

CONNOR, CLARK & LUNN INDEPENDENT REVIEW COMMITTEE

IRC 2023 Report to Securityholders

March 7, 2024

Dear Securityholder:

As chair of the Independent Review Committee (“**IRC**”) of the funds managed by Connor, Clark & Lunn Funds Inc. (the “**Manager**”), I am pleased to provide you with the annual report to securityholders for the year ended December 31, 2023 for the ten funds listed in the attached report (the “**Funds**”) as required under National Instrument 81-107 *Independent Review Committee for Investment Funds*.

The IRC’s mandate is to review conflict of interest matters identified and referred to the IRC by the Manager and provide its approval or recommendation, depending on the nature of the conflict of interest matter. A “conflict of interest matter” is a situation where a reasonable person would consider the Manager, or an entity related to the Manager, to have an interest that may conflict with the Manager’s ability to act in good faith and in the best interests of the Funds. In each instance where a conflict of interest matter is identified and referred to the IRC, the focus of the IRC is to determine if the Manager’s proposed action achieves a fair and reasonable result for the Funds.

The IRC reviews and assesses the adequacy and effectiveness of the Manager’s policies and procedures relating to conflict of interest matters in respect of the Funds on an annual basis. In addition, the IRC also conducts a self-assessment of the committee’s independence, compensation and effectiveness.

IRC members look forward to working with the Manager to ensure that the best interests of the Funds are paramount when the Manager is faced with a conflict of interest matter. In closing, I would like to thank my fellow IRC members and the Manager for their continued commitment and support.

“Leslie Wood”

Leslie Wood
Chair of the Independent Review Committee

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The IRC

The Independent Review Committee (“IRC”) for the funds managed by Connor, Clark & Lunn Funds Inc. became operational on November 1, 2007.

Manager	Fund(s)
Connor, Clark & Lunn Funds Inc.	<ul style="list-style-type: none">• CC&L Core Income and Growth Fund• CC&L Equity Income and Growth Fund• CC&L High Yield Bond Fund• CC&L Global Alpha Fund• PCJ Absolute Return Fund II• CC&L Global Market Neutral II Fund• CC&L Global Long Short Fund• CC&L Alternative Income Fund• CC&L Diversified Income Fund• NS Partners International Equity Focus Fund

Reporting Period

The information disclosed in this report covers the period beginning January 1, 2023 and ending December 31, 2023, the financial year-end of the Funds (inclusively, the “Period”).

Current IRC Members

NAME	RESIDENCE
Leslie Wood (Chair, effective May 1, 2023)	Pickering, ON
Martin Guest	Toronto, ON
Kerry Ho	Vancouver, BC

IRC Members’ Terms

NAME	FIRST APPOINTED	TERM END DATE
Anthony L. Cox	May 1, 2017	April 30, 2023
Leslie Wood	May 15, 2021	May 14, 2026
Martin Guest	May 1, 2022	April 30, 2025
Kerry Ho	May 1, 2023	April 30, 2026

Each member of the IRC is independent of the Funds, the Manager, and any entity related to the Manager. During the Period, there were no relationships that may cause a reasonable person to question a member’s independence.

Membership in other IRCs

The following IRC members were also members of the following unaffiliated IRCs during the 2023 calendar year:

NAME	OTHER IRC MEMBERSHIP
Leslie Wood	Empire Life Mutual Funds, PenderFund Capital Management Ltd., Evermore Capital Inc., Manulife Investment Management
Martin Guest	N/A
Kerry Ho	Pender Fund Capital Management Ltd. (until March 31, 2023) CST Scholarship Plans CST Spark Education Portfolios

Holdings of Securities

Funds

As at December 31, 2023, the percentage of securities of each class or series of the Funds beneficially owned, directly or indirectly, in

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aggregate, by all members of the IRC did not exceed 1 per cent.

Manager

The Manager is an indirect affiliate of Connor, Clark & Lunn Financial Group Ltd. (“**FG**”). As at December 31, 2023, the IRC members had no beneficial interest in either FG or the Manager.

