



ANNUAL FINANCIAL STATEMENTS

December 31, 2023

CC&L Diversified Income Fund

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of CC&L Diversified Income Fund (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise:

- the statements of financial position as at December 31, 2023 and December 31, 2022
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and December 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Information

The Fund's Manager is responsible for the other information. Other information comprises:

- the information included in the Management Report of Fund Performance for the Fund filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Management Report of Fund Performance for the Fund filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of the Manager and Those Charged with Governance for the Financial Statements

The Fund's Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Vancouver, Canada
March 22, 2024

CC&L Diversified Income Fund

Statements of Financial Position as at December 31

	2023	2022
Assets		
Current assets		
Cash	\$ 82,386	\$ 31,438
Short-term investments	89,257	188,412
Investments	20,311,606	22,842,452
Interest and dividends receivable	80,686	105,853
Due from broker	98,876	29,745
Unrealized appreciation on futures contracts	-	9,190
Unrealized appreciation on currency forward contracts	1,620	-
Daily variation margin	93,575	61,231
Other receivables	19,010	18,577
	<u>20,777,016</u>	<u>23,286,898</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	245,784	217,380
Redemptions payable	1,667	-
Due to broker	45,222	56,150
Unrealized depreciation on futures contracts	7,122	2,016
Management fees payable	43,383	46,081
	<u>343,178</u>	<u>321,627</u>
Net assets attributable to holders of redeemable units (Note 6)	<u>\$ 20,433,838</u>	<u>\$ 22,965,271</u>
Net assets attributable to holders of redeemable units per series		
Series A	\$ 12,715,079	\$ 14,370,782
Series F	\$ 1,361,860	\$ 1,584,222
Series O	\$ 4,948,113	\$ 5,586,164
Reserve Series	\$ 1,288,455	\$ 1,301,214
Arbour Series	\$ 120,331	\$ 122,889
Redeemable units outstanding (Note 6)		
Series A	1,022,762	1,199,852
Series F	89,390	107,925
Series O	349,795	408,082
Reserve Series	83,220	85,273
Arbour Series	10,927	11,327
Net assets attributable to holders of redeemable units per series unit		
Series A	\$ 12.43	\$ 11.98
Series F	\$ 15.24	\$ 14.68
Series O	\$ 14.15	\$ 13.69
Reserve Series	\$ 15.48	\$ 15.26
Arbour Series	\$ 11.01	\$ 10.85

Approved by the Manager

"Tim Elliott"

"Michael Freund"

Director

Director

CC&L Diversified Income Fund

Statements of Comprehensive Income
For the years ended December 31

	2023	2022
Income		
Net foreign exchange loss on cash	\$ (735)	\$ (3,106)
Net gain (loss) on investments		
Dividends	331,920	361,594
Interest for distribution purposes	517,329	399,364
Income distributions from pooled funds	-	75,891
Net realized gain (loss) on investments	796,523	(197,545)
Net realized gain (loss) on futures contracts	28,746	91,526
Net realized gain (loss) on currency forwards	(2,441)	2
Net change in unrealized appreciation (depreciation) on investments	37,327	(2,773,541)
Net change in unrealized appreciation (depreciation) on futures contracts	(14,296)	24,433
Net change in unrealized appreciation (depreciation) on currency forwards	1,620	-
	<u>1,696,728</u>	<u>(2,018,276)</u>
Total income (loss)	<u>1,695,993</u>	<u>(2,021,382)</u>
Expenses (Note 8)		
Audit fees	28,109	28,090
Custodial and other unitholders' fees	131,321	125,635
Independent Review Committee fees	4,100	4,441
Management fees	428,949	502,227
Transaction costs (Notes 3 and 9)	9,717	16,798
Transfer agent fees	35,597	25,574
	<u>637,793</u>	<u>702,765</u>
Withholding taxes (note 7)	<u>25,667</u>	<u>18,577</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>\$ 1,032,533</u>	<u>\$ (2,742,724)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per series		
Series A	\$ 596,390	\$ (1,815,468)
Series F	\$ 82,537	\$ (144,651)
Series O	\$ 292,612	\$ (593,652)
Reserve Series	\$ 56,003	\$ (174,287)
Arbour Series	\$ 4,991	\$ (14,666)
Weighted average units outstanding per series		
Series A	1,117,952	1,329,036
Series F	95,189	106,579
Series O	391,958	429,662
Reserve Series	83,000	95,768
Arbour Series	11,007	11,649
Increase (decrease) in net assets attributable to holders of redeemable units per series unit*		
Series A	\$ 0.53	\$ (1.37)
Series F	\$ 0.87	\$ (1.36)
Series O	\$ 0.75	\$ (1.38)
Reserve Series	\$ 0.67	\$ (1.82)
Arbour Series	\$ 0.45	\$ (1.26)

* based on weighted average number of units outstanding during the period

CC&L Diversified Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units
For the years ended December 31

	2023	2022	2023	2022
	Series A		Series F	
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 596,390	\$ (1,815,468)	\$ 82,537	\$ (144,651)
Distributions to unitholders of redeemable units				
From net investment income	(104,124)	(121,695)	(25,715)	(16,463)
Total distributions to holders of redeemable units	(104,124)	(121,695)	(25,715)	(16,463)
Redeemable unit transactions				
Proceeds from issuance of units	518,135	893,872	20,000	367,471
Reinvested distributions	103,846	121,404	18,044	11,975
Payments on redemption of units	(2,769,950)	(3,254,212)	(317,228)	(249,081)
Net increase (decrease) from redeemable unit transactions	(2,147,969)	(2,238,936)	(279,184)	130,365
Increase (decrease) in net assets attributable to holders of redeemable units during the year	(1,655,703)	(4,176,099)	(222,362)	(30,749)
Net assets attributable to holders of redeemable units, beginning of year	14,370,782	18,546,881	1,584,222	1,614,971
Net assets attributable to holders of redeemable units, end of year	\$ 12,715,079	\$ 14,370,782	\$ 1,361,860	\$ 1,584,222
	2023	2022	2023	2022
	Series O		Reserve Series	
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 292,612	\$ (593,652)	\$ 56,003	\$ (174,287)
Distributions to unitholders of redeemable units				
From net investment income	(94,882)	(57,473)	(9,674)	(10,534)
From net realized capital gains	(22,139)	-	(27,270)	-
Total distributions to holders of redeemable units	(117,021)	(57,473)	(36,944)	(10,534)
Redeemable unit transactions				
Proceeds from issuance of units	131,211	241,912	840	840
Reinvested distributions	117,021	57,473	36,944	10,534
Payments on redemption of units	(1,061,874)	(741,507)	(69,602)	(280,011)
Net increase (decrease) from redeemable unit transactions	(813,642)	(442,122)	(31,818)	(268,637)
Increase (decrease) in net assets attributable to holders of redeemable units during the year	(638,051)	(1,093,247)	(12,759)	(453,458)
Net assets attributable to holders of redeemable units, beginning of year	5,586,164	6,679,411	1,301,214	1,754,672
Net assets attributable to holders of redeemable units, end of year	\$ 4,948,113	\$ 5,586,164	\$ 1,288,455	\$ 1,301,214

CC&L Diversified Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units
For the years ended December 31

	2023	2022	2023	2022
	Arbour Series		Total	
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 4,991	\$ (14,666)	\$ 1,032,533	\$ (2,742,724)
Distributions to unitholders of redeemable units				
From net investment income	(735)	(949)	(235,130)	(207,114)
From net realized capital gains	(2,410)	-	(51,819)	-
Total distributions to holders of redeemable units	(3,145)	(949)	(286,949)	(207,114)
Redeemable unit transactions				
Proceeds from issuance of units	-	-	670,186	1,504,095
Reinvested distributions	3,145	949	279,000	202,335
Payments on redemption of units	(7,549)	(8,991)	(4,226,203)	(4,533,802)
Net increase (decrease) from redeemable unit transactions	(4,404)	(8,042)	(3,277,017)	(2,827,372)
Increase (decrease) in net assets attributable to holders of redeemable units during the year	(2,558)	(23,657)	(2,531,433)	(5,777,210)
Net assets attributable to holders of redeemable units, beginning of year	122,889	146,546	22,965,271	28,742,481
Net assets attributable to holders of redeemable units, end of year	\$ 120,331	\$ 122,889	\$ 20,433,838	\$ 22,965,271

CC&L Diversified Income Fund

Statements of Cash Flows

For the years ended December 31

	2023	2022
Cash flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 1,032,533	\$ (2,742,724)
Adjustments to reconcile to operating cash flows:		
Unrealized foreign exchange (gain) loss on currency	9	(14)
Income distributions from pooled funds	-	(75,891)
Net realized loss (gain) on investments	(796,523)	197,545
Net change in unrealized depreciation (appreciation) of investments and derivatives	(24,651)	2,749,108
Proceeds from investments sold	39,820,017	50,088,786
Purchase of investments	(36,436,225)	(47,431,077)
Decrease (increase) in daily variation margin	(32,344)	7,530
Decrease (increase) in interest and dividends receivable	25,167	(31,917)
Decrease (increase) in other receivables	(433)	11,833
Increase (decrease) in accrued expenses and management fees payable	25,706	49,111
Net cash flows from Operating Activities	3,613,256	2,822,290
Cash flows from Financing Activities		
Proceeds from redeemable units issued**	513,344	1,140,624
Redemption of redeemable units**	(4,067,694)	(4,209,041)
Distributions paid to unitholders, net of reinvestment	(7,949)	(5,605)
Net cash flows from (used in) Financing Activities	(3,562,299)	(3,074,022)
Increase (decrease) in cash		
Unrealized foreign exchange (gain) loss on currency	(9)	14
Net increase (decrease) in cash during the year	50,957	(251,732)
Cash, beginning of year	31,438	283,156
Cash, end of year	\$ 82,386	\$ 31,438
Dividends received, net of withholding taxes*	317,267	349,008
Interest received*	531,482	361,456

*included in operating activities

**net of non-cash switches of \$156,842 (2022 - \$363,471)

CC&L Diversified Income Fund
Schedule of Investment Portfolio
As at December 31, 2023

