CONNOR, CLARK & LUNN FUNDS

CC&L Core Income and Growth Fund

Management Report of Fund Performance

For the year ended
December 31, 2022

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.sedar.com.

Security holders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Investment Objective and Strategies

Investment objectives — The CC&L Core Income and Growth Fund (the "Fund") seeks to deliver an attractive and sustainable yield and growth to outpace inflation by investing in a diversified mix of dividend paying Canadian equities, REITs and equity securities of real estate companies, and corporate bonds.

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.

The Fund seeks to achieve its investment objectives by diligently selecting and actively managing a diversified portfolio of high-income investments across a broad range of income oriented securities. These may include equities, income trusts, limited partnerships, real estate investment trusts (REITS), corporate bonds, convertible bonds, preferred shares, other income funds and other investments, in accordance with the investment objectives and investment strategy.

Risk

During the year from January 1, 2022 to December 31, 2022, 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, 2022, the Fund held $141.4 million in total net assets. During the year ended December 31, 2022, investors in Series A units in the Fund experienced a return of -6.80%. The blended benchmark for the Fund (50% S&P/TSX Composite Index, 25% S&P/TSX Capped REIT Index, 25% FTSE Canada All Corporate Bond Index) returned -9.48% over the period. The performance of the different series within the Fund will vary due to the differences in their expense structures. For specific returns by series, please refer to the "Past Performance" section of this report.

It was a challenging year for equity markets due to multi-decade-high inflation, the most aggressive interest rate hiking cycle in a generation and the largest armed conflict in Europe since World War II. These factors prompted recession fears, which resulted in the S&P/TSX Composite Index declining -5.8% over 2022. This annual return ranks in the bottom one-fifth of the index's annual returns over the past 40 years. On a relative basis, however, Canadian equities held up quite well compared to the US and other global indices. The index's lower weighting in technology and higher weighting in commodities contributed to this relatively strong performance.

At the start of the year, rising geopolitical tensions and high inflation caused central banks to be more aggressive in their language and their expected pace of interest rates hikes. This theme would persist over the entire year. As inflation soared higher during the second quarter, the Bank of Canada and the US Federal Reserve strengthened their commitment to taming inflation by slowing economic growth through interest rate increases. Given the shift to more aggressive monetary policy, the probability of recession moved higher. As a result, investor sentiment turned negative and global equities faced steep declines in the second quarter. In the latter half of the year, equity markets experienced various ups and downs as investors weighed the future of inflation, monetary policy and economic growth. During the fourth quarter, inflation numbers came in lower than expected. With the prospect of inflation having peaked, expectations of more accommodative monetary policy led to equity market gains. Commodity prices, economic growth concerns and central banks' monetary policies drove market leadership throughout the year. Commodity-linked sectors were the strongest performing areas of the market. As interest rates increased dramatically, bond proxy sectors and growth sectors, such as technology, were the worst performing areas of the market. Excluding commodities, defensive sectors outperformed cyclical sectors reflecting the increased risk of recession.

The investment objectives of CC&L's Core Income & Growth strategy is to maximize long-term total return while protecting the capital value of the portfolio from major market fluctuations and deliver a dividend yield higher than the benchmark. During 2022, the portfolio delivered a negative return but outperformed the benchmark. Stock and sector positioning within the equity portion of the portfolio drove the outperformance while the fixed income sleeve and asset mix positioning detracted slightly. Within the equity portion of the portfolio, both stock and sector positioning drove the strong relative returns. Overweight positions in companies that were able to deliver stronger than expected fundamentals were the largest source of added value. Within financials, the overweight positions in Element Fleet, Intact Financial and Definity Financial contributed positively. Within energy, the overweight position in Tourmaline Oil, a natural gas producer, was well rewarded. From a sector perspective, the underweight position to the technology sector added value while the underweight to the energy sector detracted value.

