CONNOR, CLARK & LUNN FUNDS

CC&L Diversified Income Portfolio

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 Diversified Income Portfolio (the "Portfolio") seeks to generate current income while preserving capital. The Portfolio is expected to provide modest potential for growth of capital over time with limited variability of return from year to year. The Portfolio is broadly diversified across different types of fixed-income and equity securities to increase stability. Equity securities are employed to offset the risk presented by inflation and to provide the potential for capital growth.

The fundamental investment objective of the Portfolio 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 Portfolio's investment objectives, the manager, Connor, Clark & Lunn Funds Inc. ("CFI" or the "Manager") has retained Connor, Clark & Lunn (Canada) Ltd. ("CC&L Canada") as the lead portfolio manager. CC&L Canada determines the asset classes and the strategic target allocations of asset classes for the Portfolio. CC&L Canada monitors and periodically rebalances the Portfolio's underlying investments in order to maintain the strategic target asset allocations and, may, in its sole discretion, based in part upon any modeling, testing and asset allocation services, change the strategic target allocations and/or add or remove asset classes in order to meet the objectives of the Portfolio. The Portfolio may also invest in foreign debt or equity, which may or may not be hedged back to the Canadian dollar. While we expect that such foreign investments will not generally exceed approximately 30% of the assets of the Portfolio at the time of investment, the Portfolio may invest up to 49% of its assets in foreign securities if the portfolio managers, in their discretion, so determine.

Generally, it is intended that each asset class will be actively managed by the portfolio manager selected by CC&L Canada for such asset class. The Portfolio may also hold an interest in an underlying fund having portfolio securities of the same asset class and managed by a member of CC&L Financial Group. The Portfolio will invest in underlying fund(s) when it is deemed more efficient and cost-effective to do so. For example, when the tactical asset allocation to a particular asset class is a low percentage of the NAV of the Portfolio, it may become more costly to replicate all the securities of such asset class. The decision on any investments in underlying fund(s) will be a function of both the Portfolio's tactical asset allocation strategy and the relevant asset class. The percentage of the NAV of the Portfolio dedicated to the investment in underlying funds will vary, and could range from zero to 100%, as each asset class has different characteristics, but the investment criteria will be driven by the investment objectives of the Portfolio and enhancement of investment returns.

The Portfolio may use derivatives, including, but not limited to futures, options, forward contracts and swaps, to implement the Portfolio's investment strategies or to protect against losses caused by currency exchange rates or stock price changes.

Derivatives, securities lending, repurchase agreements and reverse repurchase agreements may all be used in conjunction with the investment strategies of the Portfolio to enhance returns.

The assets of the Portfolio may be actively traded which results in higher trading costs with the consequence that returns may be lower.

Risk

During the year from January 1, 2022 to December 31, 2022, the risk profile of the Portfolio 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 Portfolio held $23.0 million in total net assets. During the year ended December 31, 2022, investors in Series A units in the Portfolio experienced a return of -9.74%. The blended benchmark for the portfolio (25% S&P/TSX Composite Index, 25% MSCI World Index (CAD$), 25% FTSE Canada Universe Bond Index and 25% FTSE Canada Short Term Overall Bond Index) returned -9.13% over the year. The performance of Series F, Series O, Arbour Series and Reserve Series units varied due to the differences in their expense structures. For specific returns by series, please refer to the "Past Performance" section of this report.

The Portfolio remains broadly diversified across a number of asset classes. The chart below shows the asset allocation of the portfolio as at December 31, 2022 and 2021.

Asset Class	Portfolio Manager(1)	Asset Allocation (Dec 31, 2022)	Asset Allocation (Dec 31, 2021)	Change
Fixed income (core)	CCLIM	24.6%	30.9%	-6.3%
Fixed income (short-term)	BGA	25.5%	4.2%	21.3%
Fixed income (high-yield)	CCLIM	00.0%	10.6%	-10.6%
Canadian equity (income & growth)	CCLIM	25.2%	24.9%	0.3%
Global equity (income & growth)	NS	24.9%	29.2%	-4.3%

(1) Portfolio Managers
BGA: Baker, Gilmore & Associates Inc.
CCLIM: Connor, Clark & Lunn Investment Management Ltd.
NS: NS Partners Ltd.

