



CC&L Global Alpha 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 Global Alpha Fund (the “Fund”) seeks to maximize long-term total return through prudent investment in global small capitalization stocks. The Fund seeks to generate returns equal to the return of the MSCI World Small Cap Net Index (C\$) plus 3.0 % over rolling four-year periods.

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

The Fund primarily holds global equities traded on recognized global exchanges, private placements, rights, warrants, ADRs, cash and cash equivalents, and derivatives. These holdings may be effected through participation in Global Alpha Capital Management or other CC&L FG affiliates pooled investment funds or through the purchase of individual securities.

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 Global Alpha Fund (the “Fund”) held \$1.42 billion in total net assets. During the year ended December 31, 2023, investors in Series A units in the Fund experienced a return of 4.21%. The benchmark for the Fund MSCI World Small Cap Net Index (CAD\$) returned 12.65% over the year. The performance of the different series within the Fund will vary due to the differences in their fee structures. For specific returns by series, please refer to the “Past Performance” section of the report.

The underperformance of the fund in 2023 was driven by asset allocation and, to a lesser extent, security selection. Within security selection, automobiles & components, capital goods and energy were the largest detractors, led by the underperformance of Motorcar Parts of America (MPAA US) as well as Raffles Medical Group (RFMD SG) and Clean Energy Fuels Corp (CLNE US). We have since exited MPAA but remain positive on our other detractors. Our security selection within the US was the primary detractor to added value.

From a contributors standpoint, food beverage & tobacco and consumer durables & apparels contributed the most, led by names such as Limoneira (LMNR US), Radnet Inc (RDNT US) and Eagle Materials (EXP US). Security selection in Europe was the top contributing region from a security selection standpoint.

Within asset allocation, our underweight to healthcare equipment & services as well as household & personal products detracted the most. Furthermore, our overweight to Asia ex-Japan and our underweight to the US detracted significantly.

Looking back at 2023, the MSCI World Small Cap Index underperformed both its large cap counterpart and the S&P 500 index, but outperformed the MSCI Emerging Markets Index. Within the benchmark, information technology was the best performing sector, returning 25.6%. Industrials was the second best performing, returning 20.2%. On the other hand, the worst performing sector was by far utilities with a benchmark return of -6.0%.

Some sectors changes were made during the period, almost exclusively driven by security level conviction as opposed to sector conviction. Our largest overweight at the end of the period were communication services (+4.1%) and consumer staples (+2.9%), while financials (-5.9%) and energy (-1.6%) were our largest underweights. Financials and consumer discretionary were our largest trim (-2.7% each). Our largest increase was in information technology (+2.3%).

Recent Developments

It was a busy quarter for the Global Alpha team, filled with various conferences, trips and company meetings. In light of the multi-year lows in small-cap valuations, we are finding many investment opportunities in companies with solid fundamentals that are undervalued, as investors seem inclined to sell any stock lacking positive momentum.

Our convictions heading into 2024 remain consistent: over the long term, small caps tend to outperform large caps. However, the leadership between large and small caps can alternate every few years. Given the current inflation and rate environment, reminiscent of the 2000 to 2007 period, there are reasons to expect a comeback in small caps. Furthermore, active management in small caps has never been more important. Indebtedness in this area has increased significantly in recent years, with almost 40% of Russell 2000 companies being unprofitable. While quality names might not immediately garner market rewards, we believe their value will be recognized eventually.

We are not planning major adjustments to the portfolio's sector or country allocations based on these observations. Rather, we are focusing on maintaining a diversified portfolio with defensible business models, trading at prices lower than their intrinsic value. Our portfolio remains well-diversified across the various countries, currencies and industries that comprise our benchmarks.