Recent Developments

We remain cautious in the short term regarding economic growth and equity markets. Aggressive interest rate hikes and reductions in central bank balance sheets (i.e., quantitative tightening) tend to impact the economy with a lagged effect. As a result, leading indicators are pointing to deteriorating economic growth conditions. The three-month and 10-year yield curve remained inverted at the end of 2022, which is a scenario that has occurred in advance of the past four recessions. For manufacturing companies, new orders have declined and inventories have increased to levels similar to past recessions. This is another reliable leading indicator. Additionally, housing data remains weak, and the housing sector tends to lead the broader economy. Expectations for corporate earnings have fallen over the past six months; however, earnings growth in both Canada and the US is still projected to be positive for 2023. We believe these projections are too optimistic, given the deteriorating economic backdrop. We expect further downward earnings revisions to negatively impact equity markets in the coming quarters.

Despite our negative short-term view, 2023 should be a year of transition. We expect the recession to be relatively mild and the economic recovery to commence later in 2023. China has the world's second-largest economy, and its move away from a zero-COVID-19 policy should support economic growth in the second half of 2023. Additionally, the strong employment picture and higher-than-average excess savings rates in Canada and the US should prevent a more severe recession. We expect commodities, small-capitalization and more-cyclical companies to outperform during the recovery. The key risk to this outlook would be if inflation remains elevated for longer than we expect, which could result in a return to monetary policy that is more aggressive than we anticipate.

Regarding portfolio strategy, the portfolio maintains holdings in companies that can deliver resilient earnings growth in a high-inflation and lower-growth environment. Those types of companies remain our largest overweight positions. On the margin, we have also begun adding to cheaper, more-cyclical companies that should outperform during the recovery. We will continue to look for these types of opportunities in the coming quarters.

Caution regarding forward-looking statements

Certain portions of this report, including, but not limited to, "Results of Operations" and "Recent Developments", may contain forward looking statements including, but not limited to, statements relating to the Fund, its strategy, risks, expected performance and condition. The use of any of the words "anticipate", "may", "will", "expect", "estimate", "should", "believe" and similar expressions are intended to identify forward-looking statements. In addition, any statement that is predictive in nature, that depends upon or refers to future events or conditions, or that may be made concerning future performance, strategies or prospects, and possible future action to be made by the Fund, the Manager and the Fund's portfolio manager, is also a forward-looking statement.

Such statements reflect the opinion of CFI and the Fund's portfolio manager, Connor, Clark & Lunn Investment Management Ltd., regarding factors that might be reasonably expected to affect the performance and the distributions on units of the Fund, and are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, regulatory framework and the general business environment and other relevant information available at the time of this report. Changes in these factors may cause actual results to differ materially from the forward-looking information.

CFI believes that the expectations reflected in these forward-looking statements and in the analysis are reasonable, but no assurance can be given that these expectations or the analysis will prove to be correct and accordingly they should not be unduly relied on. These statements speak only as of the date of this report. Actual events and outcomes may differ materially from those described in these forward-looking statements.

We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing any undue reliance on forward-looking statements. Further, you should know 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

The manager of the Fund, Connor, Clark & Lunn Funds Inc. ("CFI" or the "Manager"), is affiliated with Connor, Clark & Lunn Financial Group Ltd. As disclosed in the prospectus and annual information form, the portfolio manager retained by the Fund, Connor, Clark & Lunn Investment Management Ltd., is also affiliated with Connor, Clark & Lunn Financial Group Ltd. During the year ended December 31, 2022, no additions or deletions were made to the portfolio managers providing services to the Fund.

As Manager, CFI receives management fees with respect to the day-to-day business and operations of the Fund, calculated based on the net asset value of each respective series of units of the Fund, as described in the section entitled "Management Fees". These management fees are charged in the normal course of business and are measured at their exchange amount, which approximates that of an arm's length transaction.

Recommendations or reports by the Independent Review Committee

The Independent Review Committee tabled no special reports and made no reportable material recommendations to the manager of the Fund during the year ended December 31, 2022.

