 - nil to \$7,973,344) with an average interest rate of 9.11% (2022 – 6.21%). As at December 31, 2023, cash borrowing represented 0.0% (2022 – 2.0%) of the Fund's NAV.

Recent Developments

Near the end of 2023, financial markets returned to the “soft landing” narrative, where inflation and economic growth slow but a recession does not occur. This narrative was largely driven by ongoing economic resilience in the US and a shift to a more accommodative tone from many central banks. Canadian economic releases, however, suggested that a more pronounced downturn could be on the horizon. Even though a recession in Canada remains probable, it appears the US might avoid a recession, at least over the next six to nine months. That said, we believe the economy typically gives the appearance of a soft landing on the path to recession. Nonetheless, softening financial conditions could provide renewed support for economic activity and reignite inflation, particularly in the US. As such, we will continue to monitor incoming data and will look for any weakness in labour markets, in particular, for guidance.

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 managers, Connor, Clark & Lunn (Canada) Ltd., Connor, Clark & Lunn Investment Management Ltd., Baker Gilmore & Associates Inc., Global Alpha Capital Management Ltd., NS Partners Ltd., PCJ Investment Counsel Ltd., and Scheer, Rowlett & Associates 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, 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 year ended December 31, 2023, no additions or deletions were made to the portfolio managers providing services to the Fund.

As Manager, CFI receives management and performance fees with respect to the day-to-day business and operations of the Fund as described in the section entitled “Management and Performance Fees”. These management and performance 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 year ended December 31, 2023.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since inception. This information is derived from the Fund's audited annual financial statements and previous audited financial statements.

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

Series A	Dec 31'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁴⁾
Net Assets, beginning of period⁽¹⁾	\$7.92	\$9.32	\$9.68	\$9.85	\$10.00
Increase (decrease) from operations:					
Total revenues	0.31	0.33	0.52	0.46	0.36
Total expenses	(0.22)	(0.23)	(0.34)	(0.33)	(0.20)
Realized gains (losses) for the period	(0.07)	(0.62)	0.28	0.02	(0.04)
Unrealized gains (losses) for the period	0.24	(0.10)	(0.15)	0.05	(0.07)
Total increase (decrease) from operations⁽²⁾	0.26	(0.62)	0.31	0.20	0.05
Distributions:					
From net investment income (excluding dividends)	(0.22)	(0.72)	(0.66)	(0.36)	(0.23)
From dividends	-	-	-	-	-
From capital gains	-	-	(0.01)	(0.28)	(0.07)
Return of capital	(0.02)	-	-	-	-
Total distributions^(2,3)	(0.24)	(0.72)	(0.67)	(0.64)	(0.30)
Net assets at December 31 of year shown^(1,2)	\$7.96	\$7.92	\$9.32	\$9.68	\$9.85

Series A inception date: February 15, 2019

Series F	Dec 31'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁴⁾
Net Assets, beginning of period⁽¹⁾	\$8.19	\$9.54	\$9.78	\$9.86	\$10.00
Increase (decrease) from operations:					
Total revenues	0.32	0.35	0.45	0.47	0.42
Total expenses	(0.12)	(0.13)	(0.19)	(0.20)	(0.15)
Realized gains (losses) for the period	(0.14)	(0.76)	0.26	(0.01)	(0.09)
Unrealized gains (losses) for the period	0.33	(0.23)	(0.04)	(0.48)	(0.09)
Total increase (decrease) from operations⁽²⁾	0.39	(0.77)	0.48	(0.22)	0.09
Distributions:					
From net investment income (excluding dividends)	(0.23)	(0.76)	(0.71)	(0.38)	(0.26)
From dividends	-	-	-	-	-
From capital gains	-	-	(0.01)	(0.28)	(0.07)
Return of capital	(0.02)	-	-	-	-
Total distributions^(2,3)	(0.25)	(0.76)	(0.72)	(0.66)	(0.33)
Net assets at December 31 of year shown^(1,2)	\$8.32	\$8.19	\$9.54	\$9.78	\$9.86