The individual portfolio managers of the different asset classes will have achieved various levels of performance throughout the period. The impact of their out or underperformance relative to their policy benchmarks will impact the Portfolio returns as a whole.

For the calendar year, the Portfolio returned -7.1% (gross of fees), with short term bonds being the strongest performing component within the Portfolio. Within fixed income, short term bonds delivered a 0.8% return, while universe bonds returned -11.0% for the year. Among equities, global equities delivered a -8.3% return while Canadian equities' return for the year was -1.5%.

Recent Developments

The past year was a challenging period for equity markets as a result of 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 strong relative performance.

We remain cautious in the short term regarding economic growth and equity markets. Despite our negative short-term view, 2023 should be a year of transition. We expect the recession to be relatively mild and equity investors to start looking through the valley and pricing in an economic recovery at some point in 2023. China has the world's second-largest economy, and its move away from a zero-COVID-19 policy should support economic growth as well.

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.

Bond market valuations appear considerably more favourable today relative to the beginning of 2022 following the spike in interest rates. Although the path to these levels of interest rates was difficult, fixed income markets now yield a return not seen since the 2000s. Further upward pressure on bond yields should be limited and yields are likely to ease in a recession.

Caution regarding forward-looking statements

Certain portions of this report, including, but not limited to, "Results of Operations" and "Recent Developments", may contain forward looking statements including, but not limited to, statements relating to the Portfolio, 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 Portfolio, the Manager and the Portfolio's portfolio manager, is also a forward-looking statement.

Such statements reflect the opinion of CFI and the Portfolio'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 Portfolio, 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

CFI is affiliated with Connor, Clark & Lunn Financial Group Ltd. As disclosed in the prospectus and annual information form, the portfolio managers retained by the Portfolio, 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., are 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 Portfolio.

As Manager, CFI receives management fees with respect to the day-to-day business and operations of the Portfolio as described in the section entitled "Management 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 Portfolio 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 period [1]	$13.38	$12.68	$11.84	$10.75	$11.26
Increase (decrease) from operations:					
Total revenues	0.40	0.31	0.34	0.33	0.34
Total expenses	(0.38)	(0.40)	(0.38)	(0.33)	(0.33)
Realized gains (losses) for the period	(0.05)	0.72	0.33	0.50	0.32
Unrealized gains (losses) for the period	(1.34)	0.33	0.48	0.75	(0.62)
Total increase (decrease) from operations [2]	(1.37)	0.96	0.77	1.25	(0.29)
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.10)	-	-	(0.01)	(0.02)
From capital gains	-	(0.27)	-	(0.09)	(0.18)
Return of capital	-	-	-	-	-
Total distributions[2,3]	(0.27)	(0.27)	-	(0.10)	(0.20)
Net assets at December 31 of year shown[1,2]	$11.98	$13.38	$12.68	$11.84	$10.75

Series A inception date: February 1, 2006

Series F	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Net Assets, beginning of period [1]	$16.26	$14.95	$13.85	$12.38	$12.74
Increase (decrease) from operations:					
Total revenues	0.50	0.37	0.39	0.38	0.38
Total expenses	(0.31)	(0.31)	(0.30)	(0.25)	(0.24)
Realized gains (losses) for the period	(0.08)	0.87	0.36	0.59	0.36
Unrealized gains (losses) for the period	(1.47)	0.30	0.69	0.87	(0.74)
Total increase (decrease) from operations [2]	(1.36)	1.23	1.14	1.59	(0.24)
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.15)	-	-	(0.03)	(0.13)
From capital gains	-	(0.01)	-	(0.04)	-
Return of capital	-	-	(0.03)	-	-
Total distributions[2,3]	(0.15)	(0.01)	(0.03)	(0.07)	(0.13)
Net assets at December 31 of year shown[1,2]	$14.68	$16.26	$14.95	$13.85	$12.38

Series F inception date: September 14, 2009

Series O	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Net Assets, beginning of period [1]	$15.17	$14.28	$13.23	$12.14	$12.52
Increase (decrease) from operations:					
Total revenues	0.46	0.36	0.38	0.37	0.38
Total expenses	(0.29)	(0.30)	(0.29)	(0.25)	(0.24)
Realized gains (losses) for the period	(0.06)	0.81	0.36	0.58	0.37
Unrealized gains (losses) for the period	(1.49)	0.38	0.61	0.81	(0.72)
Total increase (decrease) from operations [2]	(1.38)	1.25	1.06	1.51	(0.21)
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.14)	-	-	(0.03)	(0.11)
From capital gains	-	(0.36)	-	(0.38)	(0.04)
Return of capital	-	-	(0.02)	-	-
Total distributions[2,3]	(0.14)	(0.36)	(0.02)	(0.41)	(0.15)
Net assets at December 31 of year shown[1,2]	$13.69	$15.17	$14.28	$13.23	$12.14