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Short-Term Investments				
Canadian Imperial Bank of Commerce Bankers' Acceptance, 5.080%, 2024/02/29	5,000	4,938	4,959	
Government of Canada Treasury Bill, 5.050%, 2024/03/28	5,000	4,933	4,941	
Royal Bank of Canada Bankers' Acceptance, 5.210%, 2024/02/29	55,000	54,333	54,542	
Royal Bank of Canada Bankers' Acceptance, 5.230%, 2024/02/21	5,000	4,936	4,964	
Toronto-Dominion Bank (The) Bankers' Acceptance, 5.190%, 2024/02/23	20,000	19,783	19,851	
Total Short-Term Investments		88,923	89,257	0.43%
Canadian Equities				
Communication Services				
BCE Inc.	1,419	83,589	74,029	
Rogers Communications Inc., Class 'B'	1,839	111,444	114,073	
TELUS Corp.	4,111	111,563	96,938	
Total Communication Services		306,596	285,040	
Consumer Discretionary				
Dollarama Inc.	512	49,086	48,891	
Magna International Inc.	548	42,921	42,903	
Restaurant Brands International Inc.	781	60,979	80,857	
Total Consumer Discretionary		152,986	172,651	
Consumer Staples				
Alimentation Couche-Tard Inc.	1,026	71,580	80,059	
George Weston Ltd.	725	95,743	119,263	
Loblaw Cos. Ltd.	143	17,466	18,344	
Maple Leaf Foods Inc.	2,002	50,342	50,530	
Premium Brands Holdings Corp.	214	20,757	20,122	
Total Consumer Staples		255,888	288,318	
Energy				
ARC Resources Ltd.	6,327	89,236	124,452	
Canadian Natural Resources Ltd.	1,728	143,120	150,007	
Enbridge Inc.	1,998	100,385	95,304	
Imperial Oil Ltd.	206	16,779	15,549	
Parex Resources Inc.	1,200	32,777	29,940	
Parkland Corp.	2,425	96,466	103,572	
Pembina Pipeline Corp.	2,534	108,719	115,601	
Pembina Pipeline Corp., Subscription Receipt	360	15,426	16,200	
Topaz Energy Corp.	1,615	34,769	31,299	
Tourmaline Oil Corp.	1,891	111,175	112,685	
Total Energy		748,852	794,609	
Financials				
Bank of Montreal	1,664	165,684	218,167	
Canadian Imperial Bank of Commerce	2,138	126,147	136,404	
Definity Financial Corp.	1,067	26,788	40,055	
Element Fleet Management Corp.	4,081	36,453	87,986	
Fairfax Financial Holdings Ltd.	44	50,517	53,790	
iA Financial Corp. Inc.	1,030	62,976	93,040	
Intact Financial Corp.	563	86,374	114,773	
Manulife Financial Corp.	1,988	57,251	58,209	
Royal Bank of Canada	3,272	280,261	438,448	
Sun Life Financial Inc.	1,666	109,099	114,488	
TMX Group Ltd.	2,911	73,078	93,298	
Toronto-Dominion Bank (The)	3,638	227,385	311,486	
Total Financials		1,302,013	1,760,144	

CC&L Diversified Income Fund
Schedule of Investment Portfolio
As at December 31, 2023

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Industrials				
Canadian National Railway Co.	914	97,307	152,227	
Exchange Income Corp.	1,221	61,142	55,067	
RB Global Inc.	852	66,910	75,547	
Russel Metals Inc.	1,180	45,203	53,135	
Toromont Industries Ltd.	503	55,337	58,398	
Waste Connections Inc.	82	15,516	16,225	
WSP Global Inc.	522	61,547	96,956	
Total Industrials		<u>402,962</u>	<u>507,555</u>	
Information Technology				
Constellation Software Inc.	22	64,179	72,276	
Open Text Corp.	2,268	113,431	126,305	
Thomson Reuters Corp.	896	73,025	173,582	
Total Information Technology		<u>250,635</u>	<u>372,163</u>	
Materials				
Cameco Corp.	1,080	65,533	61,700	
CCL Industries Inc., Class 'B'	424	28,507	25,266	
Methanex Corp.	395	25,195	24,759	
Nutrien Ltd.	1,000	81,876	74,650	
Stella-Jones Inc.	760	45,547	58,611	
West Fraser Timber Co. Ltd.	720	77,195	81,619	
Total Materials		<u>323,853</u>	<u>326,605</u>	
Real Estate				
Canadian Apartment Properties REIT	1,411	62,296	68,857	
Crombie REIT	4,078	63,211	56,276	
Dream Industrial REIT	1,883	25,663	26,287	
First Capital REIT	3,830	62,763	58,752	
InterRent REIT	2,394	31,396	31,673	
Total Real Estate		<u>245,329</u>	<u>241,845</u>	
Utilities				
Brookfield Infrastructure Partners L.P.	2,050	71,834	85,608	
Brookfield Renewable Partners L.P.	2,170	79,919	75,538	
Fortis Inc.	1,763	97,441	96,101	
Total Utilities		<u>249,194</u>	<u>257,247</u>	
Total Canadian Equities		<u>4,238,308</u>	<u>5,006,177</u>	24.54%
United States Equities (U.S. Dollar)				
Communication Services				
Alphabet Inc., Class 'C'	1,287	100,495	239,164	
VeriSign Inc.	111	30,574	30,145	
Verizon Communications Inc.	47	3,043	2,336	
Total Communication Services		<u>134,112</u>	<u>271,645</u>	
Consumer Discretionary				
Home Depot Inc. (The)	16	1,946	7,311	
Marriott International Inc., Class 'A'	462	45,618	137,379	
McDonald's Corp.	406	77,721	158,737	
Starbucks Corp.	500	48,951	63,300	
Yum! Brands Inc.	692	72,165	119,224	
Total Consumer Discretionary		<u>246,401</u>	<u>485,951</u>	

CC&L Diversified Income Fund
Schedule of Investment Portfolio
As at December 31, 2023

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Consumer Staples				
Coca-Cola Co. (The)	1,529	99,662	118,811	
Estée Lauder Cos. Inc. (The), Class 'A'	370	56,893	71,353	
Kenvue Inc.	1,113	35,373	31,598	
McCormick & Co. Inc.	473	43,184	42,673	
PepsiCo Inc.	420	46,344	94,059	
Philip Morris International Inc.	439	53,976	54,460	
Total Consumer Staples		<u>335,432</u>	<u>412,954</u>	
Financials				
Bank of America Corp.	618	20,017	27,437	
JPMorgan Chase & Co.	315	33,254	70,653	
S&P Global Inc.	216	50,712	125,468	
Total Financials		<u>103,983</u>	<u>223,558</u>	
Health Care				
Becton, Dickinson and Co.	152	43,211	48,870	
Johnson & Johnson	284	47,661	58,696	
Stryker Corp.	432	71,541	170,583	
UnitedHealth Group Inc.	254	60,408	176,328	
Total Health Care		<u>222,821</u>	<u>454,477</u>	
Industrials				
Honeywell International Inc.	165	22,734	45,626	
Lockheed Martin Corp.	120	15,354	71,717	
Northrop Grumman Corp.	110	23,389	67,902	
Total Industrials		<u>61,477</u>	<u>185,245</u>	
Information Technology				
Apple Inc.	881	25,340	223,660	
Automatic Data Processing Inc.	177	28,883	54,373	
Intuit Inc.	189	42,473	155,767	
Mastercard Inc., Class 'A'	293	72,572	164,782	
Microsoft Corp.	1,051	57,924	521,135	
Moody's Corp.	209	61,171	107,633	
MSCI Inc., Class 'A'	152	22,588	113,372	
Verisk Analytics Inc., Class 'A'	134	30,815	42,205	
Visa Inc., Class 'A'	340	41,865	116,721	
Total Information Technology		<u>383,631</u>	<u>1,499,648</u>	
Real Estate				
Crown Castle International Corp.	550	67,420	83,539	
Equinix Inc.	82	61,477	87,083	
Total Real Estate		<u>128,897</u>	<u>170,622</u>	
Utilities				
NextEra Energy Inc.	1,422	77,016	113,890	
Total Utilities		<u>77,016</u>	<u>113,890</u>	
Total United States Equities		<u>1,693,770</u>	<u>3,817,990</u>	18.72%
International Equities				
Australia (Australian Dollar)				
CSL Ltd.	49	12,180	12,638	

CC&L Diversified Income Fund
Schedule of Investment Portfolio
As at December 31, 2023

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Australia (Australian Dollar) (continued)				
Goodman Group	1,147	18,704	26,110	
Macquarie Group Ltd.	192	<u>16,746</u>	<u>31,722</u>	
Total Australia		<u>47,630</u>	<u>70,470</u>	0.35%
China (Chinese Yuan)				
China National Building Material Co. Ltd.	12,000	<u>11,393</u>	<u>6,768</u>	
Total China		<u>11,393</u>	<u>6,768</u>	0.03%
Denmark (Danish Kroner)				
Novo Nordisk AS, Class 'B'	296	<u>14,397</u>	<u>40,376</u>	
Total Denmark		<u>14,397</u>	<u>40,376</u>	0.20%
European Union (European Union Euro)				
AXA SA	653	26,381	28,050	
BNP Paribas SA	194	15,208	17,687	
Cellnex Telecom SA	275	15,950	14,284	
Experian PLC	410	11,685	22,068	
L'Oréal SA	29	13,027	19,036	
Medtronic PLC	518	32,214	56,268	
Muenchener Rueckversicherungs-Gesellschaft AG, Registered	123	41,476	67,203	
Mytilineos SA	885	16,542	47,309	
Nordea Bank ABP	1,834	28,033	29,928	
OPAP SA	742	10,840	16,612	
Orange SA	1,332	22,373	19,992	
SAP SE	121	22,441	24,583	
Wolters Kluwer NV	119	<u>15,207</u>	<u>22,308</u>	
Total European Union		<u>271,377</u>	<u>385,328</u>	1.89%
Faroe Islands (Norwegian Krone)				
Bakkafrost P/F	303	<u>31,552</u>	<u>20,930</u>	
Total Faroe Islands		<u>31,552</u>	<u>20,930</u>	0.10%
Great Britain (Pound Sterling)				
AstraZeneca PLC	387	37,028	68,956	
BP PLC	8,013	73,311	62,788	
HSBC Holdings PLC	1,905	18,872	20,350	
National Grid PLC	683	12,858	12,147	
Prudential PLC	1,088	18,133	16,226	
RELX PLC	540	18,326	28,230	
SEGRO PLC	2,186	29,093	32,571	
Shell PLC	3,310	125,229	143,077	
SSE PLC	1,307	<u>37,106</u>	<u>40,776</u>	
Total Great Britain		<u>369,956</u>	<u>425,121</u>	2.08%
Hong Kong (Hong Kong Dollar)				
AIA Group Ltd.	2,800	38,925	32,176	
Budweiser Brewing Co. APAC Ltd.	3,200	<u>11,143</u>	<u>7,900</u>	
Total Hong Kong		<u>50,068</u>	<u>40,076</u>	0.20%
India (United States Dollar)				
HDFC Bank Ltd., ADR	124	<u>11,543</u>	<u>10,973</u>	
Total India		<u>11,543</u>	<u>10,973</u>	0.05%

