NS Partners International Equity Focus Fund

Interim Management Report of Fund Performance

For the period ended
June 30, 2023

This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or 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.

Results of Operations

As at June 30, 2023, NS Partners International Equity Focus Fund (the "Fund") held $36.2 million in total net assets. During the period, investors in Series A units in the Fund experienced a return of 8.38%. The benchmark for the Fund (MSCI EAFE Index Net (CAD$)) returned 9.06% over the period. 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.

International equity markets made solid gains in the first half of the year as investors ignored rising interest rates, bank runs in the US, and deteriorating economic prospects in favour of a peaking rates narrative and the potential benefits of artificial intelligence (AI). The MSCI EAFE Index returned 9.06% in Canadian dollars. Cyclical sectors have shown strong gains during the first half of 2023, with information technology (+24%), consumer discretionary (+20%) and industrials (+16%) all posting double digit returns, whereas more defensive sectors such as healthcare (+5 %) and consumer staples (+5%) have lagged.

Positive momentum continued in equities despite a still-unfavourable liquidity backdrop according to our indicators, although global indices remain below their level at end of 2021 when the indicators first turned negative. Better than expected performance year to date may partly reflect sentiment and positioning reaching an oversold extreme last year. Also, a recovery in global manufacturing purchasing managers index results into early spring, which has since reversed, encouraged the hope of a soft landing. Another explanation is that investors still had "excess" savings to deploy in markets at the start of the year, although our calculations suggest that this is no longer the case. Investor enthusiasm for AI beneficiaries was given a significant boost by US chipmaker NVIDIA upgrading third quarter sales expectations due to demand for its semiconductors which dominate the AI space.

In Europe the outlook has deteriorated with narrow money growth contracting in most Eurozone countries signaling a likely "hard landing" during the second half of 2023. A divergence is developing between Europe / the UK and the US where money trends, while weak, are showing signs of stabilizing and inflation has fallen more rapidly. Chinese manufacturing deflation and export competitiveness is putting pressure on German manufacturing. Poor CPI data in the UK has led to the Bank of England raising rates aggressively which has increased mortgage costs and threatens the housing market although the impact on the consumer is delayed by the preponderance of fixed deals with lenders.

In Japan, a policy shift away from the current zero bond yield targeting has yet to occur with the Bank of Japan continuing to buy government bonds. This appears increasingly unsustainable and another widening of the target rate range could materialize this quarter. Elsewhere in Asia, Chinese activity has been disappointing post the re-opening after the extended COVID lockdowns. Lacklustre economic growth has led many to call for a government stimulus package and rate cuts, but the authorities have been reluctant to act and may be happy to see the current de-leveraging of the economy continue. All eyes are on the July politburo meeting where the market is hoping to see more concrete measures to boost property and improve consumer confidence.

Performance was ahead of the benchmark, gross of fees, due to stock selection; country selection was negative due to the underweight in Japan and overweight in Asia. Sector selection was a slight positive with an overweight in information technology, although our healthcare positioning and underweight in industrials detracted. Stock volatility between regions has been high so far year to date, with Asian financials such as Hong Kong Exchanges (-14%) and AIA (-10%) both suffering from geopolitical uncertainties, with the former hit by weaker-than-expected market activity and the latter perceived to have lost business momentum post lockdowns.

Performance also disappointed in consumer staples where Hong Kong listed brewer Bud Apac (-18%) fell despite better first quarter volumes and pricing, and Cognac group Remy Cointreau (-7%) similarly suffered after guiding lower on sales. On the positive side there were some strong moves in our information technology names, with Australian accounting software company Xero (+62%) showing strong gains as subscriber growth and pricing continue to drive sales and profitability. The new CEO has been communicating well, with a strong focus on costs and profitable growth. TSMC (+33%) and Keyence (+18%) also performed well, driven by the AI and automation themes. On the consumer side Hermes (+38%) and L'Oreal (+29%) benefitted from ongoing strength in their brands across all regions, as well as being perceived as a safer way to play the China recovery.

Stock selection in healthcare was negatively impacted by Japanese endoscope manufacturer Olympus (-13%) where the new CEO has posted disappointing results, with increased costs and ongoing FDA queries continuing to depress profitability. The market suspects a certain degree of 'kitchen sinking' in the numbers, although the FDA issues are an unwelcome drag on sentiment and need resolving quickly. Performance was strong in some of the industrial holdings with companies such as Schneider (+29%), Airbus (+21%) and Wolters Kluwer (+20%) all posting good results, although the sector underweight detracted from overall performance.