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, Global Alpha Capital Management, 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

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, Global Alpha Capital Management 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 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, 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
Net Assets, beginning of period ⁽¹⁾	\$10.80	\$12.91	\$11.47	\$11.22	\$9.52
Increase (decrease) from operations:					
Total revenues	0.26	0.20	0.34	0.14	0.22
Total expenses	(0.32)	(0.30)	(0.35)	(0.26)	(0.29)
Realized gains (losses) for the period	0.18	(0.12)	2.07	0.12	0.59
Unrealized gains (losses) for the period	0.32	(1.90)	0.28	(1.05)	1.69
Total increase (decrease) from operations ⁽²⁾	0.44	(2.12)	2.34	(1.05)	2.21
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.03)	(0.03)	(0.29)	(0.01)	-
From capital gains	-	-	(0.76)	(0.15)	(0.47)
Return of capital	-	-	-	-	-
Total distributions ^(2,3)	(0.03)	(0.03)	(1.05)	(0.16)	(0.47)
Net assets at December 31 of year shown ^{1,2)}	\$11.23	\$10.80	\$12.91	\$11.47	\$11.22

Series A inception date: May 12, 2014

Series F	Dec 31'23	Dec 31'22	Dec 31'21	Dec 31'20	Dec 31'19
Net Assets, beginning of period ⁽¹⁾	\$11.42	\$13.54	\$11.95	\$11.57	\$9.75
Increase (decrease) from operations:					
Total revenues	0.28	0.21	0.36	0.15	0.22
Total expenses	(0.21)	(0.18)	(0.22)	(0.16)	(0.19)
Realized gains (losses) for the period	0.18	(0.02)	2.13	0.15	0.61
Unrealized gains (losses) for the period	0.34	(2.58)	0.40	(0.32)	1.62
Total increase (decrease) from operations ⁽²⁾	0.59	(2.57)	2.67	(0.18)	2.26
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.09)	(0.05)	(0.37)	(0.01)	(0.04)
From capital gains	-	-	(0.80)	(0.15)	(0.48)
Return of capital	-	-	-	-	-
Total distributions ^(2,3)	(0.09)	(0.05)	(1.17)	(0.16)	(0.52)
Net assets at December 31 of year shown ^(1,2)	\$11.93	\$11.42	\$13.54	\$11.95	\$11.57

Series F inception date: June 24, 2014

(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.

FINANCIAL HIGHLIGHTS

Ratios & Supplemental Data:

Series A	Dec 31 '23	Dec 31 '22	Dec 31 '21	Dec 31 '20	Dec 31 '19
Total net asset value (000's) ⁽¹⁾	\$8,901	\$8,762	\$10,243	\$6,394	\$10,380
Number of units outstanding ⁽¹⁾	792,698	810,981	793,363	557,247	924,887
Management expense ratio ⁽²⁾	2.56%	2.38%	2.37%	2.39%	2.35%
Management expense ratio before waivers or absorptions ⁽³⁾	2.56%	2.38%	2.37%	2.39%	2.35%
Portfolio turnover rate ⁽⁴⁾	29.30%	29.05%	30.05%	40.70%	37.86%
Trading expense ratio ⁽⁵⁾	0.09%	0.07%	0.07%	0.13%	0.15%
Net asset value per unit	\$11.23	\$10.80	\$12.91	\$11.47	\$11.22

Series A inception date: May 12, 2014

Series F	Dec 31 '23	Dec 31 '22	Dec 31 '21	Dec 31 '20	Dec 31 '19
Total net asset value (000's) ⁽¹⁾	\$37,316	\$40,535	\$44,414	\$30,680	\$37,972
Number of units outstanding ⁽¹⁾	3,127,185	3,549,501	3,280,786	2,566,494	3,281,555
Management expense ratio ⁽²⁾	1.44%	1.33%	1.31%	1.31%	1.32%
Management expense ratio before waivers or absorptions ⁽³⁾	1.44%	1.33%	1.31%	1.31%	1.32%
Portfolio turnover rate ⁽⁴⁾	29.30%	29.05%	30.05%	40.70%	37.86%
Trading expense ratio ⁽⁵⁾	0.09%	0.07%	0.07%	0.13%	0.15%
Net asset value per unit	\$11.93	\$11.42	\$13.54	\$11.95	\$11.57

Series F inception date: June 24, 2014

(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. 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 the portion used for dealer compensation and the portion used for or attributed to investment advice, general administration and profit.