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	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Japan (Japanese Yen)				
Hoya Corp.	200	28,504	32,970	
Mitsubishi UFJ Financial Group Inc.	2,100	19,329	23,796	
Nippon Telegraph & Telephone Corp.	34,500	47,336	55,598	
Sekisui House Ltd.	3,948	77,880	115,652	
Shin-Etsu Chemicals Co. Ltd.	400	18,587	22,137	
Sony Group Corp.	100	5,899	12,542	
Sumitomo Mitsui Financial Group Inc.	400	22,412	25,740	
Terumo Corp.	700	27,907	30,261	
Total Japan		<u>247,854</u>	<u>318,696</u>	1.56%
Malaysia (Malaysian Ringgit)				
Heineken Malaysia BHD	3,312	15,771	22,943	
Total Malaysia		<u>15,771</u>	<u>22,943</u>	0.11%
Singapore (Singapore Dollar)				
DBS Group Holdings Ltd.	1,500	39,998	50,096	
Total Singapore		<u>39,998</u>	<u>50,096</u>	0.25%
Sweden (Swedish Kroner)				
Tele2 AB, Class 'B'	2,077	33,293	23,518	
Total Sweden		<u>33,293</u>	<u>23,518</u>	0.12%
Switzerland (Swiss Franc)				
Givaudan SA, Registered	4	18,397	21,833	
Nestlé SA, Registered	435	60,901	66,454	
Sika AG, Registered	34	4,153	14,579	
Zurich Insurance Group AG	49	29,420	33,747	
Total Switzerland		<u>112,871</u>	<u>136,613</u>	0.67%
Total International Equities		<u>1,257,703</u>	<u>1,551,908</u>	7.61%
Total Equities		<u>7,189,781</u>	<u>10,376,075</u>	50.87%
Fixed Income				
Domestic Sovereign Bonds and Guarantees				
Government of Canada, 0.250%, 2026/03/01	290,000	261,822	269,870	
Government of Canada, 1.000%, 2026/09/01	560,000	514,878	525,123	
Government of Canada, 1.250%, 2030/06/01	11,000	9,221	9,830	
Government of Canada, 1.750%, 2053/12/01	173,000	118,199	130,008	
Government of Canada, 2.000%, 2051/12/01	191,000	155,012	153,844	
Government of Canada, 2.000%, 2032/06/01	13,000	11,271	11,944	
Government of Canada, 2.750%, 2064/12/01	43,000	47,637	40,797	
Government of Canada, 2.750%, 2048/12/01	25,000	23,792	23,733	
Government of Canada, 3.250%, 2033/12/01	28,000	27,986	28,365	
Government of Canada, 3.500%, 2045/12/01	208,000	217,350	222,130	
Government of Canada, 4.000%, 2041/06/01	21,000	23,481	23,527	
Government of Canada, 4.500%, 2025/11/01	9,000	9,080	9,097	
Government of Canada, Real Return, 0.500%, 2050/12/01	22,000	24,257	21,164	
Government of Canada, Real Return, 4.250%, 2026/12/01	270,000	739,103	528,444	
Total Domestic Sovereign Bonds and Guarantees		<u>2,183,089</u>	<u>1,997,876</u>	9.80%
United States Sovereign Bonds and Guarantees				
United States Treasury Bond, 3.625%, 2053/05/15	44,000	50,849	53,912	
Total United States Sovereign Bonds and Guarantees		<u>50,849</u>	<u>53,912</u>	0.26%

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Provincial Bonds and Guarantees				
55 School Board Trust, Callable, Series 'A', 5.900%, 2033/06/02	19,000	23,756	21,616	
First Nations Finance Authority, 1.710%, 2030/06/16	19,000	16,143	16,882	
First Nations Finance Authority, 2.850%, 2032/06/01	25,000	23,569	23,301	
Hydro-Québec, 3.400%, 2029/09/01	94,000	90,777	93,298	
Municipal Finance Authority of British Columbia, 3.300%, 2032/04/08	37,000	35,224	35,849	
Municipal Finance Authority of British Columbia, 4.050%, 2033/12/03	11,000	10,987	11,196	
OMERS Finance Trust, 2.600%, 2029/05/14	35,000	31,652	33,125	
Ontario Teachers' Finance Trust, 4.150%, 2029/11/01	25,000	24,665	25,627	
Province of Alberta, 1.650%, 2031/06/01	89,000	74,535	77,546	
Province of Alberta, 3.050%, 2048/12/01	20,000	18,159	16,827	
Province of Alberta, 3.100%, 2050/06/01	24,000	21,058	20,395	
Province of Alberta, 3.300%, 2046/12/01	13,000	11,292	11,501	
Province of Alberta, 3.900%, 2033/12/01	112,000	113,134	112,798	
Province of Alberta, 4.150%, 2033/06/01	22,000	22,032	22,650	
Province of British Columbia, 1.550%, 2031/06/18	47,000	38,857	40,635	
Province of British Columbia, 2.200%, 2030/06/18	201,000	195,316	185,249	
Province of British Columbia, 4.250%, 2053/12/18	5,000	4,913	5,289	
Province of British Columbia, 4.300%, 2042/06/18	16,000	20,710	16,562	
Province of Manitoba, 2.850%, 2046/09/05	8,000	6,361	6,456	
Province of Manitoba, 3.900%, 2032/12/02	21,000	20,887	21,191	
Province of Manitoba, 4.650%, 2040/03/05	24,000	25,594	25,516	
Province of New Brunswick, 4.550%, 2037/03/26	11,000	15,020	11,597	
Province of New Brunswick, 4.800%, 2041/06/03	24,000	32,236	25,952	
Province of Newfoundland, 4.150%, 2033/06/02	19,000	18,300	19,301	
Province of Newfoundland and Labrador, 1.750%, 2030/06/02	80,000	71,393	71,077	
Province of Newfoundland and Labrador, 2.050%, 2031/06/02	31,000	29,453	27,499	
Province of Newfoundland and Labrador, 2.850%, 2029/06/02	34,000	31,867	32,701	
Province of Newfoundland and Labrador, 3.700%, 2048/10/17	10,000	12,290	8,976	
Province of Newfoundland and Labrador, Series '6X', 3.300%, 2046/10/17	9,000	9,201	7,589	
Province of Nova Scotia, 2.400%, 2031/12/01	40,000	36,288	36,437	
Province of Nova Scotia, 4.700%, 2041/06/01	10,000	10,722	10,701	
Province of Ontario, 1.550%, 2029/11/01	26,000	22,156	23,320	
Province of Ontario, 2.050%, 2030/06/02	42,000	37,397	38,375	
Province of Ontario, 2.150%, 2031/06/02	214,000	183,769	193,400	
Province of Ontario, 2.800%, 2048/06/02	21,000	16,482	17,072	
Province of Ontario, 2.900%, 2046/12/02	28,000	22,161	23,320	
Province of Ontario, 3.450%, 2045/06/02	23,000	19,798	21,095	
Province of Ontario, 3.500%, 2043/06/02	14,000	12,565	12,999	
Province of Ontario, 3.650%, 2033/06/02	29,000	28,496	28,759	
Province of Ontario, 3.750%, 2053/12/02	22,000	21,538	21,354	
Province of Ontario, 3.750%, 2032/06/02	35,000	32,471	35,105	
Province of Ontario, 4.050%, 2032/02/02	46,000	45,859	47,214	
Province of Ontario, 4.150%, 2054/12/02	3,000	3,003	3,126	
Province of Ontario, 4.650%, 2041/06/02	7,000	6,996	7,543	
Province of Prince Edward Island, 4.600%, 2041/05/19	6,000	7,650	6,297	
Province of Quebec, 1.900%, 2030/09/01	227,000	195,799	204,811	
Province of Quebec, 3.600%, 2033/09/01	31,000	28,794	30,615	
Province of Quebec, 4.250%, 2043/12/01	22,000	20,656	22,653	
Province of Quebec, 4.400%, 2055/12/01	24,000	23,096	26,196	
Province of Saskatchewan, 2.150%, 2031/06/02	70,000	61,329	63,185	
Total Provincial Bonds and Guarantees		<u>1,886,406</u>	<u>1,901,778</u>	9.32%
Municipal Bonds and Guarantees				
City of Greater Sudbury, 3.457%, 2047/03/15	7,000	7,000	6,094	
City of Montreal, 1.750%, 2030/09/01	3,000	2,528	2,651	
City of Montreal, 3.150%, 2036/12/01	13,000	10,651	11,732	
City of Montreal, 3.500%, 2038/12/01	46,000	44,892	42,410	
City of Montreal, 4.100%, 2034/12/01	16,000	15,630	16,096	
City of Montreal, 4.250%, 2033/09/01	38,000	36,435	38,895	
City of Montreal, 4.700%, 2041/12/01	20,000	20,423	21,054	
City of Ottawa, 2.500%, 2051/05/11	8,000	7,269	5,805	