Series O inception date: April 30, 2007

FINANCIAL HIGHLIGHTS

Arbour Series	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Net Assets, beginning of period [1]	$12.16	$11.34	$10.69	$9.91	$10.55
Increase (decrease) from operations:					
Total revenues	0.37	0.28	0.30	0.30	0.32
Total expenses	(0.39)	(0.40)	(0.44)	(0.35)	(0.35)
Realized gains (losses) for the period	(0.05)	0.65	0.29	0.47	0.29
Unrealized gains (losses) for the period	(1.19)	0.28	0.49	0.67	(0.60)
Total increase (decrease) from operations [2]	(1.26)	0.81	0.64	1.09	(0.34)
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.08)	-	-	(0.01)	(0.01)
From capital gains	-	-	-	(0.29)	(0.28)
Return of capital	-	-	-	-	-
Total distributions [2,3]	(0.08)	-	-	(0.30)	(0.29)
Net assets at December 31 of year shown [1,2]	$10.85	$12.16	$11.34	$10.69	$9.91

Arbour Series inception date: August 22, 2006

Reserve Series	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Net Assets, beginning of period [1]	$17.07	$15.88	$14.86	$13.40	$13.96
Increase (decrease) from operations:					
Total revenues	0.51	0.40	0.42	0.40	0.42
Total expenses	(0.52)	(0.52)	(0.51)	(0.44)	(0.43)
Realized gains (losses) for the period	(0.06)	0.93	0.40	0.62	0.40
Unrealized gains (losses) for the period	(1.75)	0.28	0.64	1.08	(0.77)
Total increase (decrease) from operations [2]	(1.82)	1.09	0.95	1.66	(0.38)
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.12)	-	-	(0.01)	(0.02)
From capital gains	-	-	-	-	(0.12)
Return of capital	-	-	-	-	-
Total distributions [2,3]	(0.12)	-	-	(0.01)	(0.14)
Net assets at December 31 of year shown [1,2]	$15.26	$17.07	$15.88	$14.86	$13.40

Reserve Series inception date: May 13, 2009

(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]	$14,371	$18,547	$18,002	$19,927	$21,247
Number of units outstanding[1]	1,199,852	1,386,042	1,419,721	1,682,522	1,977,296
Management expense ratio[2]	2.98%	2.86%	2.93%	2.65%	2.70%
Management expense ratio before waivers or absorptions [3]	2.98%	2.86%	2.93%	2.65%	2.70%
Portfolio turnover rate[4]	154.70%	108.94%	98.88%	110.25%	131.15%
Trading expense ratio[5]	0.07%	0.10%	0.15%	0.14%	0.14%
Net asset value per unit	$11.98	$13.38	$12.68	$11.84	$10.75

Series A inception date: Feburary 1, 2006

Series F	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Total net asset value ('000s)[1]	$1,584	$1,615	$1,893	$2,068	$2,285
Number of units outstanding[1]	107,925	99,348	126,618	149,387	184,507
Management expense ratio[2]	1.90%	1.81%	1.87%	1.60%	1.66%
Management expense ratio before waivers or absorptions [3]	1.90%	1.81%	1.87%	1.60%	1.66%
Portfolio turnover rate[4]	154.70%	108.94%	98.88%	110.25%	131.15%
Trading expense ratio[5]	0.07%	0.10%	0.15%	0.14%	0.14%
Net asset value per unit	$14.68	$16.26	$14.95	$13.85	$12.39

Series F inception date: September 14, 2009

Series O	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Total net asset value ('000s)[1]	$5,586	$6,679	$6,526	$6,330	$5,920
Number of units outstanding[1]	408,082	440,416	457,030	478,616	487,650
Management expense ratio[2]	1.95%	1.86%	1.92%	1.63%	1.69%
Management expense ratio before waivers or absorptions [3]	1.95%	1.86%	1.92%	1.63%	1.69%
Portfolio turnover rate[4]	154.70%	108.94%	98.88%	110.25%	131.15%
Trading expense ratio[5]	0.07%	0.10%	0.15%	0.14%	0.14%
Net asset value per unit	$13.69	$15.17	$14.28	$13.23	$12.14