	Annual Rates	Dealer Compensation	As a percentage of management fees Investment advice, administration and profit
Series A	2.20%	45.45%	54.55%
Series F	1.20%	0.00%	100.00%

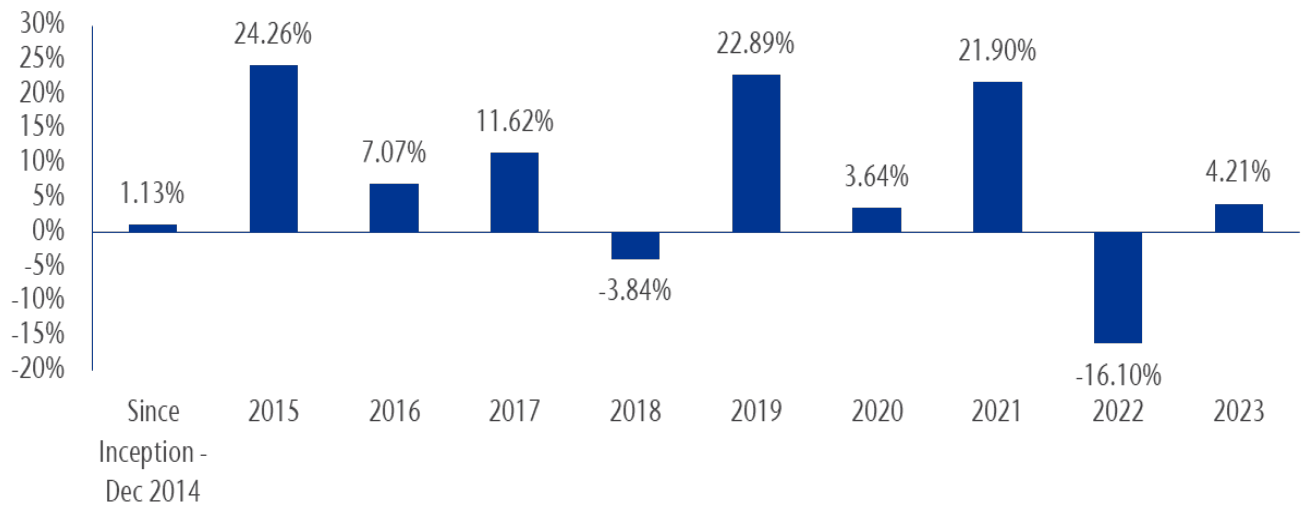
Past Performance

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 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.

