



# CC&L Diversified Income Fund

## Management Report of Fund Performance

For the year ended December 31, 2024

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling us directly at 1.800.939.9674, by writing to us at 1400 - 130 King St. W., P.O. Box 240, Toronto, ON, M5X 1C8 or by visiting our website at [www.cclfundsync.com](http://www.cclfundsync.com), or SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca)

Security holders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

The fundamental investment objective of the Fund cannot be changed without the approval of a majority of the unitholders at a meeting called to consider the change.

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

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

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

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

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

## **MANAGEMENT DISCUSSION OF FUND PERFORMANCE**

### **Risk**

During the year from January 1, 2024 to December 31, 2024, the risk profile of the Fund was managed in accordance with the goals set out in the simplified prospectus. In the view of the Manager, the risks associated with an investment in the portfolio are adequately described in the simplified prospectus and have not altered as result of subsequent changes in the underlying investments.

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Results of Operations

As at December 31, 2024, the Fund held \$17.1 million in total net assets. For the year ended December 31, 2024, investors in Series A units in the Fund experienced a return of 12.45%. The blended benchmark for the Fund (25% FTSE Canada Universe Bond Index, 25% S&P/TSX Composite Index, 25% MSCI World Index Net (CAD\$) and 25% FTSE Canada Short Term Overall Bond Index) returned 15.12% over the year. The performance of Series F, Series O, Arbour Series and Reserve Series units varied due to the differences in their expense structures. For specific returns by series, please refer to the “Past Performance” section of this report.

The Fund remains broadly diversified across a number of asset classes. The chart below shows the asset allocation of the fund as at December 31, 2024 and 2023.

Asset Class	Portfolio Manager <sup>(1)</sup>	Asset Allocation (Dec 31, 2024)	Asset Allocation (Dec 31, 2023)	Change
Fixed income (core)	CCLIM	24.0%	24.3%	-0.3%
Fixed income (short-term)	BGA	23.9%	24.9%	-1.0%
Canadian equity (income & growth)	CCLIM	26.6%	24.4%	+2.2%
Global equity (income & growth)	NS	25.3%	26.0%	-0.7%

(1) Portfolio Managers

BGA: Baker, Gilmore & Associates Inc.

CCLIM: Connor, Clark & Lunn Investment Management Ltd.

NS: NS Partners Ltd.

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

For the calendar year, the Diversified Income Fund returned 12.45%. Global equities were the top performing component within the Fund, gaining 20.47% and Canadian equities were up 18.57%. Within fixed income, short-term bonds returned 5.72%, while universe bonds delivered a 4.95% return.

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Recent Developments

Despite extreme market volatility in early August, most asset classes delivered solid returns in the third quarter. While global economic data releases in the fourth quarter were mixed, US economic data showcased the resiliency of the US economy and risk assets rallied again, on the back of a Republican sweep which fueled the prospects for more business-friendly policies and propelled US equities higher. Canadian economic data reported in the fourth quarter was mixed but generally robust. Real GDP expanded a weaker-than-expected 1% annualized in the prior quarter, however, final demand and household consumption rose, job growth remained solid, with employment expanding in November even as the unemployment rate rose, and average hourly wage growth slowed. Headline inflation was weaker than expected in November, while the Bank of Canada's (BoC) core inflation measures were above consensus forecasts.

Many major equity indices reached all-time highs over the year before experiencing a modest pullback in December. Nonetheless, equity market returns remained solid in 2024, with the S&P 500 delivering a second year of more than 20% gains. Following a significant reversal in market leadership that took place in the third quarter that favored more interest-rate sensitive sectors, sentiment shifted again in the fourth quarter as economic conditions and consumer sentiment improved. In Canada, post-US election optimism led cyclical sectors to outperform defensive sectors and the information technology sector in particular, outperformed more defensive and interest-rate sensitive sectors, such as communication services, real estate and utilities.