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Municipal Bonds and Guarantees (continued)				
City of Ottawa, 3.050%, 2039/05/10	5,000	4,933	4,366	
City of Ottawa, 4.400%, 2033/10/22	4,000	4,031	4,165	
City of Ottawa, 4.450%, 2033/06/04	10,000	9,996	10,456	
City of Toronto, 2.600%, 2039/09/24	11,000	9,943	9,005	
City of Toronto, 2.850%, 2041/11/23	7,000	6,968	5,753	
City of Toronto, 3.500%, 2036/06/02	49,000	44,880	46,284	
City of Toronto, 4.150%, 2044/03/10	13,000	13,962	12,727	
City of Toronto, 4.250%, 2033/07/11	2,000	1,999	2,063	
City of Toronto, 4.400%, 2042/12/14	16,000	15,486	16,223	
City of Toronto, 4.550%, 2042/07/27	20,000	19,502	20,643	
City of Winnipeg, 4.100%, 2045/06/01	16,000	16,886	15,485	
Regional Municipality of Halton, 3.150%, 2045/04/06	10,000	10,776	8,388	
Regional Municipality of Peel, 3.850%, 2042/10/30	5,000	5,823	4,711	
Regional Municipality of Peel, 4.250%, 2033/12/02	14,000	13,980	14,419	
Regional Municipality of Peel, 5.100%, 2040/06/29	9,000	12,008	9,905	
Regional Municipality of York, 2.150%, 2031/06/22	9,000	8,068	8,100	
Regional Municipality of York, 3.650%, 2033/05/13	9,000	8,890	8,864	
Regional Municipality of York, 4.050%, 2034/05/01	35,000	34,383	35,455	
Regional Municipality of York, 4.450%, 2033/12/08	12,000	11,978	12,558	
Regional Municipality of York, Series 'F', 4.000%, 2032/05/31	17,000	18,446	17,279	
Total Municipal Bonds and Guarantees		417,766	411,586	2.02%
Corporate Bonds and Guarantees				
Air Lease Corp., Callable, 5.400%, 2028/06/01	2,000	1,981	2,054	
Alimentation Couche-Tard Inc., Callable, 5.592%, 2030/09/25	3,000	3,000	3,195	
Allied Properties REIT, Callable, Series 'E', 3.113%, 2027/04/08	10,000	8,905	9,135	
AltaLink L.P., Callable, 4.692%, 2032/11/28	2,000	2,061	2,071	
AltaLink L.P., Callable, Series '20-1', 1.509%, 2030/09/11	4,000	3,345	3,407	
ARC Resources Ltd., Callable, 2.354%, 2026/03/10	29,000	26,908	27,655	
AT&T Inc., Callable, 4.000%, 2025/11/25	9,000	9,885	8,872	
Bank of Montreal, 2.850%, 2024/03/06	80,000	78,535	79,660	
Bank of Montreal, Callable, 1.551%, 2026/05/28	230,000	213,199	215,716	
Bank of Montreal, Callable, 3.650%, 2027/04/01	65,000	62,147	63,399	
Bank of Montreal, Callable, 4.537%, 2028/12/18	35,000	35,000	35,201	
Bank of Montreal, Callable, 4.709%, 2027/12/07	15,000	14,395	15,129	
Bank of Montreal, Callable, 5.039%, 2028/05/29	2,000	1,945	2,045	
Bank of Montreal, Variable Rate, Callable, 2.077%, 2030/06/17	29,000	26,977	27,759	
Bank of Nova Scotia, 2.490%, 2024/09/23	290,000	280,314	284,623	
Bank of Nova Scotia, Variable Rate, Callable, 3.890%, 2024/01/18	170,000	166,859	169,884	
Bell Canada, Callable, 3.600%, 2027/09/29	2,000	1,852	1,951	
Bell Canada, Callable, 5.250%, 2029/03/15	4,000	3,996	4,172	
BINOM Securitization Trust, Zero Coupon, Callable, Series '23-CDN1', Class 'A', 4.560%, 2063/12/15	77,453	75,406	74,366	
BMW Canada Auto Trust, Callable, Series '21-1', Class 'A3', 0.755%, 2025/12/20	4,057	4,057	4,031	
Brookfield Renewable Partners ULC, Callable, 4.250%, 2029/01/15	11,000	10,594	10,843	
CAE Inc., Callable, 5.541%, 2028/06/12	12,000	12,000	12,356	
Canadian Commercial Mortgage Origination Trust 5, Callable, Series '22-5', Class 'A', 3.320%, 2026/11/12	93,110	88,392	90,042	
Canadian Imperial Bank of Commerce, 5.000%, 2026/12/07	8,000	8,000	8,110	
Canadian Imperial Bank of Commerce, Callable, 5.500%, 2028/01/14	16,000	16,120	16,566	
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 2.010%, 2030/07/21	17,000	15,655	16,237	
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 2.950%, 2029/06/19	150,000	145,580	148,104	
Canadian Western Bank, 5.261%, 2025/12/20	15,000	15,000	15,113	
Canadian Western Bank, Floating Rate, 5.888%, 2024/01/22	70,000	69,959	70,010	
Capital Power Corp., Callable, 4.986%, 2026/01/23	4,000	3,902	3,990	
Capital Power Corp., Callable, 5.378%, 2027/01/25	15,000	15,007	15,255	
Capital Power Corp., Callable, 5.816%, 2028/09/15	11,000	11,000	11,433	
Capital Power Corp., Callable, 5.973%, 2034/01/25	3,000	3,000	3,129	
Cards II Trust, 6.457%, 2026/01/15	55,000	55,000	56,959	
Cards II Trust, Series 'B', 3.127%, 2024/11/15	28,000	26,726	27,340	
Cards II Trust, Series 'C', 3.877%, 2024/11/15	8,000	7,604	7,786	
CHIP Mortgage Trust, Restricted, Series '21-1', 1.503%, 2024/11/15	10,000	9,532	9,621	
Choice Properties REIT, Callable, Series 'K', 3.556%, 2024/09/09	100,000	98,126	98,790	

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Corporate Bonds and Guarantees (continued)				
Choice Properties REIT, Callable, Series 'L', 4.178%, 2028/03/08	7,000	6,608	6,872	
Choice Properties REIT, Callable, Series 'P', 2.848%, 2027/05/21	4,000	3,685	3,781	
CNH Capital Canada Receivables Trust, Callable, Series '21-1', Class 'A2', 1.001%, 2026/11/16	5,747	5,747	5,564	
Daimler Truck Finance Canada Inc., 2.140%, 2024/12/13	110,000	106,540	106,829	
Dream Industrial CREIT, Callable, 5.383%, 2028/03/22	5,000	5,023	5,077	
Dream Industrial REIT, Floating Rate, Series 'B', 5.778%, 2024/06/17	80,000	78,898	79,971	
Dream Industrial REIT, Restricted, Callable, Series 'D', 2.539%, 2026/12/07	23,000	21,488	21,539	
Dream Industrial REIT, Restricted, Callable, Series 'E', 3.968%, 2026/04/13	17,000	16,574	16,680	
Dream Summit Industrial L.P., Callable, Series 'C', 2.250%, 2027/01/12	3,000	2,666	2,776	
Dream Summit Industrial L.P., Callable, Series 'D', 2.440%, 2028/07/14	3,000	2,577	2,698	
Eagle Credit Card Trust, Series 'C', 7.364%, 2028/06/17	20,000	20,000	20,323	
Enbridge Gas Inc., Callable, 2.370%, 2029/08/09	2,000	1,780	1,833	
Enbridge Gas Inc., Callable, 2.900%, 2030/04/01	13,000	11,867	12,115	
Enbridge Gas Inc., Callable, 5.460%, 2028/10/06	4,000	4,000	4,238	
Enbridge Inc., Callable, 3.200%, 2027/06/08	4,000	3,706	3,843	
Enbridge Inc., Variable Rate, Callable, 5.375%, 2077/09/27	29,000	27,579	27,336	
Enbridge Inc., Variable Rate, Callable, Series 'C', 6.625%, 2078/04/12	2,000	1,973	1,973	
Enbridge Inc., Variable Rate, Convertible Bonds, Callable, 8.495%, 2084/01/15	9,000	9,000	9,482	
Enbridge Pipelines Inc., Callable, 3.000%, 2026/08/10	4,000	3,772	3,868	
Enbridge Pipelines Inc., Callable, 5.330%, 2040/04/06	2,000	1,936	2,018	
EPCOR Utilities Inc., Callable, 5.326%, 2053/10/03	2,000	2,134	2,298	
Equitable Bank, 1.983%, 2024/05/09	40,000	39,227	39,517	
Fair Hydro Trust, Callable, 3.357%, 2033/05/15	25,000	23,514	23,748	
Fairstone Financial Issuance Trust I, Callable, Series '20-1A', Class 'A', 2.509%, 2039/10/20	35,787	34,230	34,816	
First Capital REIT, Callable, 3.447%, 2028/03/01	3,000	2,657	2,756	
First Capital REIT, Callable, Series 'R', 4.790%, 2024/08/30	7,000	7,675	6,941	
First Capital REIT, Callable, Series 'S', 4.323%, 2025/07/31	26,000	27,442	25,483	
First Capital REIT, Callable, Series 'V', 3.456%, 2027/01/22	1,000	917	943	
First West Credit Union, 6.797%, 2024/11/29	95,000	95,000	95,624	
Ford Auto Securitization Trust, Callable, Series '21-A', Class 'C', 2.700%, 2029/04/15	7,000	7,000	6,465	
Ford Auto Securitization Trust, Callable, Series '23-A', Class 'A1', 5.211%, 2025/06/15	31,803	31,803	31,779	
Ford Credit Canada Co., 6.326%, 2026/11/10	14,000	14,029	14,362	
Ford Credit Canada Co., 7.375%, 2026/05/12	15,000	15,371	15,636	
Ford Credit Canada Co., Callable, 2.961%, 2026/09/16	74,000	69,535	69,763	
Glacier Credit Card Trust, 2.438%, 2025/09/22	20,000	19,488	18,843	
Glacier Credit Card Trust, Series '19-1', 3.430%, 2024/06/06	20,000	20,000	19,767	
Goldman Sachs Group Inc. (The), Floating Rate, Callable, 5.950%, 2025/04/29	200,000	199,096	200,598	
Greater Toronto Airports Authority, Callable, Series '00-1', 7.050%, 2030/06/12	12,000	17,228	13,840	
Greater Toronto Airports Authority, Series '97-3', 6.450%, 2027/12/03	27,000	35,476	29,223	
H&R REIT, Callable, 3.369%, 2024/01/30	110,000	108,387	109,799	
Honda Canada Finance Inc., Floating Rate, 6.395%, 2024/02/26	120,000	119,348	120,012	
Hydro One Inc., Callable, 3.930%, 2029/11/30	4,000	3,999	4,003	
Hydro One Inc., Callable, 4.850%, 2054/11/30	2,000	1,998	2,153	
Hydro One Ltd., Callable, 1.410%, 2027/10/15	2,000	1,787	1,825	
Hyundai Capital Canada Inc., Callable, Series 'A', 2.008%, 2026/05/12	70,000	65,820	65,941	
iA Financial Corp. Inc., Variable Rate, Callable, 5.685%, 2033/06/20	3,000	3,000	3,086	
Inter Pipeline Ltd., Callable, 4.232%, 2027/06/01	16,000	15,361	15,729	
Inter Pipeline Ltd., Callable, 5.710%, 2030/05/29	27,000	27,183	27,717	
Inter Pipeline Ltd., Callable, 5.760%, 2028/02/17	27,000	27,222	27,875	
Inter Pipeline Ltd., Callable, 6.590%, 2034/02/09	6,000	5,998	6,458	
Inter Pipeline Ltd., Callable, Series '12', 3.983%, 2031/11/25	3,000	2,482	2,737	
Loblaw Cos. Ltd., Callable, 3.918%, 2024/06/10	50,000	49,396	49,700	
Manulife Financial Corp., Variable Rate, Callable, 3.049%, 2029/08/20	90,000	87,440	88,551	
National Australia Bank Ltd., Variable Rate, Callable, 3.515%, 2030/06/12	30,000	30,126	28,888	
National Bank of Canada, 2.237%, 2026/11/04	220,000	204,470	207,257	
National Bank of Canada, 5.023%, 2029/02/01	15,000	14,998	15,364	
National Bank of Canada, 5.219%, 2028/06/14	33,000	32,958	33,988	
National Bank of Canada, 5.296%, 2025/11/03	57,000	57,033	57,538	
National Bank of Canada, Variable Rate, Callable, 1.573%, 2026/08/18	9,000	8,374	8,559	
National Bank of Canada, Variable Rate, Callable, 5.426%, 2032/08/16	39,000	38,251	39,443	
National Bank of Canada, 4.968%, 2026/12/07	33,000	33,000	33,432	
New York Life Global Funding, Floating Rate, 6.047%, 2026/06/30	100,000	100,000	100,362	