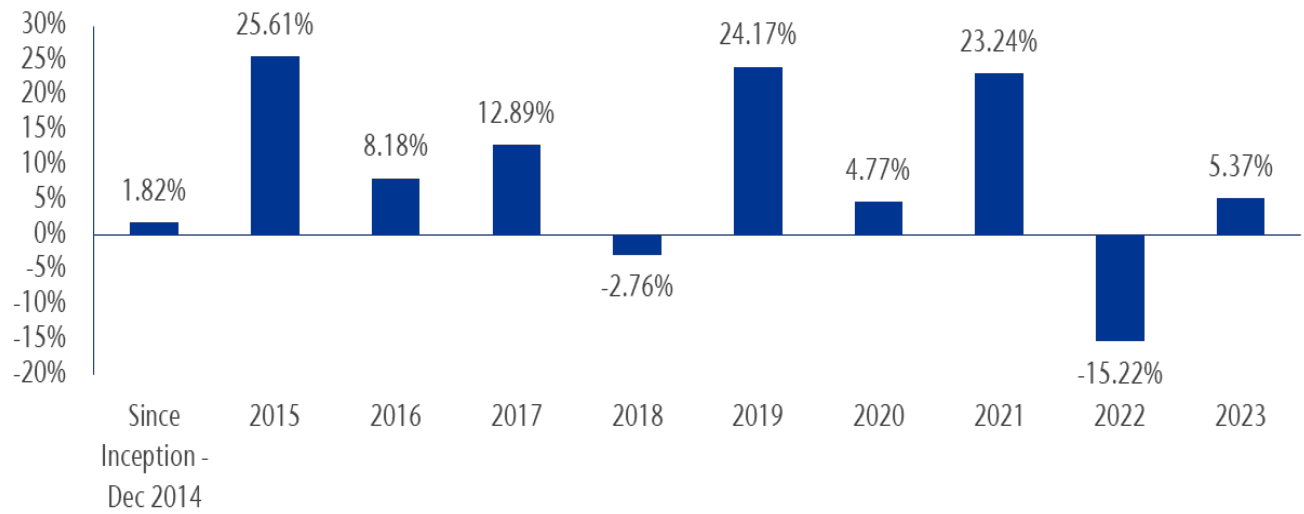
Series A



Performance for 2014 represents returns from May 13 to December 31, 2014.

PAST PERFORMANCE

Series F



Performance for 2014 represents returns from June 24 to December 31, 2014.

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 Global Alpha Fund	1 yr	3 yr	5 yr	10 yr	Since Inception	Inception Date
Series A (CCL 450)	4.21%	2.15%	6.30%	-	7.23%	May-13-14
Index*	12.65%	4.06%	8.99%	-	9.00%	
Series F (CCL 451)	5.37%	3.26%	7.45%	-	8.51%	June-24-14
Index*	12.65%	4.06%	8.99%	-	9.00%	

*MSCI World Small Cap Net Index (C\$)

The Fund’s primary benchmark is the MSCI World Small Cap Net Index (C\$). The MSCI World Small Net Index (C\$) is intended to represent the free float-adjusted market capitalization in 23 Developed Markets countries.

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, 2023. 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	Top 25 Investments		% of Net Asset Value
North America	53.7	1	Melia Hotels International	3.4
Europe & Middle East	27.0	2	Ormat Technologies Inc	3.0
Japan	12.7	3	limoneira co	2.8
Pacific ex Japan	6.0	4	ACI Worldwide Inc	2.7
Other assets less liabilities	0.6	5	Internet Initiative Japan	2.6
	<u>100.0</u>	6	Curtiss-Wright Corp	2.5
		7	Savills PLC	2.5
		8	L'Occitane	2.5
		9	DMG Mori Co Ltd	2.3
		10	Umb Financial Corp	2.3
		11	Salmar Asa	2.3
		12	Samsonite International SA	2.2
		13	Asics Corp	2.1
		14	Eagle Materials Inc.	2.1
		15	Wintrust Finl Corp	2.0
		16	Loomis Ab-B	2.0
		17	Cvs Group Plc	2.0
		18	Als Ltd	2.0
		19	PRA Group Inc	1.9
		20	Extendicare Inc	1.9
		21	Boardwalk Real Estate Investment Trust	1.9
		22	Federal Signal Corp	1.9
		23	ATN International Inc	1.8
		24	Globus Medical A	1.8
		25	Raffles Medical Group Ltd	1.7
			Top long positions as a percentage of total net asset value	<u>56.3</u>
Asset Mix	% of Net Asset Value			
Communication services	7.0			
Consumer discretionary	11.9			
Consumer staples	7.5			
Energy	3.2			
Financials	9.1			
Health care	12.7			
Industrials	19.8			
Information technology	11.0			
Materials	5.8			
Real estate	8.3			
Utilities	3.0			
Other assets less liabilities	0.6			
	<u>100.0</u>			

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.