The BoC continued its rate cutting path, reducing its policy rate by 25 basis points (bps) in both July and September, and then delivered two larger rate cuts of 50 bps each at its October and December meetings. With the policy rate ending the year at 3.25%, the BoC signaled it may move more cautiously going forward. The US Federal Reserve (Fed) started its easing cycle by delivering a 50 bps cut in September, followed by two 25 bps cuts across two meetings in the fourth quarter, and also appeared poised to slow the pace of further rate cuts as updated estimates showed upward revisions to US GDP and inflation for 2025. Bond yields in both countries fell meaningfully in the third quarter, led by shorter-term yields, but then ended the fourth quarter higher, resulting in a steepening of the yield curves in Canada and the US. Credit markets had a strong finish to 2024 with corporate spreads narrowing considerably over the year as demand for credit grew due to elevated yields and solid corporate earnings.

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Caution regarding forward-looking statements

Certain portions of this report, including, but not limited to, "Results of Operations" and "Recent Developments", may contain forward looking statements including, but not limited to, statements relating to the Fund, its strategy, risks, expected performance and condition. The use of any of the words "anticipate", "may", "will", "expect", "estimate", "should", "believe" and similar expressions are intended to identify forward-looking statements. In addition, any statement that is predictive in nature, that depends upon or refers to future events or conditions, or that may be made concerning future performance, strategies or prospects, and possible future action to be made by the Fund, the Manager and the Fund's portfolio manager, is also a forward-looking statement.

Such statements reflect the opinion of CFI and the Fund's portfolio manager, Connor, Clark & Lunn (Canada) Ltd., Connor, Clark & Lunn Investment Management Ltd., Baker Gilmore & Associates Inc., Global Alpha Capital Management Ltd., NS Partners Ltd., PCJ Investment Counsel Ltd., and Scheer, Rowlett & Associates Investment Management Ltd., regarding factors that might be reasonably expected to affect the performance and the distributions on units of the Fund, and are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, regulatory framework and the general business environment and other relevant information available at the time of this report. Changes in these factors may cause actual results to differ materially from the forward-looking information.

CFI believes that the expectations reflected in these forward-looking statements and in the analysis are reasonable, but no assurance can be given that these expectations or the analysis will prove to be correct and accordingly they should not be unduly relied on. These statements speak only as of the date of this report. Actual events and outcomes may differ materially from those described in these forward-looking statements.

We stress that the above mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing any undue reliance on forward-looking statements. Further, you should know there is no specific intention of updating any forward-looking statements contained therein whether as a result of new information, future events or otherwise.

## **MANAGEMENT DISCUSSION OF FUND PERFORMANCE**

### **Related Party Transactions**

CFI is affiliated with Connor, Clark & Lunn Financial Group Ltd. As disclosed in the prospectus, the portfolio manager retained by the Fund, Connor, Clark & Lunn (Canada) Ltd., Connor, Clark & Lunn Investment Management Ltd., Baker Gilmore & Associates Inc., Global Alpha Capital Management Ltd., NS Partners Ltd., PCJ Investment Counsel Ltd., and Scheer, Rowlett & Associates Investment Management Ltd., is also affiliated with Connor, Clark & Lunn Financial Group Ltd. During the year ended December 31, 2024, no additions or deletions were made to the portfolio managers providing services to the Fund.

As Manager, CFI receives management fees with respect to the day-to-day business and operations of the Fund as described in the section entitled “Management Fees”. These management fees are charged in the normal course of business and are measured at their exchange amount, which approximates that of an arm’s length transaction.

### **Recommendations or reports by the Independent Review Committee**

The Independent Review Committee tabled no special reports and made no reportable material recommendations to the manager of the Fund during the year ended December 31, 2024.

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since inception. This information is derived from the Fund's audited annual financial statements and previous audited financial statements.