Activity earlier in the year has reduced companies directly linked to China, with JD.com and Shenzhou sold as quarterly numbers continued to disappoint. The materials sector has been increased with the purchase of lithium miner Pilbara Minerals in Australia. The electric vehicle sector has reached a tipping point at a time when lead times for new mines are lengthening, and costs are rapidly rising. The company, as a pure play on lithium, should benefit as prices are squeezed higher for longer. In information technology, we have added Japanese semiconductor tester Advantest, which supplies testing machines to AI companies linked to TSMC including Nvidia and AMD. Semiconductor chips have become more complex as parts are stacked to achieve faster processing, meaning testing has become more important as the failure of any component is becoming increasingly significant.

In staples we have re-introduced Japanese food, seasoning and chemical company Anjinomoto. The company has announced a new return on invested capital focus to help move away from lower margin areas to higher growth functional materials, including ABF Film which is used in all semiconductors globally. We have exited banking group DBS in Singapore following a strong run, as the stock is trading at relatively high price to book levels, and we suspect peaking rates are likely to create a headwind in the coming quarters.

Recent Developments

The US economy has proven more robust than we expected, and the much-anticipated recession has been pushed back to the second half. With the inventory cycle about to turn the contraction may not be as significant as first believed. With labour markets still tight, inflation is proving stickier than expected but should still return to target levels in 2024. After three positive quarters for equity markets, we see few reasons to move away from our defensive positioning with underweights in cyclicals such as industrials and consumer discretionary against overweights in defensive sectors such as staples and healthcare. Relative earnings stability in the downturn should drive outperformance.

The outlook for Europe has deteriorated with narrow money numbers relatively weak. We have maintained positions in two Japanese banks, Mitsubishi UFJ and Sumitomo Mitsui, which will benefit from any change in monetary policy in Japan. We are underweight oil companies as the energy transition advances, and miners where slower global growth should keep metal prices, other than those related to electric vehicles, depressed. In industrials, we like information services related names such as Wolters Kluwer and Experian. Travel related stocks feature Airbus and Amadeus benefiting from pent-up demand for tourism. China re-opening beneficiaries such as insurance groups AIA and Prudential or consumer stocks such as Remy Cointreau and Bud APAC will respond well to any policy easing by the Chinese authorities. In information technology we are anticipating a recovery in semiconductors with positions in TSMC, Samsung and ASM International.

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 NS Partners 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 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 period ended June 30, 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 period ended June 30, 2023.

FINANCIAL HIGHLIGHTS

The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit[1]

Series A	Jun 30'23	Dec 31'22 [4]
Net Assets, beginning of period [1]	$10.68	$10.00
Increase (decrease) from operations:		
Total revenues	0.07	0.03
Total expenses	(0.12)	(0.09)
Realized gains (losses) for the period	0.10	0.12
Unrealized gains (losses) for the period	(0.87)	0.73
Total increase (decrease) from operations [2]	(0.82)	0.79
Distributions:		
From net investment income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	(0.10)
Return of capital	-	-
Total distributions[2,3]	-	(0.10)
Net assets at June 30 or December 31 of year shown[1,2]	$11.58	$10.68

Series A inception date: September 14, 2022

Series F	Jun 30'23	Dec 31'22 [4]
Net Assets, beginning of period [1]	$10.72	$10.00
Increase (decrease) from operations:		
Total revenues	0.20	0.03
Total expenses	(0.10)	(0.06)
Realized gains (losses) for the period	0.06	0.12
Unrealized gains (losses) for the period	(0.04)	0.74
Total increase (decrease) from operations [2]	0.12	0.83
Distributions:		
From net investment income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	(0.10)
Return of capital	-	-
Total distributions[2,3]	-	(0.10)
Net assets at June 30 or December 31 of year shown[1,2]	$11.69	$10.72

Series F inception date: September 14, 2022

Series I	Jun 30'23	Dec 31'22 [4]
Net Assets, beginning of period [1]	$10.75	$10.00
Increase (decrease) from operations:		
Total revenues	0.16	0.03
Total expenses	(0.05)	(0.05)
Realized gains (losses) for the period	0.10	0.14
Unrealized gains (losses) for the period	0.78	0.94
Total increase (decrease) from operations [2]	0.99	1.06
Distributions:		
From net investment income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	(0.10)
Return of capital	-	-
Total distributions[2,3]	-	(0.10)
Net assets at June 30 or December 31 of year shown[1,2]	$11.77	$10.75

Series I inception date: September 14, 2022

(1) This information is derived from the Fund’s unaudited interim financial statements and 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.

(4) For the period from September 14, 2022 (date of commencment of operations) to December 31, 2022.