Series F inception date: February 15, 2019

Series I	Dec 31'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁴⁾
Net Assets, beginning of period⁽¹⁾	\$8.55	\$9.92	\$10.04	\$9.97	\$10.00
Increase (decrease) from operations:					
Total revenues	0.34	0.36	0.47	0.48	0.39
Total expenses	(0.08)	(0.09)	(0.06)	(0.08)	(0.06)
Realized gains (losses) for the period	(0.13)	(0.74)	0.30	0.21	0.03
Unrealized gains (losses) for the period	0.33	(0.22)	(0.08)	0.15	(0.04)
Total increase (decrease) from operations⁽²⁾	0.46	(0.69)	0.63	0.76	0.32
Distributions:					
From net investment income (excluding dividends)	(0.24)	(0.80)	(0.74)	(0.38)	(0.27)
From dividends	-	-	-	-	-
From capital gains	-	-	(0.01)	(0.29)	(0.08)
Return of capital	(0.02)	-	-	-	-
Total distributions^(2,3)	(0.26)	(0.80)	(0.75)	(0.67)	(0.35)
Net assets at December 31 of year shown^(1,2)	\$8.75	\$8.55	\$9.92	\$10.04	\$9.97

Series I inception date: February 15, 2019

(1) This information is derived from the Fund's audited annual financial statements prepared in accordance with IFRS Accounting Standards.

(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	Dec 31'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁶⁾
Total net asset value ('000s) ⁽¹⁾	\$267	\$105	\$99	\$129	\$192
Number of units outstanding ⁽¹⁾	33,497	13,264	10,663	13,335	19,500
Management expense ratio ⁽²⁾	2.27%	2.15%	3.32%	2.60%	1.94%
Management expense ratio before waivers or absorptions ⁽³⁾	2.27%	2.15%	3.32%	2.60%	1.94%
Portfolio turnover rate ⁽⁴⁾	508.71%	480.87%	451.19%	509.63%	520.71%
Trading expense ratio ⁽⁵⁾	0.44%	0.50%	0.21%	0.32%	0.32%
Net asset value per unit	\$7.96	\$7.92	\$9.32	\$9.68	\$9.85

Series A inception date: February 15, 2019

Series F	Dec 31'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁶⁾
Total net asset value ('000s) ⁽¹⁾	\$925	\$1,630	\$2,782	\$1,528	\$3,466
Number of units outstanding ⁽¹⁾	111,213	199,147	291,593	156,304	351,369
Management expense ratio ⁽²⁾	1.08%	0.99%	1.76%	1.68%	1.26%
Management expense ratio before waivers or absorptions ⁽³⁾	1.08%	0.99%	1.76%	1.68%	1.26%
Portfolio turnover rate ⁽⁴⁾	508.71%	480.87%	451.19%	509.63%	520.71%
Trading expense ratio ⁽⁵⁾	0.44%	0.50%	0.21%	0.32%	0.32%
Net asset value per unit	\$8.32	\$8.19	\$9.54	\$9.78	\$9.86

Series F inception date: February 15, 2019

Series I	Dec 31'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19 ⁽⁶⁾
Total net asset value ('000s) ⁽¹⁾	\$25,896	\$25,295	\$33,901	\$27,640	\$25,685
Number of units outstanding ⁽¹⁾	2,961,119	2,959,236	3,416,269	2,752,328	2,576,286
Management expense ratio ⁽²⁾	0.49%	0.52%	0.40%	0.52%	0.31%
Management expense ratio before waivers or absorptions ⁽³⁾	0.49%	0.52%	0.40%	0.52%	0.31%
Portfolio turnover rate ⁽⁴⁾	508.71%	480.87%	451.19%	509.63%	520.71%
Trading expense ratio ⁽⁵⁾	0.44%	0.50%	0.21%	0.32%	0.32%
Net asset value per unit	\$8.75	\$8.55	\$9.92	\$10.04	\$9.97

Series I inception date: February 15, 2019

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

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

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

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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

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

Management Fees

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	1.45%	68.97%	31.03%
Series F	0.45%	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 15% 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 FTSE Canada 91 Day T-bill Index return is the hurdle for the Fund.