### The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit

Series A	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21	DEC 31, 20
Net Assets, beginning of year <sup>(1)</sup>	\$12.43	\$11.98	\$13.38	\$12.68	\$11.84
Increase (decrease) from operations:					
Total revenues	0.27	0.47	0.40	0.31	0.34
Total expenses	(0.29)	(0.41)	(0.38)	(0.40)	(0.38)
Realized gains (losses) for the year	1.15	0.46	(0.05)	0.72	0.33
Unrealized gains (losses) for the year	0.13	0.01	(1.34)	0.33	0.48
Total increase (decrease) from operations <sup>(2)</sup>	1.26	0.53	(1.37)	0.96	0.77
Distributions:					
From net investment income (excluding dividends)	-	(0.01)	-	-	-
From dividends	(0.02)	(0.08)	(0.10)	-	-
From capital gains	(0.23)	-	-	(0.27)	-
Return of capital	-	-	-	-	-
Total distributions <sup>(2,3)</sup>	(0.25)	(0.09)	(0.10)	(0.27)	-
Net assets at December 31 of year shown <sup>(1,2)</sup>	\$13.46	\$12.43	\$11.98	\$13.38	\$12.68

Series A inception date: February 1, 2006

Series F	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21	DEC 31, 20
Net Assets, beginning of period <sup>(1)</sup>	\$15.24	\$14.68	\$16.26	\$14.95	\$13.85
Increase (decrease) from operations:					
Total revenues	0.33	0.58	0.50	0.37	0.39
Total expenses	(0.21)	(0.34)	(0.31)	(0.31)	(0.30)
Realized gains (losses) for the year	1.45	0.57	(0.08)	0.87	0.36
Unrealized gains (losses) for the year	0.13	0.06	(1.47)	0.30	0.69
Total increase (decrease) from operations <sup>(2)</sup>	1.70	0.87	(1.36)	1.23	1.14
Distributions:					
From net investment income (excluding dividends)	-	(0.06)	-	-	-
From dividends	(0.11)	(0.22)	(0.15)	-	-
From capital gains	(0.87)	-	-	(0.01)	-
Return of capital	-	-	-	-	(0.03)
Total distributions <sup>(2,3)</sup>	(0.98)	(0.28)	(0.15)	(0.01)	(0.03)
Net assets at December 31 of year shown <sup>(1,2)</sup>	\$15.96	\$15.24	\$14.68	\$16.26	\$14.95

Series F inception date: September 14, 2009

(1) This information is derived from the Fund's audited annual financial statements prepared in accordance with IFRS Accounting Standards.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not meant to be a reconciliation of beginning to ending net assets per share.

(3) Distributions were paid to unitholders by way of a combination of both cash payments and reinvestments in additional units of the Fund.

## FINANCIAL HIGHLIGHTS

### The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit

Series O	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21	DEC 31, 20
<b>Net Assets, beginning of year<sup>(1)</sup></b>	<b>\$14.15</b>	<b>\$13.69</b>	<b>\$15.17</b>	<b>\$14.28</b>	<b>\$13.23</b>
<b>Increase (decrease) from operations:</b>					
Total revenues	0.34	0.54	0.46	0.36	0.38
Total expenses	(0.17)	(0.32)	(0.29)	(0.30)	(0.29)
Realized gains (losses) for the year	1.26	0.52	(0.06)	0.81	0.36
Unrealized gains (losses) for the year	0.16	0.01	(1.49)	0.38	0.61
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.59</b>	<b>0.75</b>	<b>(1.38)</b>	<b>1.25</b>	<b>1.06</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	-	(0.06)	-	-	-
From dividends	(0.07)	(0.20)	(0.14)	-	-
From capital gains	-	(0.06)	-	(0.36)	-
Return of capital	-	-	-	-	(0.02)
<b>Total distributions<sup>(2,3)</sup></b>	<b>(0.07)</b>	<b>(0.32)</b>	<b>(0.14)</b>	<b>(0.36)</b>	<b>(0.02)</b>
<b>Net assets at December 31 of year shown<sup>(1,2)</sup></b>	<b>\$15.74</b>	<b>\$14.15</b>	<b>\$13.69</b>	<b>\$15.17</b>	<b>\$14.28</b>