Series O inception date: April 30, 2007

Arbour Series	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Total net asset value ('000s)[1]	$123	$147	$160	$316	$312
Number of units outstanding[1]	11,327	12,048	14,153	29,554	31,437
Management expense ratio[2]	3.41%	3.25%	3.88%	3.03%	3.08%
Management expense ratio before waivers or absorptions [3]	3.41%	3.25%	3.88%	3.03%	3.08%
Portfolio turnover rate[4]	154.70%	108.94%	98.88%	110.25%	131.15%
Trading expense ratio[5]	0.07%	0.10%	0.15%	0.14%	0.14%
Net asset value per unit	$10.85	$12.16	$11.34	$10.69	$9.91

Arbour Series inception date: August 22, 2006

Reserve Series	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19	Dec 31'18
Total net asset value ('000s)[1]	$1,301	$1,755	$2,219	$2,648	$4,057
Number of units outstanding[1]	85,273	102,783	139,748	178,171	302,793
Management expense ratio[2]	3.15%	3.03%	3.14%	2.81%	2.85%
Management expense ratio before waivers or absorptions [3]	3.31%	3.19%	3.30%	2.97%	3.00%
Portfolio turnover rate[4]	154.70%	108.94%	98.88%	110.25%	131.15%
Trading expense ratio[5]	0.07%	0.10%	0.15%	0.14%	0.14%
Net asset value per unit	$15.26	$17.07	$15.88	$14.86	$13.40

Reserve Series inception date: May 13, 2009

(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.

Management Fees

The Portfolio is managed by CFI. As consideration for providing investment advisory and management services, CFI receives a management fee from the Portfolio, 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 Portfolio 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 Portfolio. CFI uses the remaining portion of the management fees to pay for investment advice, including fees charged by the Portfolio'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 Portfolio, expressed as a percentage of the Portfolio'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	1.95%	48.72%	51.28%
Series F	1.00%	0.00%	100.00%
Series I	0.00%	0.00%	0.00%
Series O	1.00%	0.00%	100.00%
Reserve Series	2.05%	48.79%	51.21%
Arbor Series	2.24%	51.34%	48.66%

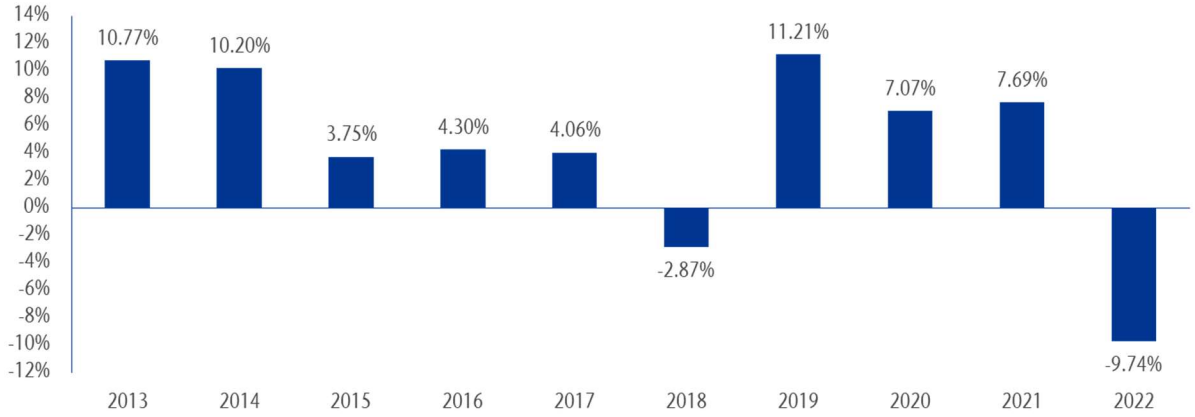
Past Performance

The performance information shown below assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional units of the Portfolio. 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 Portfolio has performed in the past does not necessarily indicate how it will perform in the future.