Ratios & Supplemental Data:

Series A	Jun 30'23	Dec 31'22 [6]
Total net asset value ('000s)[1]	$39	$1
Number of units outstanding[1]	3,381	101
Management expense ratio[2]	1.77%	2.57%
Management expense ratio before waivers or absorptions [3]	1.77%	2.57%
Portfolio turnover rate[4]	13.60%	26.08%
Trading expense ratio[5]	0.10%	0.76%
Net asset value per unit	$11.58	$10.68

Series A inception date: September 14, 2022

Series F	Jun 30'23	Dec 31'22 [6]
Total net asset value ('000s)[1]	$435	$1
Number of units outstanding[1]	37,186	101
Management expense ratio[2]	1.05%	1.75%
Management expense ratio before waivers or absorptions [3]	1.05%	1.75%
Portfolio turnover rate[4]	13.60%	26.08%
Trading expense ratio[5]	0.10%	0.76%
Net asset value per unit	$11.69	$10.72

Series F inception date: September 14, 2022

Series I	Jun 30'23	Dec 31'22 [6]
Total net asset value ('000s)[1]	$35,742	$30,428
Number of units outstanding[1]	3,035,770	2,831,654
Management expense ratio[2]	0.24%	0.75%
Management expense ratio before waivers or absorptions [3]	0.24%	0.75%
Portfolio turnover rate[4]	13.60%	26.08%
Trading expense ratio[5]	0.10%	0.76%
Net asset value per unit	$11.77	$10.75

Series I inception date: September 14, 2022

(1) This information is provided as at June 30 or 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, 2022 or for the period from September 22, 2022 (date of commencement of operations) to December 31, 2022, 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.

		As a percentage of management fees	
	Annual Rates	Dealer Compensation	Investment advice, administration and profit
Series A	1.90%	47.37%	52.63%
Series F	0.90%	0.00%	100.00%
Series I	0.00%	0.00%	0.00%

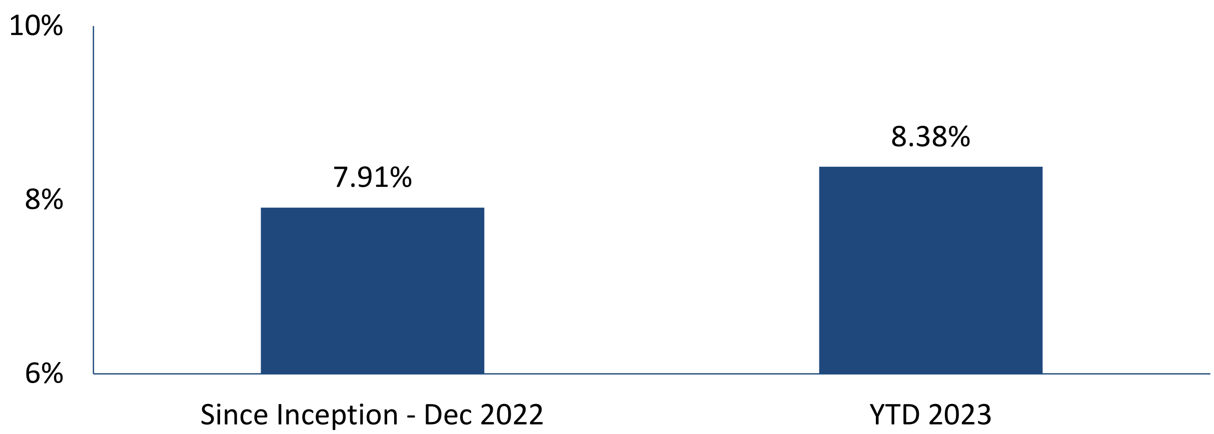
Past Performance

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 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.