Series O inception date: April 30, 2007

Series Arbour	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21	DEC 31, 20
<b>Net Assets, beginning of year<sup>(1)</sup></b>	<b>\$11.01</b>	<b>\$10.85</b>	<b>\$12.16</b>	<b>\$11.34</b>	<b>\$10.69</b>
<b>Increase (decrease) from operations:</b>					
Total revenues	0.25	0.43	0.37	0.28	0.30
Total expenses	(0.33)	(0.41)	(0.39)	(0.40)	(0.44)
Realized gains (losses) for the year	1.01	0.41	(0.05)	0.65	0.29
Unrealized gains (losses) for the year	0.09	0.02	(1.19)	0.28	0.49
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.02</b>	<b>0.45</b>	<b>(1.26)</b>	<b>0.81</b>	<b>0.64</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	-	(0.01)	-	-	-
From dividends	(0.01)	(0.05)	(0.08)	-	-
From capital gains	(0.29)	(0.23)	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions<sup>(2,3)</sup></b>	<b>(0.30)</b>	<b>(0.29)</b>	<b>(0.08)</b>	<b>-</b>	<b>-</b>
<b>Net assets at December 31 of year shown<sup>(1,2)</sup></b>	<b>\$11.77</b>	<b>\$11.01</b>	<b>\$10.85</b>	<b>\$12.16</b>	<b>\$11.34</b>

Arbour Series inception date: August 22, 2006

(1) This information is derived from the Fund's audited annual financial statements prepared in accordance with IFRS Accounting Standards.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not meant to be a reconciliation of beginning to ending net assets per share.

(3) Distributions were paid to unitholders by way of a combination of both cash payments and reinvestments in additional units of the Fund.

## FINANCIAL HIGHLIGHTS

### The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit

Series Reserve	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21	DEC 31, 20
<b>Net Assets, beginning of year<sup>(1)</sup></b>	<b>\$15.48</b>	<b>\$15.26</b>	<b>\$17.07</b>	<b>\$15.88</b>	<b>\$14.86</b>
<b>Increase (decrease) from operations:</b>					
Total revenues	0.34	0.60	0.51	0.40	0.42
Total expenses	-	(0.54)	(0.52)	(0.52)	(0.51)
Realized gains (losses) for the year	1.39	0.58	(0.06)	0.93	0.40
Unrealized gains (losses) for the year	0.20	0.03	(1.75)	0.28	0.64
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.93</b>	<b>0.67</b>	<b>(1.82)</b>	<b>1.09</b>	<b>0.95</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	-	(0.02)	-	-	-
From dividends	(0.02)	(0.10)	(0.12)	-	-
From capital gains	(1.05)	(0.33)	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions<sup>(2,3)</sup></b>	<b>(1.07)</b>	<b>(0.45)</b>	<b>(0.12)</b>	<b>-</b>	<b>-</b>
<b>Net assets at December 31 of year shown<sup>(1,2)</sup></b>	<b>\$16.36</b>	<b>\$15.48</b>	<b>\$15.26</b>	<b>\$17.07</b>	<b>\$15.88</b>

Reserve Series inception date: May 13, 2009

(1) This information is derived from the Fund's audited annual financial statements prepared in accordance with IFRS Accounting Standards.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not meant to be a reconciliation of beginning to ending net assets per share.

(3) Distributions were paid to unitholders by way of a combination of both cash payments and reinvestments in additional units of the Fund.