Service Providers

As at December 31, 2023, the IRC members beneficially owned, directly or indirectly, in the aggregate, less than 0.1 per cent of any class or series of voting or equity securities of any material service provider to the Manager or the Funds.

IRC Compensation

During the period, the IRC members were paid, in aggregate, \$39,500.

The initial compensation of the IRC was set by the Manager. Compensation for the reporting period was set by the IRC members, after receiving input from the Manager. At least annually, the IRC reviews compensation in a manner consistent with good governance practices, giving consideration to the following factors, among any other factors the IRC considers important:

- (a) The best interests of the Funds;
- (b) The number and complexity of the Funds;
- (c) The commitment of time and energy that is expected from each member;
- (d) Industry best practices; and
- (e) The IRC’s most recent annual self-assessment, as well as, any recommendations about IRC compensation and expenses made by the Manager.

Indemnities

No amounts were paid to the IRC by the Funds during the period, pursuant to indemnities given by the Funds to the IRC.

Conflict of Interest Matters

National Instrument 81-107 *Independent Review Committee for Investment Funds* requires the IRC to review all conflict of interest matters identified and referred to the IRC by the Manager

and to give its approval or recommendation, depending on the nature of the conflict of interest matter. Below is a brief summary of any approvals and/or recommendations relied on by the Manager during the Period.

Positive Recommendations and Standing Instructions Relied on During the Period

The Manager relied on positive recommendations and standing instructions granted by the IRC with respect to the conflict of interest matters addressed by the following policies and procedures of the Manager:

- (a) Engagement and Monitoring Services of Portfolio Advisors to the Funds (including Related Portfolio Advisors) Policy;
- (b) Employee Personal Trading Policy;
- (c) Net Asset Value Error Correction Policy;
- (d) Fund Pricing Policy;
- (e) Allocation of Operating Expenses to the Funds Policy; and
- (f) Trade Errors Policy.

In each of the above cases, the standing instructions granted by the IRC require the Manager to comply with the related policies and procedures and report periodically to the IRC.

Additional Approval Granted During the Period

On January 18, 2023, the IRC reviewed the conflict of interest matters related to proposed fee changes for Series A and Series F units (the “Fee Changes”) of the CC&L Alternative Global Equity Fund and the CC&L Alternative Canadian Equity Fund (together, the “Impacted Funds” and each an “Impacted Fund”) in conjunction with proposed changes in investment objectives (the “Investment Objective Changes”) for each Impacted Fund, as set out in the management information circular dated January 19, 2023 (the “Circular”).

The Circular stated that the purpose of the Fee Changes and the Investment Objective Changes was to orient the portfolio of each Impacted Fund to pursue more absolute return oriented objectives that would seek to deliver positive performance regardless of the direction of equity markets. It was also proposed that the investment strategy of each Impacted Fund

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would be changed to align with the Investment Objective Changes.

After reasonable enquiry, the IRC provided the Manager with a positive recommendation, having determined that, in the IRC's opinion, the Fee Changes and the Investment Objective Changes, if implemented, achieve a fair and reasonable result for unitholders of each of the Impacted Funds. While the IRC considered the Fee Changes in conjunction with the Investment Objective Changes, from a conflict of interest perspective, the IRC noted that it is not the role of the IRC to recommend that unitholders vote in favour of or against the Fee Changes and the Investment Objective Changes and that it was making no such recommendation.

On February 9, 2023, the unitholder meetings for the Impacted Funds were held, and the Fee Changes and Investment Objective Changes were approved. The changes came into effect on March 23, 2023. In conjunction with the Fee Changes and the Investment Objective Changes, the name of the CC&L Alternative Global Equity Fund was changed to the CC&L Global Market Neutral II Fund and the name of the CC&L Alternative Canadian Equity Fund was changed to the CC&L Global Long Short Fund.

Negative Recommendations

The IRC is not aware of any instances whereby the Manager acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation. The Manager has an obligation to notify the IRC of any such instance.

This report is respectfully submitted by the IRC this 7th day of March, 2024.

Additional Information

Securityholders who would like additional details regarding the activities of the IRC may contact the Manager at more_info@cclgroup.com. Questions for members of the IRC will be appropriately directed to our attention.