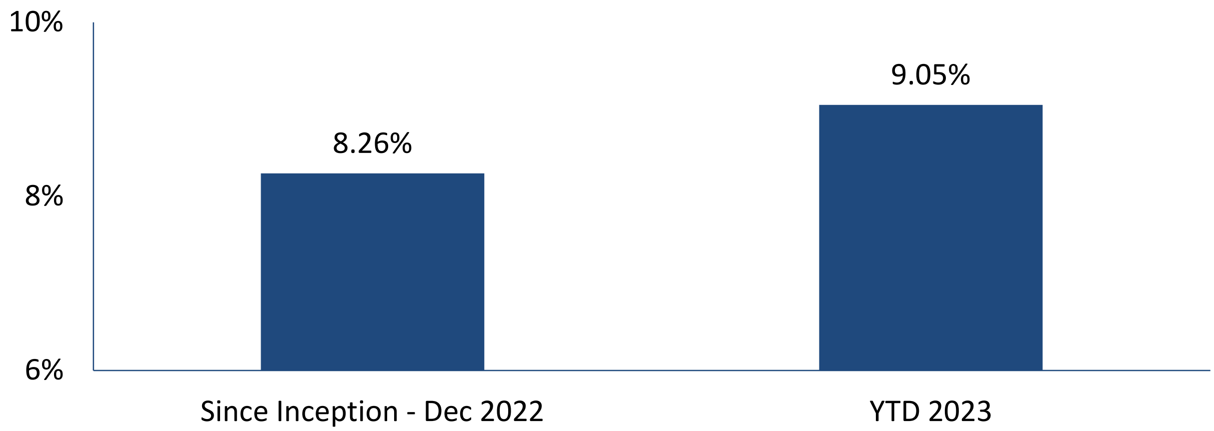
Series A



Performance for 2022 represents returns from October 5 to December 31, 2022. Performance for 2023 represents data from Jan 1, 2023 to Jun 30, 2023.

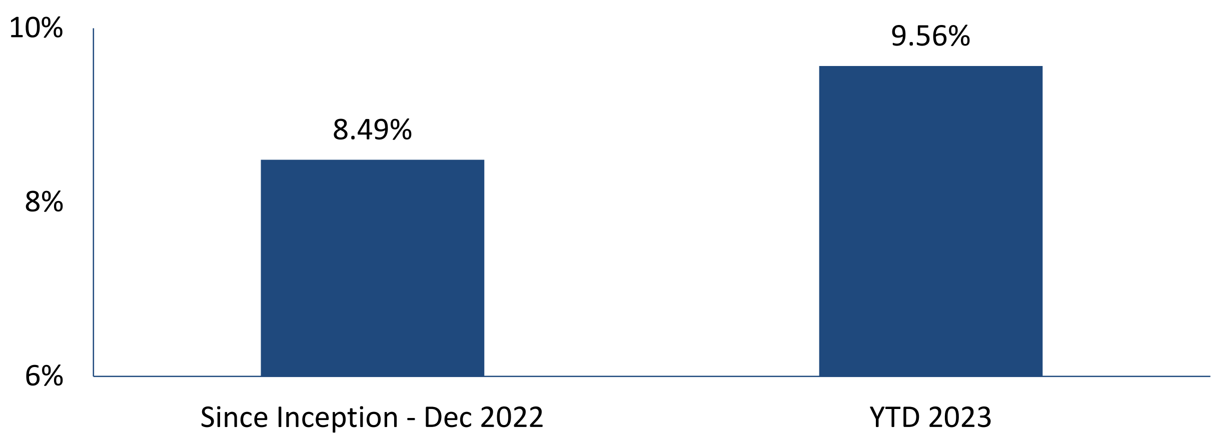
PAST PERFORMANCE

Series F



Performance for 2022 represents returns from October 5 to December 31, 2022.

Series I



Performance for 2022 represents returns from October 5 to December 31, 2022.

SUMMARY OF INVESTMENT PORTFOLIO

Below is a breakdown of the Fund's investment holdings as at June 30, 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.

Asset Mix	% of Net Asset Value
Europe	61.9
Australasia	36.4
Other assets less liabilities	1.8
	100.0

Asset Mix	% of Net Asset Value
Communication services	4.7
Consumer discretionary	10.1
Consumer staples	11.9
Energy	2.0
Financials	19.3
Health care	16.9
Industrials	11.8
Information technology	14.9
Materials	4.6
Real estate	2.0
Utilities	0.0
Other assets less liabilities	1.8
	100.0

	Top 25 Investments	% of Net Asset Value
1	Hermes International	3.6
2	Novo Nordisk A/S-B	3.3
3	Amadeus It Group Sa-A Shs	3.3
4	Prudential PLC	3.2
5	Nestle SA-Reg	2.9
6	Keyence Corp	2.9
7	Experian PLC	2.8
8	Cellnex Telecom Sau	2.8
9	Astrazeneca PLC	2.8
10	Wolters Kluwer - CVA	2.8
11	Lonza Group Ag-Reg	2.6
12	Csl Ltd	2.6
13	Bakkafrost P/F	2.6
14	Hoya Corp	2.6
15	AIA Group Ltd	2.6
16	Sony Group Corp	2.5
17	Airbus SE	2.2
18	Recruit Holdings	2.2
19	Goodman Group	2.0
20	Terumo Corp	2.0
21	Shell PLC	2.0
22	Taiwan Semiconductor-ADR	2.0
23	Xero	1.9
24	ASML Holding NV	1.9
25	L'Oreal	1.9
	Top long positions as a percentage of total net asset value	64.0

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.