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 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Net Assets, beginning of year [1]	**$35.06**	**$31.01**	**$31.30**	**$28.32**	**$30.83**
Increase (decrease) from operations:					
Total revenues	0.93	0.89	0.97	0.91	0.90
Total expenses	(0.75)	(0.75)	(0.70)	(0.74)	(0.73)
Realized gains (losses) for the period	1.83	0.89	0.20	1.08	1.77
Unrealized gains (losses) for the period	(4.40)	4.33	0.10	3.06	(3.15)
Total increase (decrease) from operations [2]	(2.39)	5.36	0.57	4.31	(1.21)
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.40)	(0.31)	(0.46)	(0.32)	(0.28)
From capital gains	(1.08)	-	-	-	-
Return of capital	-	(1.00)	(0.85)	(0.99)	(1.03)
Total distributions[2,3]	(1.48)	(1.31)	(1.31)	(1.31)	(1.31)
Net assets at December 31 of year shown[1,2]	$31.21	$35.06	$31.01	$31.30	$28.32

Series A inception date: June 13, 2012

Series C	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Net Assets, beginning of year [1]	**$36.89**	**$32.44**	**$32.51**	**$29.24**	**$31.68**
Increase (decrease) from operations:					
Total revenues	0.97	0.93	1.01	0.94	0.93
Total expenses	(0.66)	(0.66)	(0.56)	(0.62)	(0.63)
Realized gains (losses) for the period	1.91	0.94	0.20	1.11	1.82
Unrealized gains (losses) for the period	(4.76)	4.52	0.42	3.24	(3.23)
Total increase (decrease) from operations [2]	**(2.54)**	**5.73**	**1.07**	**4.67**	**(1.11)**
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.40)	(0.31)	(0.46)	(0.32)	(0.28)
From capital gains	(1.09)	-	-	-	-
Return of capital	-	(1.00)	(0.85)	(0.99)	(1.03)
Total distributions[2,3]	**(1.49)**	**(1.31)**	**(1.31)**	**(1.31)**	**(1.31)**
Net assets at December 31 of year shown[1,2]	**$33.02**	**$36.89**	**$32.44**	**$32.51**	**$29.24**

Series C inception date: June 4, 2012

Series F	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Net Assets, beginning of year [1]	**$39.61**	**$34.51**	**$34.33**	**$30.62**	**$32.88**
Increase (decrease) from operations:					
Total revenues	1.07	0.99	1.07	0.99	0.97
Total expenses	(0.46)	(0.45)	(0.43)	(0.44)	(0.43)
Realized gains (losses) for the period	2.07	0.98	0.21	1.19	1.88
Unrealized gains (losses) for the period	(4.87)	4.88	0.56	3.19	(3.43)
Total increase (decrease) from operations [2]	**(2.19)**	**6.40**	**1.41**	**4.93**	**(1.01)**
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.40)	(0.31)	(0.46)	(0.32)	(0.28)
From capital gains	(1.12)	-	-	-	-
Return of capital	-	(1.00)	(0.85)	(0.99)	(1.03)
Total distributions[2,3]	**(1.52)**	**(1.31)**	**(1.31)**	**(1.31)**	**(1.31)**
Net assets at December 31 of year shown[1,2]	**$35.78**	**$39.61**	**$34.51**	**$34.33**	**$30.62**

Series F inception date: June 19, 2012

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

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not meant to be a reconciliation of beginning to ending net assets per share.

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

Ratios & Supplemental Data:

Series A	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Total net asset value ('000s)[1]	$52,231	$58,292	$53,774	$63,568	$56,361
Number of units outstanding[1]	1,673,537	1,662,524	1,734,063	2,030,804	1,990,459
Management expense ratio[2]	2.23%	2.19%	2.23%	2.28%	2.31%
Management expense ratio before waivers or absorptions [3]	2.23%	2.19%	2.23%	2.28%	2.31%
Portfolio turnover rate[4]	40.34%	19.86%	41.82%	50.84%	57.99%
Trading expense ratio[5]	0.04%	0.02%	0.06%	0.04%	0.06%
Net asset value per unit	$31.21	$35.06	$31.01	$31.30	$28.32

Series A inception date: June 13, 2012

Series C	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Total net asset value ('000s)[1]	$8,290	$15,777	$14,910	$16,458	$16,236
Number of units outstanding[1]	251,060	427,663	459,568	506,179	555,259
Management expense ratio[2]	1.83%	1.81%	1.69%	1.85%	1.92%
Management expense ratio before waivers or absorptions [3]	1.83%	1.81%	1.69%	1.85%	1.92%
Portfolio turnover rate[4]	40.34%	19.86%	41.82%	50.84%	57.99%
Trading expense ratio[5]	0.04%	0.02%	0.06%	0.04%	0.06%
Net asset value per unit	$33.02	$36.89	$32.44	$32.51	$29.24