PAST PERFORMANCE

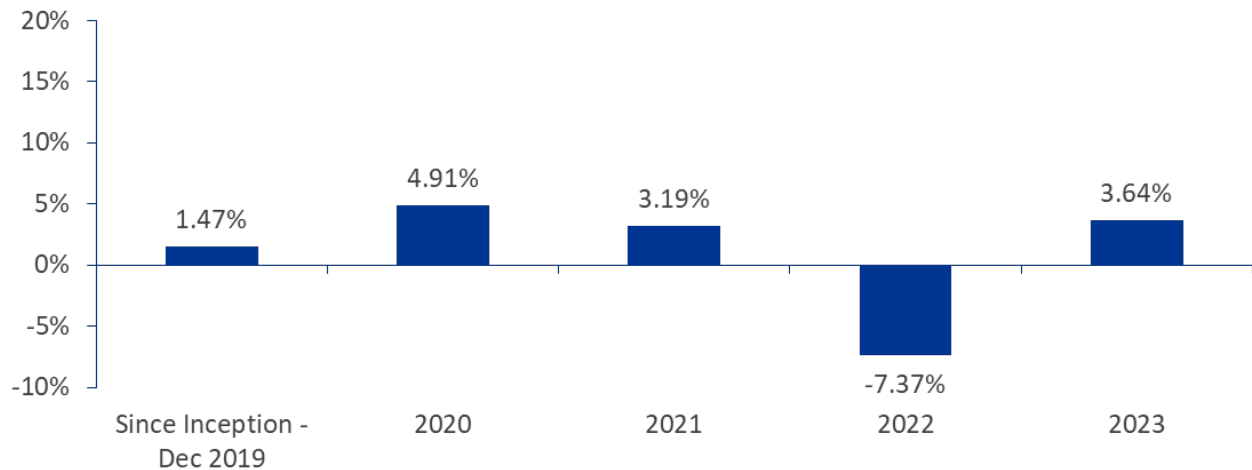
Past Performance

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.