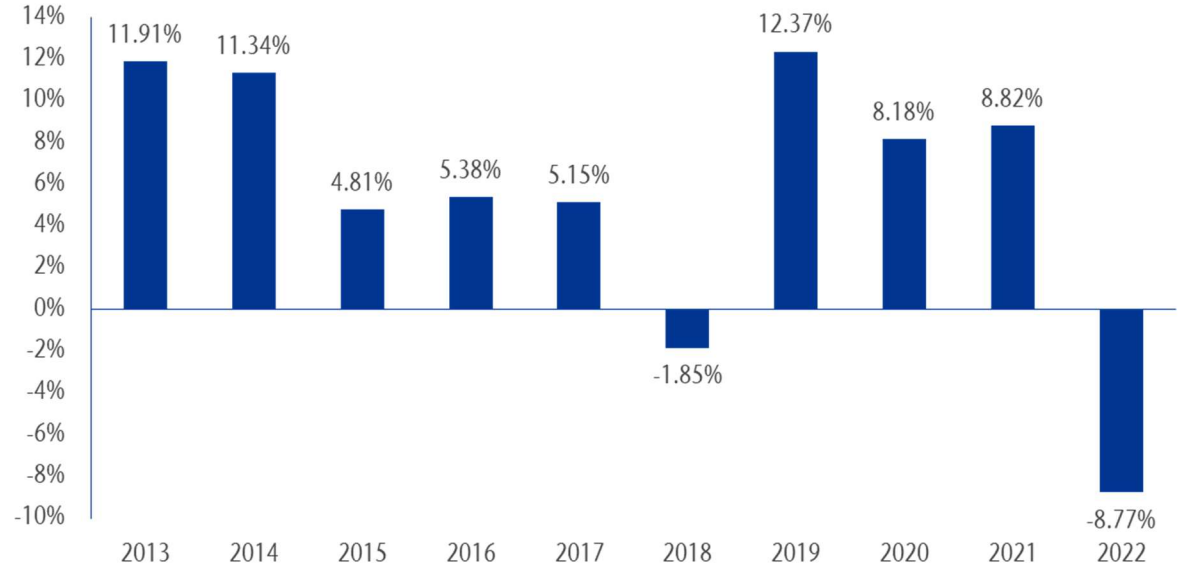
Year-by-year Returns

The following bar charts show the Portfolio's annual performance for each of the years shown, and illustrate how the Portfolio's performance has changed from year to year, for each series of the Portfolio. 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