CC&L Diversified Income Fund
Schedule of Investment Portfolio
As at December 31, 2023

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Corporate Bonds and Guarantees (continued)				
Nissan Canada Inc., 2.103%, 2025/09/22	3,000	2,841	2,846	
Northern Courier Pipeline L.P., Sinkable, 3.365%, 2042/06/30	16,215	16,215	14,587	
Northwestern Hydro Acquisition Co. II L.P., Series 'I', 3.877%, 2036/12/31	29,000	29,632	25,883	
Nova Scotia Power Inc., 6.950%, 2033/08/25	3,000	3,449	3,451	
Nova Scotia Power Inc., Callable, 3.307%, 2050/04/25	1,000	725	757	
Nova Scotia Power Inc., Callable, 3.612%, 2045/05/01	1,000	817	820	
Nova Scotia Power Inc., Callable, 4.951%, 2032/11/15	36,000	35,878	36,384	
Primaris REIT, Callable, 5.934%, 2028/03/29	4,000	3,974	4,074	
Primaris REIT, Callable, 6.374%, 2029/06/30	13,000	13,023	13,531	
Primaris REIT, Callable, Series 'NOV', 4.727%, 2027/03/30	3,000	2,857	2,942	
Primaris REIT, Restricted, 4.267%, 2025/03/30	5,000	5,000	4,902	
RioCan REIT, Callable, 5.611%, 2027/10/06	2,000	2,006	2,025	
RioCan REIT, Callable, 5.962%, 2029/10/01	8,000	7,997	8,233	
RioCan REIT, Callable, Series 'AC', 2.361%, 2027/03/10	26,000	25,745	23,909	
RioCan REIT, Callable, Series 'AD', 1.974%, 2026/06/15	3,000	2,707	2,792	
RioCan REIT, Callable, Series 'AE', 2.829%, 2028/11/08	7,000	6,949	6,277	
RioCan REIT, Restricted, Callable, 4.628%, 2029/05/01	3,000	2,991	2,912	
Rogers Communications Inc., 5.650%, 2026/09/21	14,000	13,979	14,424	
Rogers Communications Inc., Callable, 3.650%, 2027/03/31	17,000	16,161	16,586	
Rogers Communications Inc., Callable, 3.800%, 2027/03/01	23,000	22,149	22,537	
Rogers Communications Inc., Callable, 4.400%, 2028/11/02	29,000	27,683	28,883	
Rogers Communications Inc., Callable, 5.700%, 2028/09/21	31,000	30,960	32,530	
Royal Bank of Canada, 4.612%, 2027/07/26	2,000	2,023	2,013	
Royal Bank of Canada, 5.235%, 2026/11/02	30,000	30,084	30,626	
Royal Bank of Canada, 5.341%, 2026/06/23	57,000	56,913	58,104	
Royal Bank of Canada, Floating Rate, 5.282%, 2024/01/24	155,000	155,388	154,950	
Royal Bank of Canada, Variable Rate, Callable, 2.140%, 2031/11/03	140,000	128,213	129,891	
Saputo Inc., Callable, 5.250%, 2029/11/29	8,000	8,219	8,285	
Sea To Sky Highway Investment L.P., Sinkable, Callable, Series 'A', 2.629%, 2030/08/31	8,429	8,439	7,665	
Shaw Communications Inc., Callable, 3.300%, 2029/12/10	7,000	6,127	6,532	
Shaw Communications Inc., Callable, 6.750%, 2039/11/09	3,000	4,204	3,428	
SmartCentres REIT, Callable, 5.354%, 2028/05/29	6,000	5,812	6,028	
SmartCentres REIT, Callable, Series 'P', 3.444%, 2026/08/28	2,000	1,862	1,919	
SmartCentres REIT, Callable, Series 'S', 3.834%, 2027/12/21	10,000	9,281	9,525	
SmartCentres REIT, Callable, Series 'V', 3.192%, 2027/06/11	4,000	3,635	3,756	
SmartCentres REIT, Callable, Series 'Y', 2.307%, 2028/12/18	2,000	1,656	1,747	
Sun Life Financial Inc., Variable Rate, Callable, 2.460%, 2031/11/18	170,000	157,750	159,811	
Suncor Energy Inc., 5.400%, 2026/11/17	36,000	36,283	36,891	
Suncor Energy Inc., 5.600%, 2025/11/17	9,000	8,988	9,132	
TELUS Corp., Callable, 5.600%, 2030/09/09	21,000	20,976	22,208	
TELUS Corp., Callable, Series 'CZ', 2.750%, 2026/07/08	70,000	67,259	67,395	
Toronto Dominion Bank (The), 5.491%, 2028/09/08	14,000	14,000	14,644	
Toronto-Dominion Bank (The), 2.260%, 2027/01/07	30,000	27,145	28,232	
Toronto-Dominion Bank (The), 2.667%, 2025/09/09	68,000	64,432	65,768	
Toronto-Dominion Bank (The), 4.210%, 2027/06/01	11,000	10,696	10,923	
Toronto-Dominion Bank (The), 4.344%, 2026/01/27	9,000	8,726	8,968	
Toronto-Dominion Bank (The), 4.680%, 2029/01/08	2,000	2,000	2,023	
Toronto-Dominion Bank (The), 5.423%, 2026/07/10	67,000	67,068	68,461	
Toronto-Dominion Bank (The), Floating Rate, 5.830%, 2025/01/31	300,000	299,190	299,883	
Toronto-Dominion Bank (The), Variable Rate, Callable, 3.105%, 2030/04/22	38,000	36,090	36,959	
Tourmaline Oil Corp., Callable, Series 'I', 2.077%, 2028/01/25	2,000	1,780	1,823	
TransCanada PipeLines Ltd., Floating Rate, 5.738%, 2024/06/09	150,000	148,882	149,998	
TransCanada Trust, Variable Rate, Callable, Series '2017-A', 4.650%, 2077/05/18	52,000	52,982	47,545	
Union Gas Ltd., Callable, 3.190%, 2025/09/17	15,000	16,173	14,631	
Verizon Communications Inc., Callable, 2.375%, 2028/03/22	3,000	2,671	2,779	
Wells Fargo & Co., Callable, 3.184%, 2024/02/08	110,000	108,358	109,966	
Total Corporate Bonds and Guarantees		5,514,879	5,551,438	27.21%
Mortgage-backed Securities				
Classic RMBS Trust, Callable, Series '22-1', Class 'A', 2.630%, 2052/08/15	10,064	10,064	9,616	
Institutional Mortgage Securities Canada Inc., Callable, Series '14-5', Class 'A2', 2.616%, 2024/01/12	5,572	5,510	5,561	

CC&L Diversified Income Fund**Schedule of Investment Portfolio**

As at December 31, 2023

	Number of Shares/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Mortgage-backed Securities (continued)				
MBARC Credit Canada Inc., Callable, Series '21-A', Class 'A3', 0.932%, 2024/01/16	3,779	<u>3,779</u>	<u>3,764</u>	
Total Mortgage-backed Securities		<u>19,353</u>	<u>18,941</u>	0.09%
Total Fixed Income		<u>10,021,493</u>	<u>9,935,531</u>	48.70%
Total Investments (before transaction costs)		<u>17,351,046</u>	<u>20,400,863</u>	100.00%
Embedded Broker Commissions (note 3)		(2,778)		
Total Investments		<u>17,348,268</u>	<u>20,400,863</u>	100.00%
Unrealized depreciation on futures contracts (Schedule 1)			<u>(7,122)</u>	
Unrealized appreciation on currency forward contracts (Schedule 2)			<u>1,620</u>	
Other Assets Less Liabilities			38,477	
Net Assets Attributable to Holders of Redeemable Units			<u>20,433,838</u>	