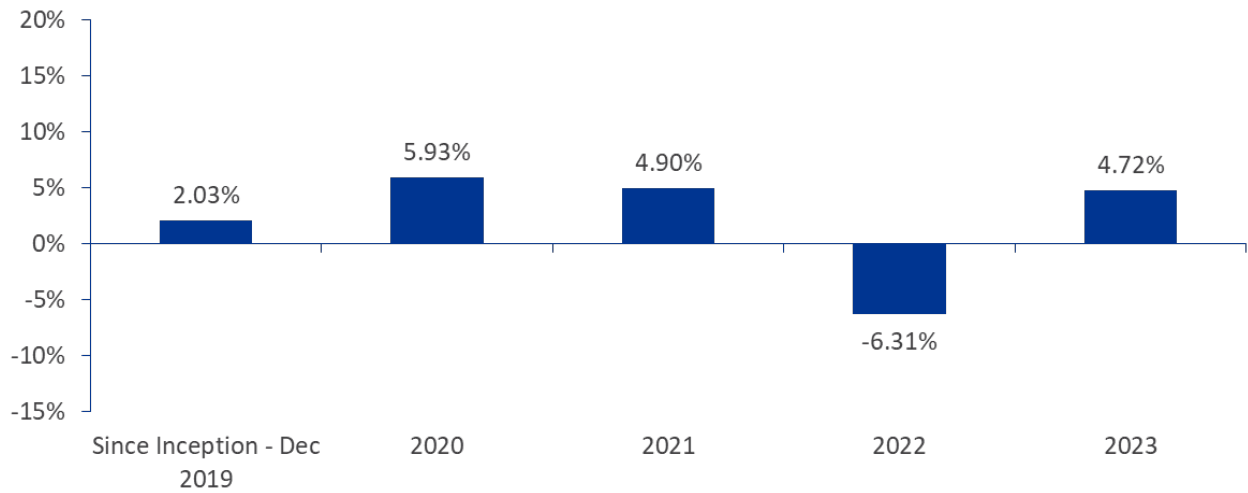
Series A



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

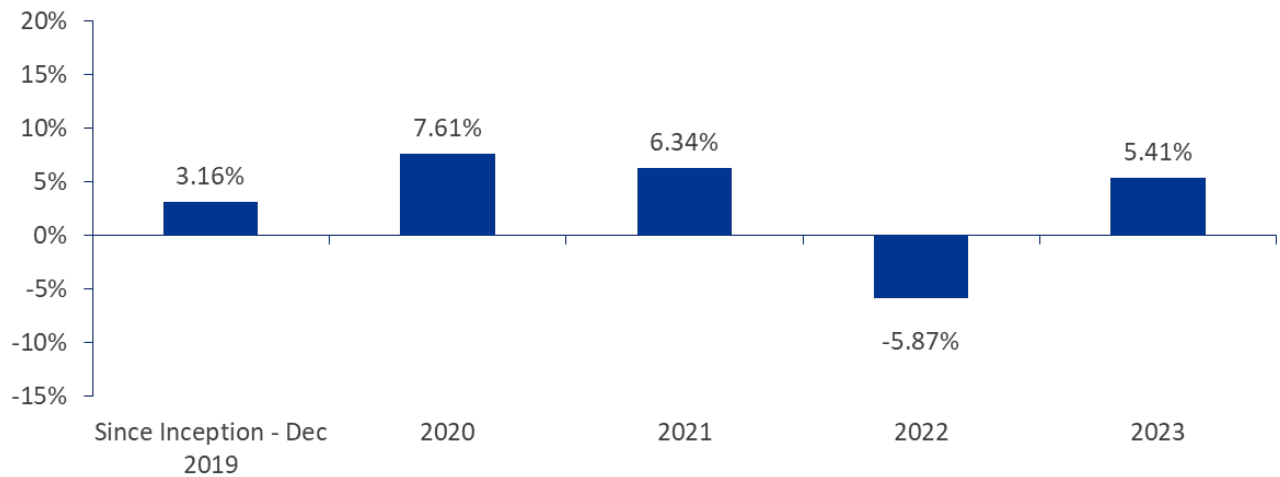
PAST PERFORMANCE

Series F



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

Series I



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

PAST PERFORMANCE

Annual Compound Returns

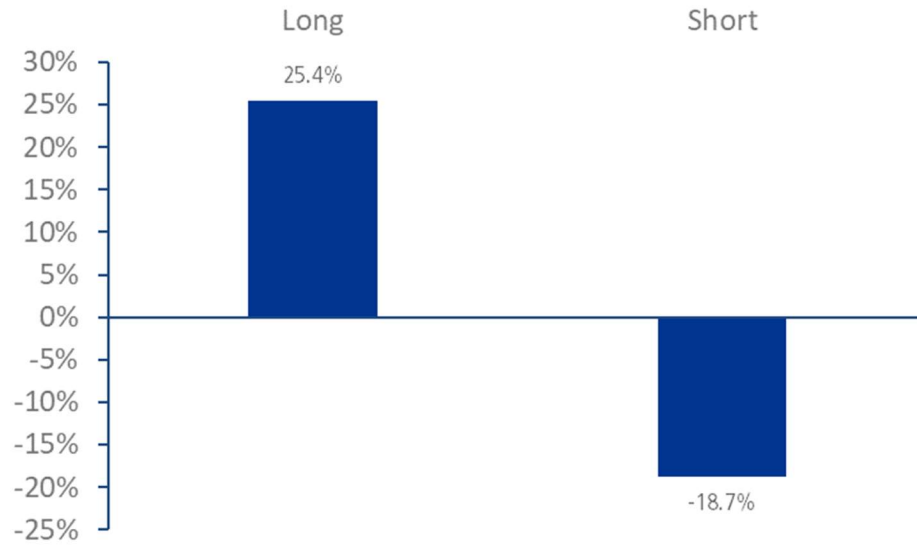
The table below shows past performance for the last one, three, five and ten year financial periods, as applicable, for each series of the Fund, relative to the performance of relevant broad-based securities market index during the same periods.