Series C inception date: June 4, 2012

Series F	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Total net asset value ('000s)[1]	$80,922	$73,487	$62,357	$63,859	$47,939
Number of units outstanding[1]	2,261,378	1,855,348	1,806,694	1,859,947	1,565,724
Management expense ratio[2]	1.16%	1.14%	1.19%	1.19%	1.23%
Management expense ratio before waivers or absorptions [3]	1.16%	1.14%	1.19%	1.19%	1.23%
Portfolio turnover rate[4]	40.34%	19.86%	41.82%	50.84%	57.99%
Trading expense ratio[5]	0.04%	0.02%	0.06%	0.04%	0.06%
Net asset value per unit	$35.78	$39.61	$34.51	$34.33	$30.62

Series F inception date: June 19, 2012

(1) This information is provided as at December 31 of the years shown.
(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
(3) The manager of the Fund, CC&L Funds Inc., may waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is determined periodically on a series by series basis at the discretion of the manager and the manager can terminate the waiver or absorption at any time.
(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
(5) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

Management Fees

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 FI, the management fee is paid by the Fund to CFI. No management fees are charged to the Fund with respect to Series FI units; rather investors who hold Series FI units will be subject to a management fee for their account that is paid to their dealer. The Manager receives a fee from each dealer for the services it provides to the dealer in connection with the dealer's separately managed account or unified managed account programs. Management fees on Series FI units are not expenses of the Fund. 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.

		As a percentage of management fees	
	Annual Rates	**Dealer Compensation**	**Investment advice, administration and profit**
Series A	1.90%	52.63%	47.37%
Series C	1.50%	26.67%	73.33%
Series F	0.90%	0.00%	100.00%
Series FI	0.00%	0.00%	0.00%