CC&L Diversified Income Fund

Schedule of Investment Portfolio

As at December 31, 2023

The Portfolio's investment portfolio is concentrated in the following

	December 31, 2023	December 31, 2022
Equity		
Canada	24.54%	24.93%
United States	18.72%	16.79%
Australia	0.35%	0.55%
China	0.03%	0.20%
Denmark	0.20%	0.10%
European Union	1.89%	1.98%
Faroe Islands	0.10%	0.11%
Great Britain	2.08%	1.71%
Hong Kong	0.20%	0.28%
India	0.05%	–%
Japan	1.56%	1.28%
Malaysia	0.11%	0.11%
Norway	–%	0.18%
Singapore	0.25%	0.42%
Sweden	0.12%	0.10%
Switzerland	0.67%	0.94%
Taiwan	–%	0.30%
Fixed Income		
Domestic Sovereign Bonds and Guarantees	9.80%	8.44%
United States Sovereign Bonds and Guarantees	0.26%	–%
Provincial Bonds and Guarantees	9.32%	9.64%
Municipal Bonds and Guarantees	2.02%	1.28%
Corporate Bonds and Guarantees	27.21%	29.62%
Mortgage-backed Securities	0.09%	0.22%
Short-Term Investments	0.43%	0.82%
	100.00%	100.00%

CC&L Diversified Income Fund

Futures Contracts

As at December 31, 2023

Schedule 1:

Description	Maturity Date	Number of Contracts	Fair Value \$	Unrealized Depreciation \$
Five-Year Government of Canada Bond	19-Mar-24	(3)	(338,070)	(5,432)
Two-Year Government of Canada Bond	19-Mar-24	(2)	(207,200)	(1,690)
			(545,270)	(7,122)

CC&L Diversified Income Fund
Foreign Currency Forward Contracts Schedules
As at December 31, 2023

Schedule 2:

Counterparty	Credit Rating of Counterparty	Currency Code	Amount Sold	Currency Code	Amount Bought	Contract Rate	Maturity Date	Unrealized Gain \$
Toronto-Dominion Bank (The)	A-1+	USD	(38,618)	CAD	52,488	0.736	19-Mar-24	1,620
								1,620

CC&L Diversified Income Fund (formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements
December 31, 2023 and December 31, 2022

1. General information

The CC&L Diversified Income Fund (the “Diversified Income Fund”, or the “Fund”) was established by a declaration of trust dated January 1, 2006 and commenced operations on January 30, 2006. The Fund is an open-ended mutual fund trust established under the laws of the Province of British Columbia. The address of the Fund’s registered office is 2300 – 1111 West Georgia Street, Vancouver, British Columbia, V6E 4M3.

CIBC Mellon Trust Company is the trustee and custodian (the “Trustee”) of the Fund. The investment activity of the Fund is managed by Connor, Clark & Lunn Funds Inc. (“CFI” or the “Manager”).

The investment objective of the Diversified Income Fund is to provide investors with a modest potential for growth of capital over time with limited variability of return from year to year. It is broadly diversified across different types of fixed income and equity securities to increase stability.

The Fund currently offers units under Series A, Series F, Series I, Series O, Reserve Series and Arbour Series.

The financial statements were authorized for issue by the Manager on March 22, 2024.

2. Basis of presentation

(a) Statement of compliance:

These financial statements have been prepared in compliance with IFRS Accounting Standards. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivatives) at fair value through profit and loss.

(b) Functional and presentational currency:

The Fund’s subscriptions, redemptions and certain operating activities are denominated in Canadian dollars, which is also the functional and presentation currency.

3. Material accounting policy information

The Fund has consistently applied the following accounting policies to all periods presented in these financial statements:

(a) Financial instruments:

The Fund has determined that they meet the definition of an ‘investment entity’. An investment entity is an entity that: obtains funds from one or more investors for the purpose of providing them with investment management services; commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of substantially all of its investments on a fair value basis. The significant judgment that the Fund has made in determining that they meet this definition is that fair value is the primary measurement attribute used to measure and evaluate the performance of substantially all of their investments.

The Fund classifies and measures financial instruments in accordance with IFRS 9, Financial Instruments - Classification and Measurement (“IFRS 9”). The standard requires financial assets to be classified as amortized cost, fair value through profit or loss (“FVTPL”), or fair value through other comprehensive income (“FVOCI”) based on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of these assets. Assessment and decision on the business model approach used is an accounting judgement. The Fund classifies investments based on both the Fund’s business models for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess performance and to make decisions. Consequently, all investments are measured at fair value through profit or loss.

More specifically, the Fund’s investments, derivative assets and liabilities, if any, are measured at FVTPL. The Fund’s obligations for Net Assets attributable to holders of redeemable units are presented at the redemption amount. All other financial assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost. Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when

CC&L Diversified Income Fund

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Notes to the Financial Statements

December 31, 2023 and December 31, 2022

appropriate, at the financial instrument's effective interest rate. The fair values of the Fund's financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

The net asset value ("NAV") per unit is determined by dividing the aggregate market value of the net assets of the Fund by the total number of units of the Fund outstanding before giving effect to redemptions or subscriptions to units on that day.

The interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds. Dividends are recognized as income on the ex-dividend date. Distributions from income trusts and pooled funds are recognized when the Fund has earned the right to receive payment of the distributions. The cost of investments is determined using the average cost method.

(b) Redeemable units of the Fund:

Under IAS 32, "Financial Instruments: Presentation", the Fund classified its redeemable units as liabilities. The Fund's redeemable units do not meet the criteria in IAS 32 for classification as equity as the Fund has more than one contractual obligation to its unitholders. Investors have the right to require redemption, subject to available liquidity, for cash at a unit price based on the Fund's valuation policies at each redemption date. Unitholders are also entitled to distributions when declared, and have the right to receive distributions in cash. Therefore, the ongoing redemption feature is not the only contractual obligation related to units.

(c) Increase (decrease) in net assets attributable to holders of redeemable units per series unit:

The increase (decrease) in net assets attributable to holders of redeemable units per series unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the period for that series.

(d) Foreign exchange:

Foreign currency denominated investments and other foreign currency denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses on foreign currency denominated assets and liabilities other than investments are presented separately in the Statements of Comprehensive Income. Foreign currency gains and losses on investments are included in the net realized gain (loss) on investments and net change in unrealized appreciation (depreciation) on investments in the Statements of Comprehensive Income.

(e) Income and expense allocation:

Realized gains/losses, changes in unrealized appreciation (depreciation) on investments, income and expenses that are common to the Fund as a whole are allocated daily to each series based on the proportionate share of the net asset value of the series. The proportionate share of each series is determined by adding the current day's net unitholder subscriptions of the series to the prior day's net asset value of the series. Any income or expense amounts that are unique to a particular series (for example, management fees) are accounted for separately in that particular series so as not to affect the net asset value of the other series.

(f) Income taxes:

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). All of the Fund's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statement of Financial Position as a deferred income tax asset.

(g) Transaction costs:

Transaction costs such as brokerage commissions incurred in the purchase and sale of securities are expensed as incurred and are recognized in the Statements of Comprehensive Income.

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(formerly CC&L Diversified Income Portfolio)

Notes to the Financial Statements

December 31, 2023 and December 31, 2022

(h) Futures:

The Fund may purchase standardized, exchange-traded futures contracts. Any outstanding futures contracts as at reporting period end date are listed in the Schedule of Investment Portfolio. Any difference between the value at the close of business on the current valuation day and that of the previous valuation day is settled in cash daily and recorded in the Statements of Comprehensive Income as Net change in unrealized appreciation (depreciation) on futures contracts. Any amounts receivable (payable) from settlement of futures contracts are reflected in the Statements of Financial Position as Daily variation margin. Short-term debt instruments as indicated in the Schedule of Investment Portfolio have been segregated and are held as margin against the futures contracts purchased by the Fund.

(i) Investments in underlying funds and unconsolidated structured entities:

Underlying funds are valued on each business day at their net asset value as reported by the underlying funds' managers. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches). The Fund considers all of its investments in other funds ("Investee Funds") to be investments in unconsolidated structured entities. The Fund may invest in Investee Funds whose objectives range from achieving medium to long term capital growth and whose investment strategy does not include the use of leverage. The Investee Funds may be managed by related or unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives. The Investee Funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitles the holder to a proportional stake in the respective fund's net assets. The Fund holds redeemable units in each of its Investee Funds. The change in fair value of each Investee Fund is included in the Statements of Comprehensive Income in Net change in unrealized appreciation (depreciation) on investments.

(j) Currency forward contracts:

The Fund may enter into foreign exchange forward contracts for economic hedging purposes or to establish an exposure to a particular currency. Open forward contracts are valued at the gain or loss that would arise as a result of closing the position on the valuation date. Unrealized gains and losses on foreign exchange forward contracts are included in Net change in unrealized appreciation (depreciation) on currency forward contracts in the Statements of Comprehensive Income, and upon closing of a contract, the realized gain or loss is included in Net realized gain (loss) on currency forward contracts. Outstanding settlement amounts on the close out of foreign exchange forward contracts are included in Unrealized appreciation (depreciation) on currency forward contracts in the Statements of Financial Position.

(k) New standards and interpretations not yet adopted:

The Fund adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed (in this note) in certain instances.

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

CC&L Diversified Income Fund

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Notes to the Financial Statements
December 31, 2023 and December 31, 2022

5. Fair value of financial instruments

(a) Fair value hierarchy:

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly or indirectly; and

Level 3: inputs that are unobservable.