CC&L Alternative Income Fund	1 yr	3 yr	5 yr	10 yr	Since Inception	Inception Date
Series A	3.64%	-0.31%	-	-	1.10%	Feb-15-19
Index*	4.71%	2.22%	-	-	1.84%	
Series F	4.72%	0.96%	-	-	2.22%	Feb-15-19
Index*	4.71%	2.22%	-	-	1.84%	
Series I	5.41%	1.81%	-	-	3.33%	Feb-15-19
Index*	4.71%	2.22%	-	-	1.84%	

* FTSE Canada 91 Day TBill Index

PAST PERFORMANCE

The following bar chart shows the performance of the Fund's long and short portfolio positions for the period from January 1, 2023 to December 31, 2023 before deducting fees and expenses and before the impact of other assets less liabilities.



SUMMARY OF INVESTMENT PORTFOLIO

Below is a breakdown of the Fund's investment holdings as at December 31, 2023. The individual holdings and their relative percentage of the overall fund will change between reporting periods as markets change and the portfolio manager buys and sells individual securities.

Top 25 Investments - Long				% of Net Asset Value	Top 25 Investments - Short				% of Net Asset Value
1	Canada	1.50%	2031.12.01	45.4	1	Outfront Media Cap Llc/C	7.38%	2031.02.15	(6.3)
2	Canada	4.50%	2025.11.01	20.5	2	Canada	1.75%	2053.12.01	(6.3)
3	Canada	3.50%	2025.08.01	11.6	3	Griffon Corporation	5.75%	2028.03.01	(4.9)
4	Us Treasury N/B	3.63%	2053.05.15	9.7	4	Us Foods Inc	4.75%	2029.02.15	(4.7)
5	Quebec	3.25%	2032.09.01	7.4	5	Us Foods Inc	7.25%	2032.01.15	(3.6)
6	Inter Pipeline Ltd	5.76%	2028.02.17	4.4	6	Performance Food Group I	4.25%	2029.08.01	(3.4)
7	Cinemark Usa Inc	5.25%	2028.07.15	4.0	7	Cnx Resources Corp	7.38%	2031.01.15	(3.3)
8	Ford Motor Company (Green Bond)	3.25%	2032.02.12	3.2	8	Canada	2.00%	2051.12.01	(3.3)
9	United Rentals North Am	3.88%	2031.02.15	3.2	9	Canada 5Y Bond Future			(3.2)
10	Vmware Inc	1.80%	2028.08.15	3.1	10	Asbury Automotive Group	4.63%	2029.11.15	(3.2)
11	Cable One Inc	4.00%	2030.11.15	2.9	11	Ball Corp	6.00%	2029.06.15	(3.0)
12	Canada Real Return Bond - RRCA			2.7	12	Verizon Communications (Green Bond)	5.05%		(2.9)
13	Avis Budget Car/Finance	8.00%	2031.02.15	2.5	13	Clear Channel Worldwide	5.13%	2027.08.15	(2.8)
14	Emera Inc	6.75%	2026.06.15	2.4	14	Sonic Automotive Inc	4.63%	2029.11.15	(2.7)
15	Hertz Corp/The	5.00%	2029.12.01	2.3	15	Tenet Healthcare Corp	6.13%	2028.10.01	(2.4)
16	Station Casinos Llc	4.50%	2028.02.15	2.2	16	At&T Inc	5.40%	2034.02.15	(2.3)
17	Bank Of Montreal	3.65%	2027.04.01	2.2	17	Ardagh Metal Packaging	6.00%	2027.06.15	(2.2)
18	Scripps Escrow Inc	5.88%	2027.07.15	2.1	18	Molina Healthcare Inc	3.88%	2032.05.15	(2.2)
19	Inter Pipeline Ltd	4.23%	2027.06.01	2.0	19	Hca Inc	5.90%	2053.06.01	(1.9)
20	Lifepoint Health Inc	9.88%	2030.08.15	1.9	20	Taylor Morrison Comm	5.13%	2030.08.01	(1.8)
21	Owens-Brockway	7.25%	2031.05.15	1.9	21	Allison Transmission Inc	5.88%	2029.06.01	(1.8)
22	National Bank Of Canada	5.43%	2027.08.16	1.9	22	T-Mobile Usa Inc	5.05%	2033.07.15	(1.7)
23	Us Treasury N/B	4.50%	2033.11.15	1.8	23	Century Communities	3.88%	2029.08.15	(1.7)
24	National Bank Of Canada	5.22%	2028.06.14	1.8	24	Charter Comm Opt Llc/Cap	2.30%	2032.02.01	(1.5)
25	Canada	0.50%	2025.09.01	1.7	25	Ontario Power Generation	3.65%	2050.09.13	(1.5)
Top long positions as a percentage of total net asset value				144.6	Top short positions as a percentage of total net asset value				(74.8)