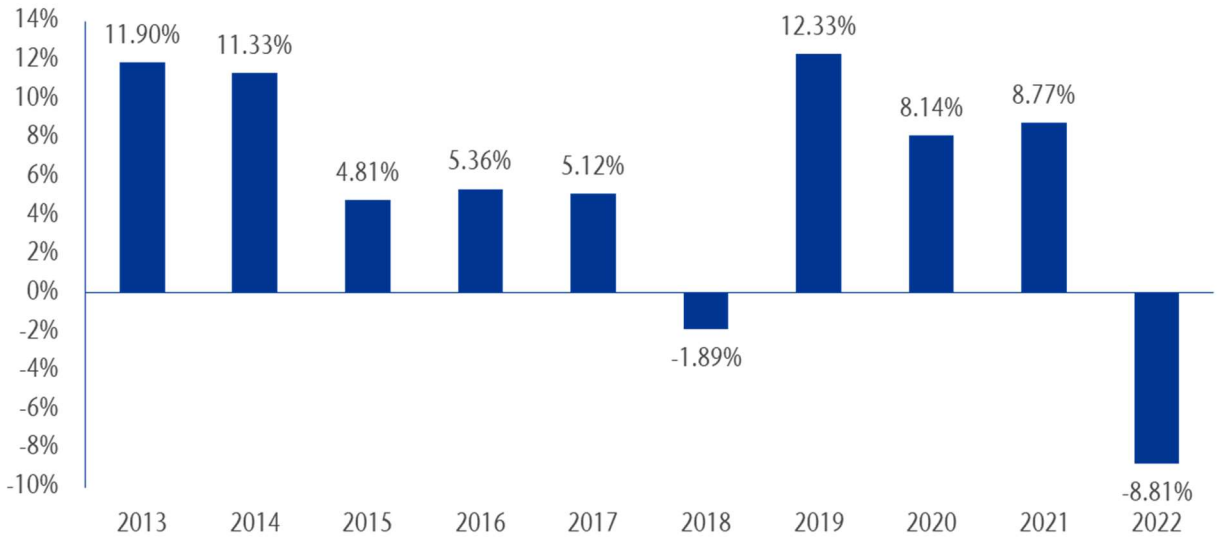


Series F

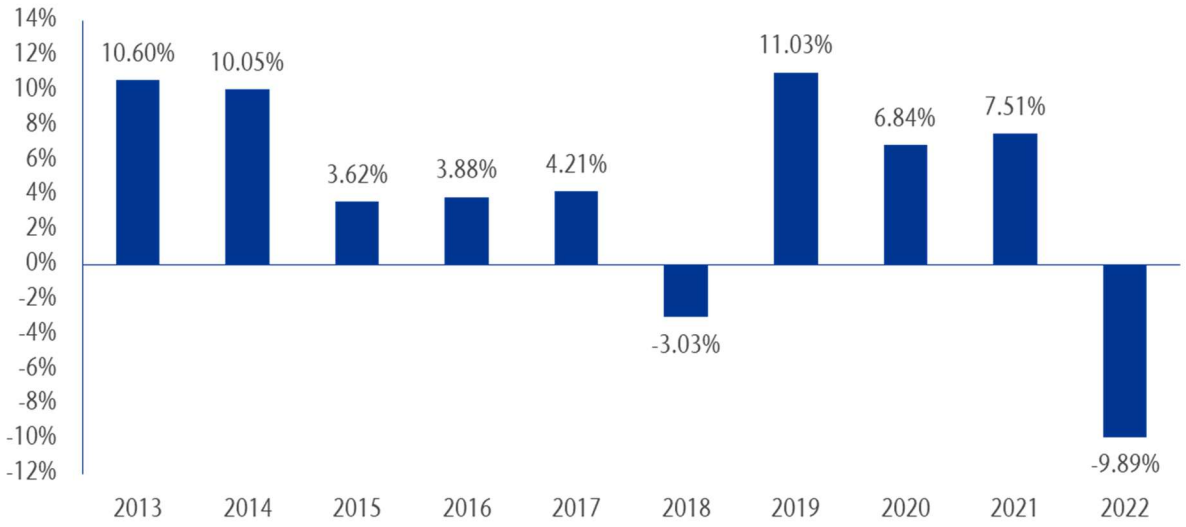


PAST PERFORMANCE

Series O

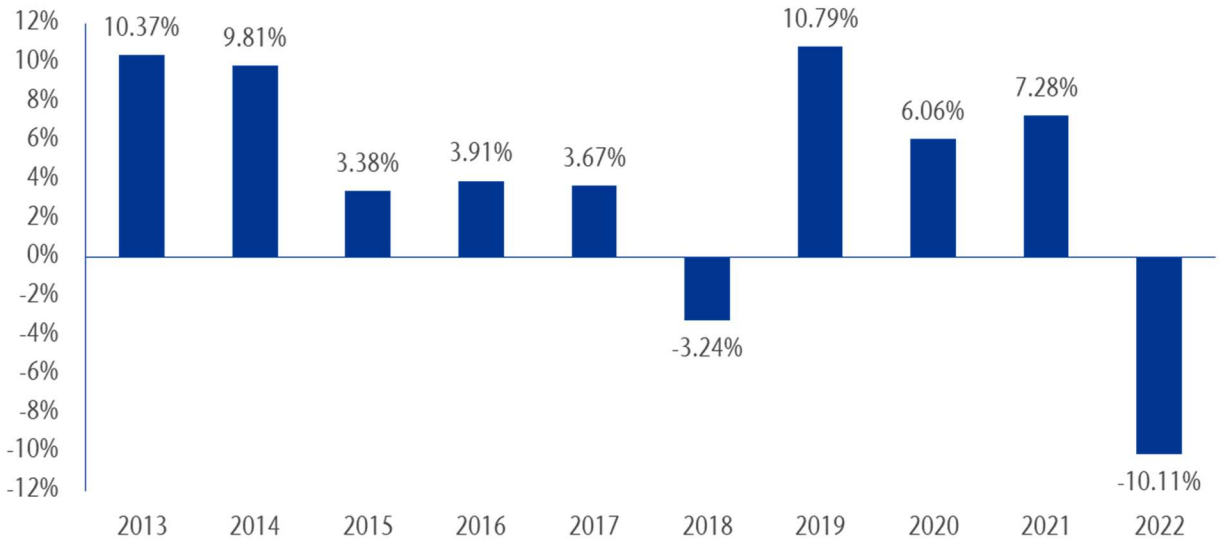


Reserve Series



PAST PERFORMANCE

Arbour Series



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 Portfolio, relative to the performance of relevant broad-based securities market index during the same periods.