## FINANCIAL HIGHLIGHTS

### Ratios & Supplemental Data:

Series A	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21	DEC 31, 20
Total net asset value (000s) <sup>(1)</sup>	\$11,105	\$12,715	\$14,371	\$18,547	\$18,002
Number of units outstanding	825,230	1,022,762	1,199,852	1,386,042	1,419,722
Management expense ratio <sup>(2)</sup>	2.23%	3.18%	2.98%	2.86%	2.93%
Management expense ratio before waivers or absorption <sup>(3)</sup>	2.23%	3.18%	2.98%	2.86%	2.93%
Portfolio turnover rate <sup>(4)</sup>	119.46%	134.89%	154.70%	108.93%	98.88%
Trading expense ratio <sup>(5)</sup>	0.00%	0.04%	0.07%	0.10%	0.15%
Net asset value per unit	\$13.46	\$12.43	\$11.98	\$13.38	\$12.68

Series A inception date: February 1, 2006

Series F	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21	DEC 31, 20
Total net asset value (000s) <sup>(1)</sup>	\$1,604	\$1,362	\$1,584	\$1,615	\$1,893
Number of units outstanding	100,527	89,390	107,925	99,348	126,618
Management expense ratio <sup>(2)</sup>	1.25%	2.11%	1.90%	1.81%	1.87%
Management expense ratio before waivers or absorption <sup>(3)</sup>	1.25%	2.11%	1.90%	1.81%	1.87%
Portfolio turnover rate <sup>(4)</sup>	119.46%	134.89%	154.70%	108.94%	98.88%
Trading expense ratio <sup>(5)</sup>	0.00%	0.04%	0.07%	0.10%	0.15%
Net asset value per unit	\$15.96	\$15.24	\$14.68	\$16.26	\$14.95

Series F inception date: September 14, 2009

Series O	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21	DEC 31, 20
Total net asset value (000s) <sup>(1)</sup>	\$3,372	\$4,948	\$5,586	\$6,679	\$6,526
Number of units outstanding	214,193	349,795	408,082	440,416	457,030
Management expense ratio <sup>(2)</sup>	1.05%	2.15%	1.95%	1.86%	1.92%
Management expense ratio before waivers or absorption <sup>(3)</sup>	1.05%	2.15%	1.95%	1.86%	1.92%
Portfolio turnover rate <sup>(4)</sup>	119.46%	134.89%	154.70%	108.94%	98.88%
Trading expense ratio <sup>(5)</sup>	0.00%	0.04%	0.07%	0.10%	0.15%
Net asset value per unit	\$15.74	\$14.15	\$13.69	\$15.17	\$14.28

Series O inception date: April 30, 2007

(1) This information is provided as at December 31 of the years shown

(2) Management expense ratio is based on total expenses (excluding margin interest, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period

(3) The Manager of the Fund, CC&L Funds Inc., may waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is determined periodically on a series by series basis at the discretion of the manager and the manager can terminate the waiver or absorption at any time.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

(5) The trading expense ratio represents margin interest, borrow fees on investments sold short, total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period

## FINANCIAL HIGHLIGHTS

### Ratios & Supplemental Data:

Series Arbour	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21	DEC 31, 20
Total net asset value (000s) <sup>(1)</sup>	\$101	\$120	\$123	\$147	\$160
Number of units outstanding	8,557	10,927	11,327	12,048	14,153
Management expense ratio <sup>(2)</sup>	2.79%	3.57%	3.41%	3.25%	3.88%
Management expense ratio before waivers or absorption <sup>(3)</sup>	2.79%	3.57%	3.41%	3.25%	3.88%
Portfolio turnover rate <sup>(4)</sup>	119.46%	134.89%	154.70%	108.93%	98.88%
Trading expense ratio <sup>(5)</sup>	0.00%	0.04%	0.07%	0.10%	0.15%
Net asset value per unit	\$11.77	\$11.01	\$10.85	\$12.16	\$11.34

Arbour Series inception date: August 22, 2006

Series Reserve	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21	DEC 31, 20
Total net asset value (000s) <sup>(1)</sup>	\$1,102	\$1,288	\$1,301	\$1,755	\$2,219
Number of units outstanding	67,366	83,220	85,273	102,783	139,748
Management expense ratio <sup>(2)</sup>	0.00%	3.35%	3.15%	3.03%	3.14%
Management expense ratio before waivers or absorption <sup>(3)</sup>	0.00%	3.52%	3.31%	3.19%	3.30%
Portfolio turnover rate <sup>(4)</sup>	119.46%	134.89%	154.70%	108.94%	98.88%
Trading expense ratio <sup>(5)</sup>	0.00%	0.04%	0.07%	0.10%	0.15%
Net asset value per unit	\$16.36	\$15.48	\$15.26	\$17.07	\$15.88