Portfolio Allocation	% of Net Asset Value			Sector Allocation	% of Net Asset Value		
	Long	Short	Net		Long	Short	Net
Short-term investments	5.2	0.0	5.2	Canadian government bonds	89.7	(9.6)	80.0
Bonds	186.6	(95.6)	91.0	Corporate bonds	96.9	(85.9)	11.0
Futures contracts*	1.8	(3.3)	(1.5)	Short-term investments	5.2	0.0	5.2
Currency forward contracts	0.4	(0.9)	(0.5)	Futures contracts*	1.8	(3.3)	(1.5)
Credit default swaps			0.0	Currency forward contracts	0.2	(0.6)	(0.5)
Other assets less liabilities	5.9		5.9	Credit default swaps			0.0
	199.8	(99.8)	100.0	Other assets less liabilities	5.9		5.9
					199.6	(99.6)	100.0

Regional Allocation	% of Net Asset Value			Net Currency Exposure	% of Net Asset Value		
	Long	Short	Net		Long	Short	Net
Canada	117.3	(18.9)	98.3	Canadian dollar			87.5
United States	64.8	(76.6)	(11.8)	U.S. dollar			12.5
Foreign	4.5	0.0	4.5				100.0
Short-term investments	5.2	0.0	5.2				
Futures contracts*	1.8	(3.3)	(1.5)				
Currency forward contracts	0.2	(0.6)	(0.5)				
Credit default swaps			0.0				
Other assets less liabilities	5.9		5.9				
	199.6	(99.6)	100.0				

Bonds by Credit Rating**	% of Net Asset Value
AAA	100.4
AA	7.4
A	4.9
BBB	29.5
BB	21.3
B	28.3
CCC	0.3
	192.1

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 (142.7)% of total net assets for Canadian 5-Year Bond Futures, 120.9% for Canadian 2 Year Bond Futures, 19.1% of total net assets for CBOT US 5 Year T-Note Futures, 10.1% for MTL Canadian 10-Year Futures, 5.2% of total net asset value for CBOT Ultra Bond Futures, 4.4% of total net assets for CBOT US 10 Year T-Note Futures and (2.6)% CAD Currency Futures.

** - Credit ratings are determined from a composite of bond rating services such as Standard & Poor's, Moody's and Dominion Bond Rating Services.