The fair values of financial assets and financial liabilities that are traded in active markets (such as publicly trade derivatives and marketable securities) are based on quoted market prices or dealer price quotations at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

For all other financial instruments, the Fund determines fair values using other valuation techniques.

Fair value measurement of derivatives and securities not quoted in an active market

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Fund uses widely recognized valuation models for determining the fair value of financial instruments such as future, option, forward and swap contracts that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, and exchange-traded derivatives, such as futures and options, and over-the-counter (OTC) derivatives such as forward contracts and swaps. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

Classification of investments under the Fair Value Hierarchy

The tables below illustrate the classification of the Fund's financial instruments measured at fair value at the reporting date. The amounts are based on the values recognized in the Statements of Financial Position.

December 31, 2023

	Level 1	Level 2	Level 3	Total
Short-Term Investments	\$—	\$89,257	\$—	\$89,257
Equities	10,376,075	—	—	10,376,075
Fixed Income	—	9,935,531	—	9,935,531
Derivative Assets	—	1,620	—	1,620
Derivative Liabilities	(7,122)	—	—	(7,122)
Total Investments	\$10,368,953	\$10,026,408	\$—	\$20,395,361

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December 31, 2023 and December 31, 2022

December 31, 2022	Level 1	Level 2	Level 3	Total
Short-Term Investments	\$—	\$188,412	\$—	\$188,412
Equities	11,511,908	—	—	11,511,908
Fixed Income	—	11,330,544	—	11,330,544
Derivative Assets	9,190	—	—	9,190
Derivative Liabilities	(2,016)	—	—	(2,016)
Total Investments	\$11,519,082	\$11,518,956	\$—	\$23,038,038

There were no transfers between level 1, level 2 and level 3 for the years ended December 31, 2023 and 2022. All fair value measurements above are recurring.

Equity positions (including income trusts, exchange-traded funds and limited partnerships) are classified as Level 1 when the security is actively traded and a reliable price is observable. If equities do not trade frequently and observable prices are not available, fair value is determined using observable market data (e.g. transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Bonds and mortgage backed securities include primarily government and corporate bonds, which are valued using models with inputs including interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2.

Short-term investments are classified as Level 2, since they are stated at amortized cost, which approximates fair value.

Derivative assets and liabilities consist of foreign currency forward contracts, forward rate agreements and swap contracts which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value are classified as Level 2.

Futures contracts are classified as Level 1, as a quoted price is used based on observable market information.

Warrants are classified as Level 1, unless observable prices are not available. In such cases, fair value is determined using observable market data and the fair value is classified as Level 2.

6. Redeemable units of the Fund

Redeemable units of the Fund are offered to the public by way of prospectus. The Fund has authorized an unlimited number of series of units and may issue an unlimited number of units of each series. All issued units are fully paid and have been recorded in the official listing of unitholders maintained by the Fund's Trustee. Fund units are sold, and are redeemable at the holder's option, in accordance with the provisions of the declaration of trust at the prevailing Net Asset Value per Unit.

The Fund has no restrictions or specific capital requirements on the subscription and redemption of units. The relevant movements are shown on the Statements of Changes in Net Assets attributable to holders of redeemable units. In accordance with the objectives and risk management policies outlined in Note 10, the Fund endeavors to invest subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions. Liquidity is supported by the disposal of marketable securities when necessary.

The Fund currently offers the following series of units:

- Series A: Series A units are available to all investors who purchase through dealers and who invest the minimum amount.
- Series F: Series F units are available to investors who participate in fee-based programs through their dealer, whose dealer has signed a Series F agreement with us and who invest the minimum amount.
- Series I: Series I units are designed for those investors wishing to pay fees directly to the Manager. Series I units are available to institutional and other comparable investors as the Manager may determine

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December 31, 2023 and December 31, 2022

from time to time who invest \$1 million or such lesser amount as the Manager may agree. In addition, Series I units are available to investors who purchase through dealers, invest in the amount described above, pay fees directly to the Manager, have entered into an agreement with their dealer in relation to the payment of fees to their dealer and have authorized that both the Manager's fees and the dealer's fees be paid through a redemption of units.

- Series O: Series O units are available to investors who purchase through dealers, have entered into an agreement with their dealer in relation to payment of fees through redemption of units, and who invests the minimum amount.
- Arbour Series: Arbour Series units are available to investors who purchase through representatives registered with the relevant securities regulator, selected at the discretion of the Manager and who invest the minimum amount.
- Reserve Series: Reserve Series units are available to investors who purchase through Equity Associates Inc. representatives registered with the relevant securities regulator and who invest the minimum amount. The Reserve Series units may also be made available by the Manager to other authorized dealers acceptable to the Manager.

For the year ended December 31, 2023

	Series A	Series F	Series O	Reserve Series	Arbour Series
Balance, beginning of year	1,199,852	107,925	408,082	85,273	11,327
Issued during the year					
Sales	42,555	1,318	9,418	54	—
Reinvested distributions	8,464	1,198	8,329	2,383	285
Redeemed during the year	(228,109)	(21,051)	(76,034)	(4,490)	(685)
	<u>(177,090)</u>	<u>(18,535)</u>	<u>(58,287)</u>	<u>(2,053)</u>	<u>(400)</u>
Balance - End of year	<u>1,022,762</u>	<u>89,390</u>	<u>349,795</u>	<u>83,220</u>	<u>10,927</u>

For the year ended December 31, 2022

	Series A	Series F	Series O	Reserve Series	Arbour Series
Balance, beginning of year	1,386,042	99,348	440,416	102,783	12,048
Issued during the year					
Sales	70,698	24,884	16,819	53	—
Reinvested distributions	10,028	807	4,152	683	87
Redeemed during the year	(266,916)	(17,114)	(53,305)	(18,246)	(808)
	<u>(186,190)</u>	<u>8,577</u>	<u>(32,334)</u>	<u>(17,510)</u>	<u>(721)</u>
Balance - End of year	<u>1,199,852</u>	<u>107,925</u>	<u>408,082</u>	<u>85,273</u>	<u>11,327</u>

7. Taxation of the Fund

As at December 31, 2023, the Fund has capital losses of \$Nil (2022 - \$60,095), which may be carried forward indefinitely to reduce future net realized capital gains. There were \$Nil (2022 - \$Nil) non-capital losses available for tax purposes.

Certain dividend and interest income received by the Fund are subject to withholding tax imposed in the country of origin. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income.

As at December 31, 2023 and 2022, the Fund has considered uncertain tax liabilities and related interest and penalties with respect to foreign capital gains taxes and determined that no amount need be accrued in respect of such amounts. While this represents the Manager's best estimate, the estimated value could differ significantly from the amount ultimately payable.

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8. Related Party transactions and other expenses

Management fees and trailer fees

As the Manager of the Fund, Connor, Clark & Lunn Funds Inc. ("CFI") is responsible for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio and making arrangements with registered dealers for the purchase and sale of units of the Fund by investors.

The Fund pays a management fee, which is accrued daily and paid annually. The annual management fee rates, exclusive of taxes are noted in the table below:

Ser. A	Ser. F	Ser. I*	Ser. O	Reserve	Arbour
%	%	%	%	%	%
1.95	1.00	-	1.00	2.05	2.24

*Fees are negotiable and charged outside the Fund, but may not exceed 1.00%.

The Fund pays a trailing commission to dealers whose clients hold Series A, Reserve Series and Arbour Series. The Manager pays these trailing commissions to dealers from the management fees it collects from the Fund. The details of these trailing commissions are as follows:

Series A – either monthly or quarterly as agreed, a trailing commission of 0.95% per annum of the aggregate net asset value of the units held through the dealer in respect of the investment in Series A units of the Fund.

Reserve Series – either monthly or quarterly as agreed, a trailing commission of 1.00% per annum of the aggregate net asset value of the units held through Equity Associates Inc. in respect of the investment in Reserve Series units of the Fund.

Arbour Series – either monthly or quarterly as agreed, a trailing commission of 1.15% per annum of the aggregate net asset value of the units held through the dealer in respect of the investment in Arbour Series units of the Fund.

The Manager has entered into sub-advisory agreements for investment management services with companies that are related through common ownership. These companies include Connor, Clark & Lunn Investment Management Ltd., Baker Gilmore & Associates Inc., NS Partners Ltd., PCJ Investment Counsel Ltd. and Scheer, Rowlett & Associates Investment Management Ltd. The Manager pays for the services of the sub-advisors from the management fees it collects from the Fund.

Other expenses

Unless otherwise noted in these Notes, the Fund is responsible for the payment of all expenses relating to the operation of the Fund. Operating expenses include accounting, legal, audit, transfer agent, custodian, administrative and trustee fees, and investor servicing costs (such as semi-annual reports, annual reports and prospectus reports) and IRC fees.

Independent Review Committee fees

In accordance with National Instrument 81-107, the Manager has established an Independent Review Committee ("IRC") for the Fund. The mandate of the IRC is to review and make recommendations with respect to, or in certain circumstances, approve, conflicts of interest matters brought to it by the Manager. Remuneration paid to members of the IRC are charged to the Fund and the amounts are included in "Independent review committee fees" in the Statements of Comprehensive Income.

9. Brokerage commissions and soft dollars

The Manager may select brokers who charge commissions in "soft dollars" if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. Soft dollars represent a means of paying for products or services provided by brokerage firms (e.g., research reports) in exchange for direction transactions (e.g., trade execution) to the brokerage. Fund managers may use soft dollars allocated by brokerages to pay for a portion of the total commissions owed to the brokerage.

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The Fund paid \$9,717 (2022 - \$16,798) in brokerage commission and other transaction costs for portfolio transactions during the year. The soft dollars paid during the year were approximately \$696 (2022 - \$301).

10. Financial risk management

The Fund may be exposed to a variety of financial risks which are described below. The Fund's exposure to these risks is concentrated in their investment holdings including derivative instruments where applicable. In determining the risks that apply, and the extent to which they apply, reference should be made to the Schedule of Investment Portfolio and supporting schedules that group securities by asset class, market segment and geographic region (when securities are held in multiple currencies). The Manager manages the potential effects of these financial risks on the Fund's performance by employing and overseeing professional and experienced portfolio managers that regularly monitor the Fund's holdings, market events and overall economic conditions.