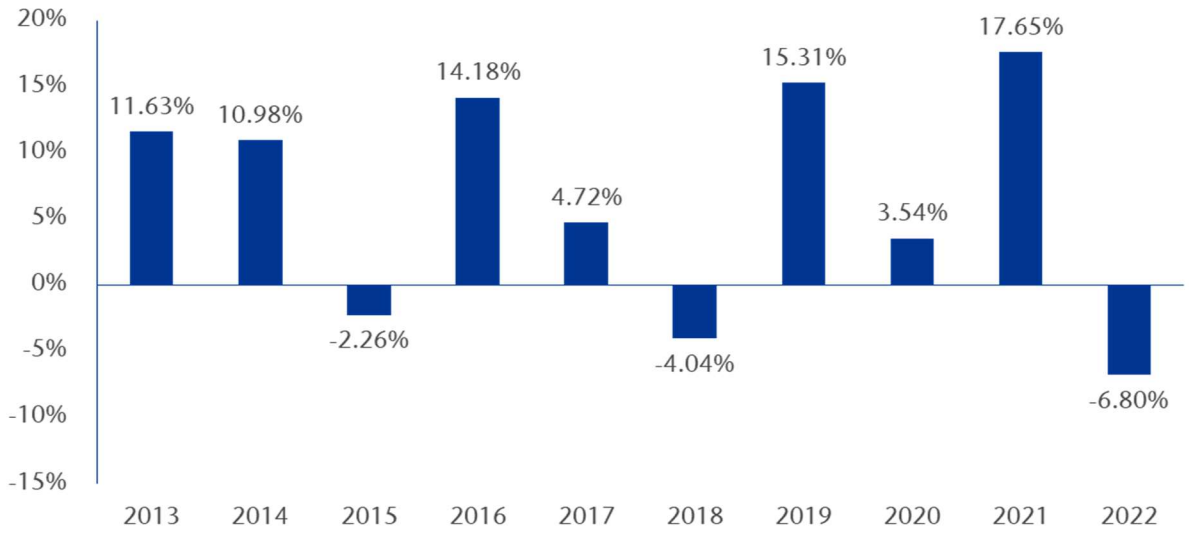
Past Performance

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

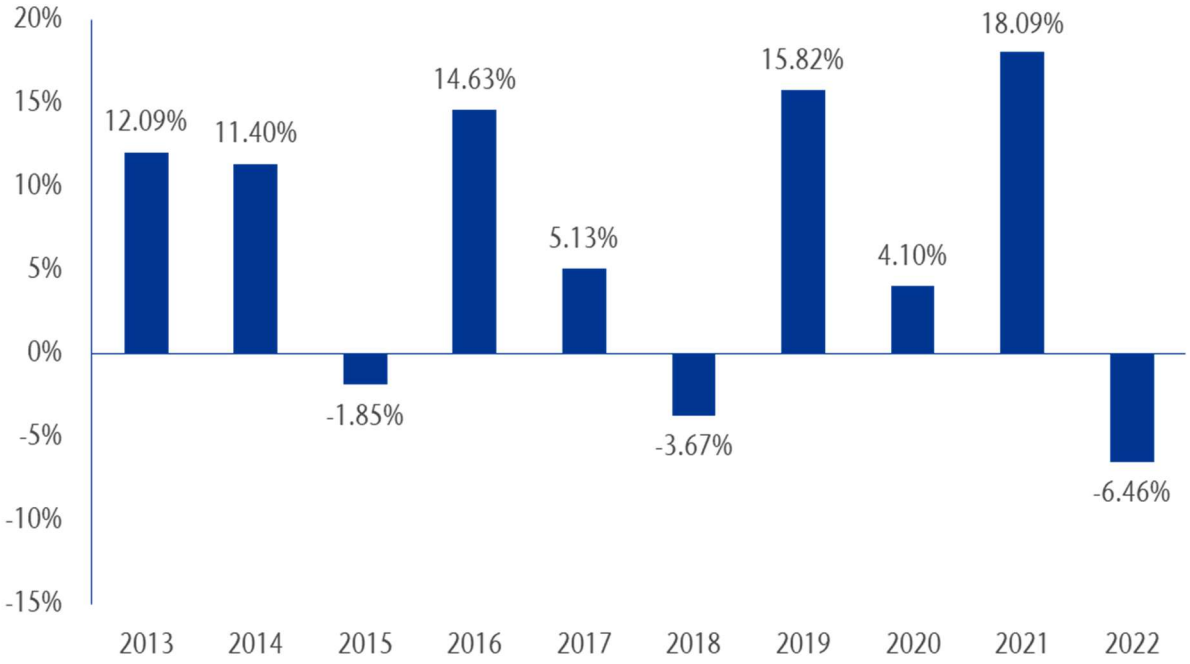
The following bar charts show the Fund's annual performance for each of the years shown and for the twelve-month period ended December 31, 2018, and illustrate how the Fund's performance has changed from period to period. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