CC&L Diversified Income Portfolio	1 yr	3 yr	5 yr	10 yr	Since Inception	Inception Date
Series A	-9.74%	1.34%	2.37%	4.45%	3.96%	**February-1-06**
Index*	-9.13%	3.33%	4.46%	6.25%	5.67%	
Series F	-8.77%	2.41%	3.45%	5.54%	6.11%	**September-14-09**
Index*	-9.13%	3.33%	4.46%	6.25%	6.13%	
Series O	-8.81%	2.36%	3.40%	5.51%	4.86%	**April-30-07**
Index*	-9.13%	3.33%	4.46%	6.25%	5.34%	
Series Reserve	-9.89%	1.15%	2.19%	4.29%	5.35%	**May-13-09**
Index*	-9.13%	3.33%	4.46%	6.25%	6.52%	
Series Arbour	-10.1%	0.75%	1.86%	4.00%	3.55%	**August-22-06**
Index*	-9.13%	3.33%	4.46%	6.25%	5.57%	

*25% S&P/TSX Composite Index & 25% MSCI World Index (CAD$) & 25% FTSE Canada Universe Bond Index & 25% FTSE Canada Short Term Overall Bond Index

The Portfolio's primary benchmark changed during the year from 45% FTSE Canada Universe Bond Index, 25% S&P/TSX Composite Index, 25% MSCI World ex-Cda Index (CAD$) and 5% FTSE Canada 91 Day T-bill Index to a blended index consisting of 25% S&P/TSX Composite Index & 25% MSCI World Index (CAD$) & 25% FTSE Canada Universe Bond Index & 25% FTSE Canada Short Term Overall 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 MSCI World Index is intended to

represent large and mid-cap global equity markets. The FTSE Canada Universe Bond Index is comprised of Canadian bonds and is intended to reflect the performance of the broad Canadian investment-grade bond market. 25% FTSE Canada Short Term Overall Bond Index is intended represent short term Canadian bond market.

For a brief discussion of the relative performance of the Portfolio 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	25.0
U.S. equities	16.8
Foreign equities	8.3
Fixed income	49.4
Short-term investments	0.8
Other assets less liabilities	-0.3
	100.0

Asset Mix	% of Net Asset Value
Communication services	2.6
Consumer discretionary	4.0
Consumer staples	4.9
Energy	4.6
Financials	13.5
Health care	3.7
Industrials	5.4
Information technology	5.2
Materials	0.8
Real estate	1.9
Utilities	3.5
Fixed income	49.4
Short-term investments	0.8
Other assets less liabilities	-0.3
	100.0

	Top 25 Investments	% of Net Asset Value
1	Canada 3.00% 2024.11.01	3.1
2	Royal Bank of Canada	2.4
3	Microsoft Corp.	1.8
4	Toronto-Dominion Bank	1.8
5	Bank of Montreal	1.4
6	Canada 1.75% 2053.12.01	1.4
7	Thomson Reuters Corporation	1.3
8	Canadian National Railway	1.3
9	Intact Financial Corp.	1.2
10	Quebec FRN (Oct 24)	1.0
11	Royal Bank Of Canada 3.30% 2023.09.26	1.0
12	Bank Of Montreal 2.89% 2023.06.20	1.0
13	United Health Group Inc.	1.0
14	Canada Real Return 4.25% 2026.12.01	1.0
15	Saskatchewan FRN (Apr 23)	0.9
16	TC Energy Corp	0.9
17	George Weston Ltd.	0.9
18	Hydro One Inc 0.71% 2023.01.16	0.8
19	Quebec 1.90% 2030.09.01	0.8
20	Element Fleet Management Corp	0.8
21	Restaurant Brands International	0.8
22	Toronto-Dominion Bank FRN (Jan 2025)	0.8
23	Empire Life Insurance 3.66% 2023.03.15	0.8
24	Alphabet Inc - Cl C	0.8
25	British Columbia 2.20% 2030.06.18	0.8
		30.2

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.