The portfolio managers use a variety of means to monitor the Fund including the measurement of specific financial and economic variables pertinent to the Fund. The Fund's risk management program is based on monitoring compliance against investment guidelines contained in the Statement of Investment Policy ("SIP"). The SIP is an internal document that outlines how the Fund is managed. The SIP states the investment objective of the Fund and the investment guidelines. The investment objective is to maximize long-term total return while protecting the capital value of the Fund from major market fluctuations through prudent diversification and selection of investments. The guidelines include permitted investments, acceptable levels of diversification and the permitted uses of derivatives.

Securities are selected with the intent of maximizing returns within the risk parameters defined in the SIP. On a daily basis, these guidelines and other restrictions are monitored against the positions in the Fund using an electronic compliance system to confirm there are no violations and to ensure market movements do not leave the Fund's portfolio holdings outside specified ranges. Corrective action is taken when necessary and any guideline violations are reported to the Manager.

The economic uncertainties around persistent inflation pressure, global pandemic recovery, geopolitical events, climate change and ongoing natural disasters could slow growth in the global economy. Developing reliable estimates and applying judgment continue to be substantially complex. Actual results may differ from those estimates and assumptions.

Currency risk

Currency risk is the risk that the value of monetary assets and liabilities denominated in currencies other than the Canadian dollar (the functional and presentational currency of the Fund) will fluctuate due to changes in foreign exchange rates. The Schedule of Investment Portfolio and supporting schedules identify all investments and derivative instruments denominated in foreign currencies. Bonds and short-term investments issued in foreign countries are exposed to that country's currency unless otherwise noted. Bonds, short-term investments and derivatives denominated in foreign currencies are exposed to currency risk as prices are converted to the Fund's functional currency in determining fair value. Foreign equities are not exposed to currency risk since they are considered non-monetary investments. Changes in the market value of these securities due to fluctuations in exchange rates are considered a component of other price risk (see below).

The portfolio manager may utilize hedging strategies at their discretion to minimize exposure to currency risk.

The table below summarize the Fund's exposure to foreign currencies as at December 31, 2023 and December 31, 2022 in Canadian dollars. Amounts shown are based on the fair value of monetary assets (including cash and short-term investments) as well as the underlying principal amounts of forward foreign currency contracts, as applicable. Other financial assets such as interest and dividends receivable and amounts due to or from broker that are denominated in foreign currencies do not expose the Fund to significant currency risk.

The table also illustrate the potential impact on Net Assets attributable to holders of redeemable units as a result of a 5% change in these currencies relative to the Canadian dollar, with all other factors remaining constant. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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	December 31, 2023	December 31, 2022
	\$	\$
British Pound	40	–
Danish Krone	178	–
Euro	20	–
Hong Kong Dollar	141	–
Japanese Yen	–	(8)
Norwegian Krone	(1)	–
Swedish Krona	(32)	–
United States Dollar	1,450	2,425
Total	1,796	2,417
% of Net Assets	0.0	0.0
Sensitivity (+/-)	90	121

Interest rate risk

Interest rate risk is the risk that the fair value of the Fund's interest-bearing investments will fluctuate due to changes in prevailing interest rates. The longer the term to maturity, all else being equal, the more sensitive a security is to interest rate risk. The Fund's exposure to interest rate risk is concentrated in their investment in debt securities (such as bonds and short-term investments) and interest rate derivative instruments (if any). Other assets and liabilities are short-term in nature and non-interest bearing.

The portfolio manager targets the Fund's duration to be within a specified tolerance of the benchmark or as otherwise specified in the SIP in order to minimize exposure to interest rate risk.

As at December 31, 2023, the Fund had direct exposure to interest rate risk through its investment in fixed income and short-term debt. The tables below summarize the Fund's exposure to interest rate risk as at December 31, 2023 and December 31, 2022. Amounts shown are based on the carrying values of debt instruments and exclude cash and cash equivalents and preferred shares.

As at December 31, 2023

Debt Instruments Grouped by Maturity Date	Total \$	% of Net Assets
Less than 1 year	1,710,160	8.4
1 to 3 years	3,300,218	16.1
3 to 5 years	552,449	2.7
5 to 10 years	2,899,466	14.2
Greater than 10 years	1,562,495	7.7
Total	10,024,788	49.1

As at December 31, 2022

Debt Instruments Grouped by Maturity Date	Total \$	% of Net Assets
Less than 1 year	3,555,617	15.5
1 to 3 years	2,124,479	9.3
3 to 5 years	949,448	4.1
5 to 10 years	3,236,882	14.1
Greater than 10 years	1,652,530	7.2
Total	11,518,956	50.2

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If prevailing interest rates had been raised or lowered by 1.0%, assuming a parallel shift in the yield curve, with all other factors remaining constant, net assets attributable to holders of redeemable units would have decreased or increased by approximately \$457,000 (December 31, 2022 - \$448,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material. The Fund is also exposed indirectly to interest rate risk through its investment in the mutual fund.

Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

Unexpected volatility or illiquidity could occur due to legal, political, regulatory, economic or other developments, such as public health emergencies, including an epidemic or pandemic, natural disasters, war and related geopolitical risks, and may impair the portfolio manager's ability to carry out the objectives of the Fund or cause the Fund to incur losses. Neither the duration nor ultimate effect of any such market conditions, nor the degree to which such conditions may worsen can be predicted.

The portfolio manager adheres to specified investment constraints in relation to asset class and diversification, thus minimizing exposure to other price risk.

Other assets and liabilities are monetary items that are short-term in nature and not subject to other price risk.

As at December 31, 2023 and December 31, 2022, the Fund was exposed to other price risk primarily through its equity investments that trade on stock exchanges. Approximately 50.8% (December 31, 2022– 50.1%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk because of exposure to market fluctuations (not caused by other factors mentioned previously). If prices of the securities held had increased or decreased by 10%, with all other factors remaining constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$1,038,000 (December 31, 2022 – \$1,151,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Credit risk is the risk that a loss could arise when a security issuer or counterparty to a financial instrument is unable to meet its financial obligations. To maximize the credit quality of its investments, the Fund's portfolio manager performs ongoing credit evaluations of debt issuers. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. Credit risk can also arise with counterparties on forward contracts. Credit risk exposure for over-the-counter derivative instruments is based on the Fund's unrealized gain of the contractual obligations with the counterparty as at the reporting date. The credit exposure of other assets is represented by their carrying amount. The Fund can also be exposed to credit risk to the extent that the Fund's custodian may not be able to settle trades for cash. CIBC Mellon Trust Company, which is the custodian for the Fund, is approved by Canadian Securities Administrator to act as custodian.

The tables below summarize the Fund's exposure to credit risk as at December 31, 2023 and December 31, 2022. Amounts shown are based on the carrying values of debt instruments and the unrealized gain on derivative instruments outstanding with counterparties. Credit ratings are determined from a composite of bond rating services such as Standard & Poor's, Moody's and Dominion Bond Rating Services.

As at December 31, 2023

Debt on Counterparty Credit Ratings	Total \$	% of Net Assets
AAA	2,457,796	12.0
AA	1,543,844	7.6
A	3,050,533	14.9
BBB	2,956,981	14.5
Below BBB	15,636	0.1
Total	10,024,788	49.1

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As at December 31, 2022

Debt on Counterparty Credit Ratings	Total \$	% of Net Assets
AAA	2,536,985	11.1
AA	1,835,718	8.0
A	3,628,493	15.8
BBB	3,517,760	15.3
Total	11,518,956	50.2

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund's exposure to liquidity risk is concentrated in the daily cash redemptions of redeemable units, which are due on demand. The liquidity of some securities held by the Fund, which may need to be disposed of in order to meet immediate or short-term obligations, are susceptible to rapid negative movements in credit markets; in particular non-government issued fixed income securities found on the Schedule of Investment Portfolio. Like all fixed income securities, the market value of these securities is based on a credit risk premium or 'spread'. The greater the credit risk associated with a security, the greater the spread demanded by holders. There is a negative correlation between the size of the spread and the value or price of the underlying security.

To mitigate this risk, the Fund retains sufficient cash, short-term investments and marketable securities that can be readily disposed of to maintain liquidity. Liquidity risk is considered negligible. The Fund's financial liabilities are all short-term in nature and are expected to mature within three months of the December 31, 2023 financial statement date, with the exception of certain derivatives and redeemable units, which are due on demand. All of the Fund's financial liabilities as at December 31, 2022 matured within three months of the financial statement date.

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographic region, asset type or sector.

The portfolio manager adheres to specified investment constraints in relation to asset class and diversification, thus minimizing exposure to concentration risk.

The Schedule of Investment Portfolio provides detailed information on the Fund's concentration risk exposure.

Capital risk management

Redeemable units issued and outstanding are considered to be capital of the Fund. The Fund is not subject to any internally or externally imposed restrictions on its capital. Each unit is redeemable at the option of the unitholder in accordance with the Declaration of Trust and entitles the unitholder to a pro rata share of the Fund's net asset value (NAV). Unitholders are entitled to distributions when declared. Distributions on units of the Fund are reinvested in additional units of the Fund or at the option of the unitholder, paid in cash.

11. Investments in structured entities

The Fund has determined that all of the mortgage-related and other asset-backed securities in which they invest are unconsolidated structured entities. These securities include mortgage pass-through securities, collateralized mortgage obligations, commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. The debt and equity securities issued by these securities may include tranches with varying levels of subordination. These securities may provide a monthly payment which consists of both interest and principal payments. Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans.

As at December 31, 2023 and December 31, 2022, the carrying value of mortgage related and other asset-backed securities included in investments in the Statements of Financial Position is \$18,941 (December 31, 2022 - \$51,330). This amount also

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represents the maximum exposure to losses at that date. The change in fair value of mortgage related and other asset backed securities are included in the Statements of Comprehensive Income in Net change in unrealized appreciation (depreciation) on investments.

The Fund accounts for these unconsolidated structured entities at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, as applicable, represents the maximum exposure to losses at that date.