Reserve Series inception date: May 13, 2009

(1) This information is provided as at December 31 of the years shown

(2) Management expense ratio is based on total expenses (excluding margin interest, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period

(3) The Manager of the Fund, CC&L Funds Inc., may waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is determined periodically on a series by series basis at the discretion of the manager and the manager can terminate the waiver or absorption at any time.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

(5) The trading expense ratio represents margin interest, borrow fees on investments sold short, total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period

## MANAGEMENT FEES

### Management Fees

The Portfolio is managed by CFI. As consideration for providing investment advisory and management services, CFI receives a management fee from the Portfolio, based on the net asset value of the respective series, calculated daily and payable monthly in arrears. In respect of units of all series of the Portfolio other than Series I, the management fee is paid by the Portfolio to CFI. Management fees in respect of Series I units are arranged directly and charged outside the Portfolio. Management fees on Series I units are not expenses of the Portfolio. CFI uses a portion of management fees to pay for trailing commissions to registered dealers (if applicable) based on amounts invested in the Portfolio. CFI uses the remaining portion of the management fees to pay for investment advice, including fees charged by the Portfolio's portfolio manager, and general administration expenses and retains the balance for profit. The following table summarizes the annual management fee rates (excluding GST and HST) of each series of the Portfolio, expressed as a percentage of the Portfolio's value, and the portion used for dealer compensation and the portion used for or attributed to investment advice, general administration and profit.

	Annual Rates	Dealer Compensation	<u>As a percentage of management fees</u> Investment advice, administration and profit
Series A	1.95%	48.72%	51.28%
Series F	1.00%	0.00%	100.00%
Series I	0.00%	0.00%	0.00%
Series O	1.00%	0.00%	100.00%
Reserve Series	2.05%	48.79%	51.21%
Arbor Series	2.24%	51.34%	48.66%

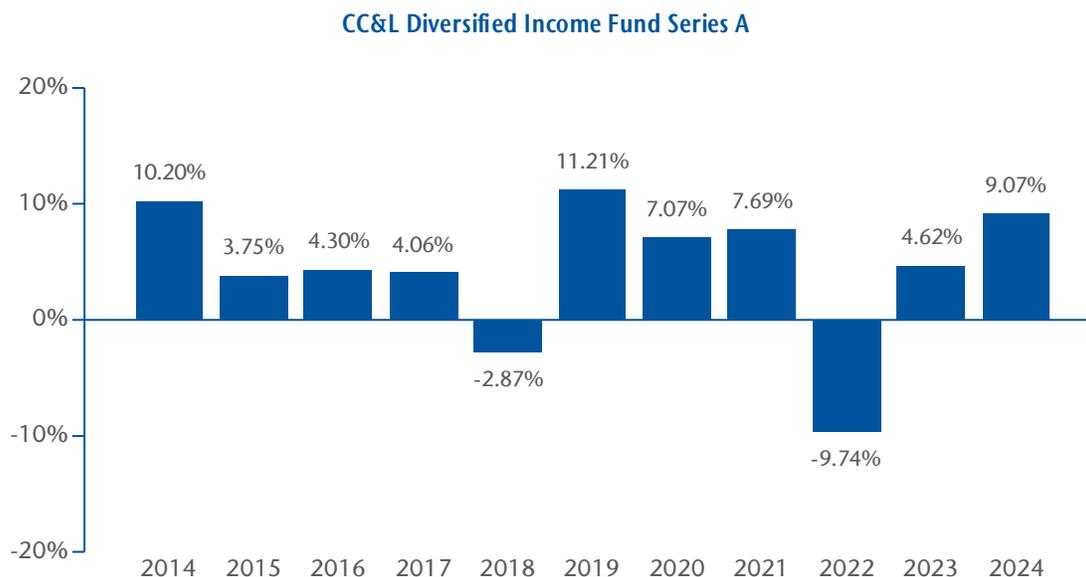
## PAST PERFORMANCE - CC&L DIVERSIFIED INCOME FUND SERIES A

### Past Performance

The performance information shown below assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. Note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