Series A

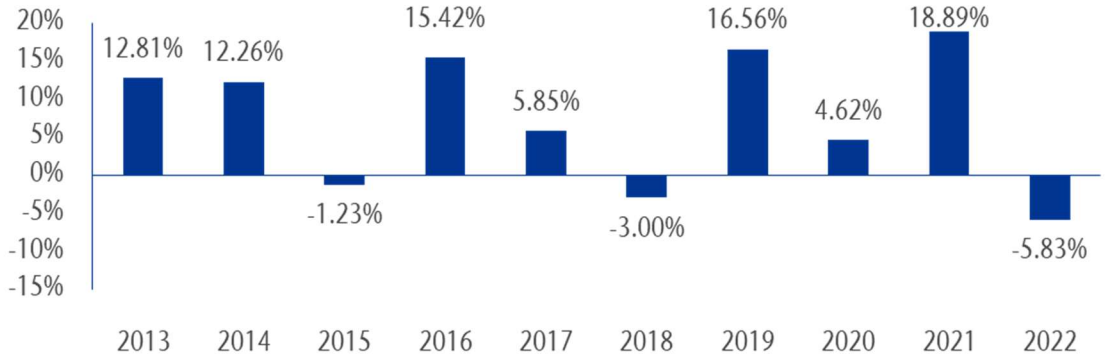


PAST PERFORMANCE

Series C



Series F



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 Core Income and Growth Fund	1 yr	3 yr	5 yr	10 yr	Since Inception	Inception Date
Series A	-6.80%	4.32%	4.67%	6.16%	6.50%	**Jun-13-12**
Index*	-9.40%	3.94%	5.43%	6.07%	6.50%	
Series C	-6.46%	4.76%	5.11%	6.60%	6.95%	**Jun-1-12**
Index*	-9.40%	3.94%	5.43%	6.07%	6.50%	
Series F	-5.83%	5.41%	5.78%	7.30%	7.55%	**Jun-19-12**
Index*	-9.40%	3.94%	5.43%	6.07%	6.50%	

*50% S&P/TSX Composite Index & 25% S&P/TSX Capped REIT Index & 25% FTSE Canada All Corporate Bond Index

The Fund's primary benchmark is a blended index consisting of 50% S&P/TSX Composite Index, 25% S&P/TSX Capped REIT Index, 25% FTSE Canada All Corporate Bond Index (the "Blended Benchmark"). The S&P/TSX Composite Index is intended to represent the Canadian equity market and includes the largest companies listed on the TSX. The S&P/TSX Capped REIT Index is comprised of Real Estate Income Trusts which are classified in the GICS financials sector, with individual constituent REITs' relative weights capped at 25%. The FTSE Canada All Corporate Bond Index is comprised of Canadian Corporate bonds and is intended to reflect the performance of the broad Canadian investment-grade corporate bond market.

For a brief discussion of the relative performance of the Fund as compared to the blended benchmark, please see the "Results of Operations" section herein. The variability of returns between the difference fund series is primarily related to the impact of fees and expenses which are deducted in determining the returns of each series. See the section entitled "Financial Highlights" for the management expense ratio of each series.

SUMMARY OF INVESTMENT PORTFOLIO

Below is a breakdown of the Fund's investment holdings as at December 31, 2022. The individual holdings and their relative percentage of the overall fund will change between reporting periods as markets change and portfolio managers buy and sell individual securities.

Asset Mix	% of Net Asset Value
Canadian equities	54.5
U.S. equities	17.5
Foreign equities	2.2
Fixed income	22.2
Short-term investments	3.8
Other assets less liabilities	-0.2
	100.0

Asset Mix	% of Net Asset Value
Communication services	4.2
Consumer discretionary	1.9
Consumer staples	10.2
Energy	6.8
Financials	19.5
Health care	7.6
Industrials	7.2
Information technology	3.3
Materials	1.3
Real estate	7.3
Utilities	4.9
Fixed income	22.2
Short-term investments	3.8
Other assets less liabilities	-0.2
	100.0

	Top 25 Investments	% of Net Asset Value
1	Royal Bank of Canada	4.6
2	Toronto-Dominion Bank	4.0
3	Merck & Co. Inc.	3.6
4	Cash & Equiv	3.5
5	Coca Cola Co.	3.3
6	Royal Bank Of Canada 2.33% 2027.01.28	3.3
7	Bank Of Nova Scotia 2.62% 2026.12.02	3.1
8	Hydro One Inc. 2.77% 2026.02.24	3.0
9	Bank of Montreal	3.0
10	Bank Of Montreal 3.19% 2028.03.01	3.0
11	Canadian Apt Pptys REIT	2.9
12	Johnson & Johnson	2.7
13	Canadian National Railway	2.6
14	Bell Canada 3.00% 2031.03.17	2.5
15	CU Inc 4.09% 2044.09.02	2.5
16	Thomson Reuters Corporation	2.3
17	Constellation Brands Class A	2.3
18	Intact Financial Corp.	2.2
19	Mondelez International Inc.	2.0
20	Shaw Communications Inc. Class B	1.9
21	George Weston Ltd.	1.8
22	TC Energy Corp	1.8
23	Microsoft Corp.	1.7
24	Transcanada Trust 4.65% 2027.05.18	1.7
25	Restaurant Brands International	1.6
		67.0

Note: The investments and percentages may have changed by the time you purchase units of this Fund. The top 25 investment holdings are made available quarterly, 60 days after quarter end.