### Year-by-year Returns

The following bar charts show the Fund's annual performance for each of the years shown and for the twelve-month period ended December 31, 2024 and illustrate how the Fund's performance has changed from period to period. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.



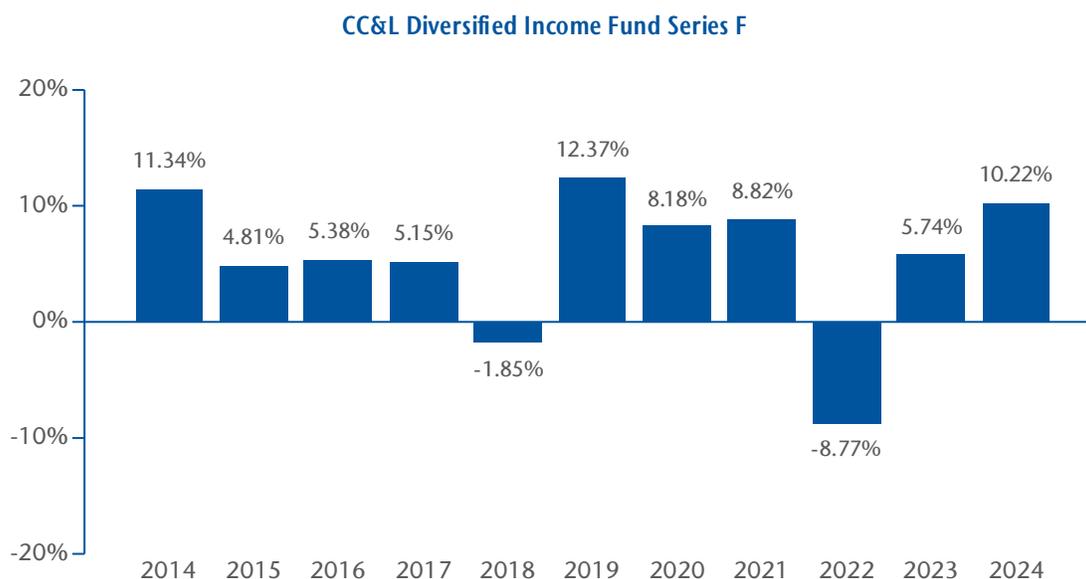
## PAST PERFORMANCE - CC&L DIVERSIFIED INCOME FUND SERIES F

### Past Performance

The performance information shown below assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. Note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

### Year-by-year Returns

The following bar charts show the Fund's annual performance for each of the years shown and for the twelve-month period ended December 31, 2024 and illustrate how the Fund's performance has changed from period to period. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.



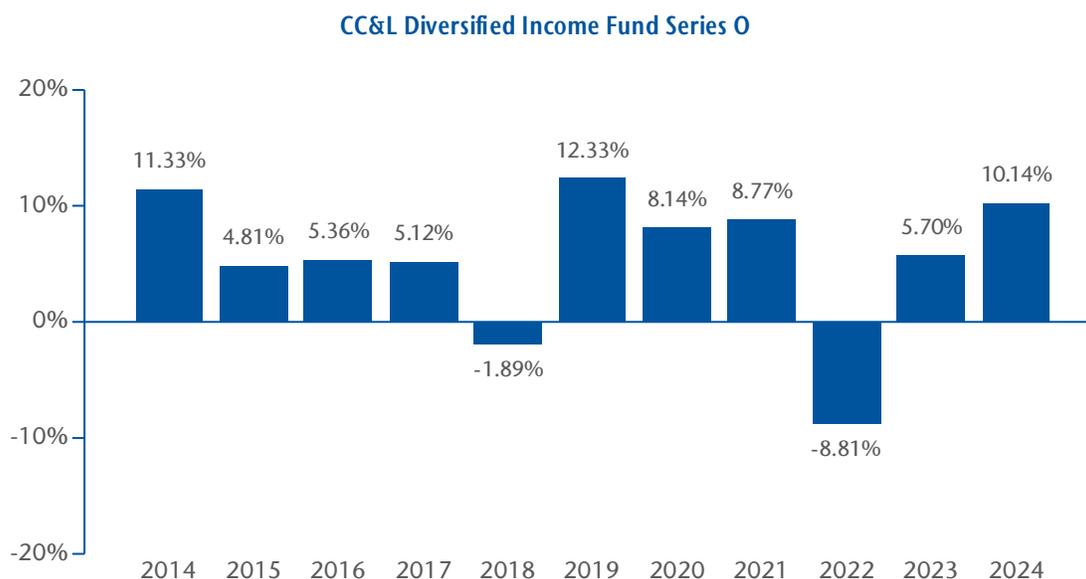
## PAST PERFORMANCE - CC&L DIVERSIFIED INCOME FUND SERIES O

### Past Performance

The performance information shown below assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. Note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

### Year-by-year Returns

The following bar charts show the Fund's annual performance for each of the years shown and for the twelve-month period ended December 31, 2024 and illustrate how the Fund's performance has changed from period to period. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.



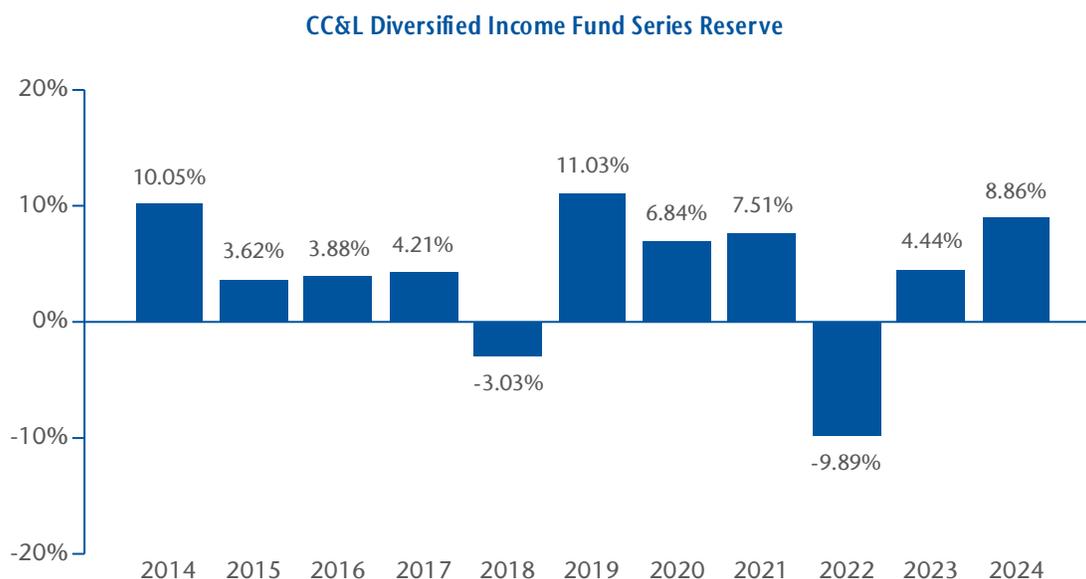
## PAST PERFORMANCE - CC&L DIVERSIFIED INCOME FUND SERIES RESERVE

### Past Performance

The performance information shown below assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. Note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

### Year-by-year Returns

The following bar charts show the Fund's annual performance for each of the years shown and for the twelve-month period ended December 31, 2024 and illustrate how the Fund's performance has changed from period to period. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.



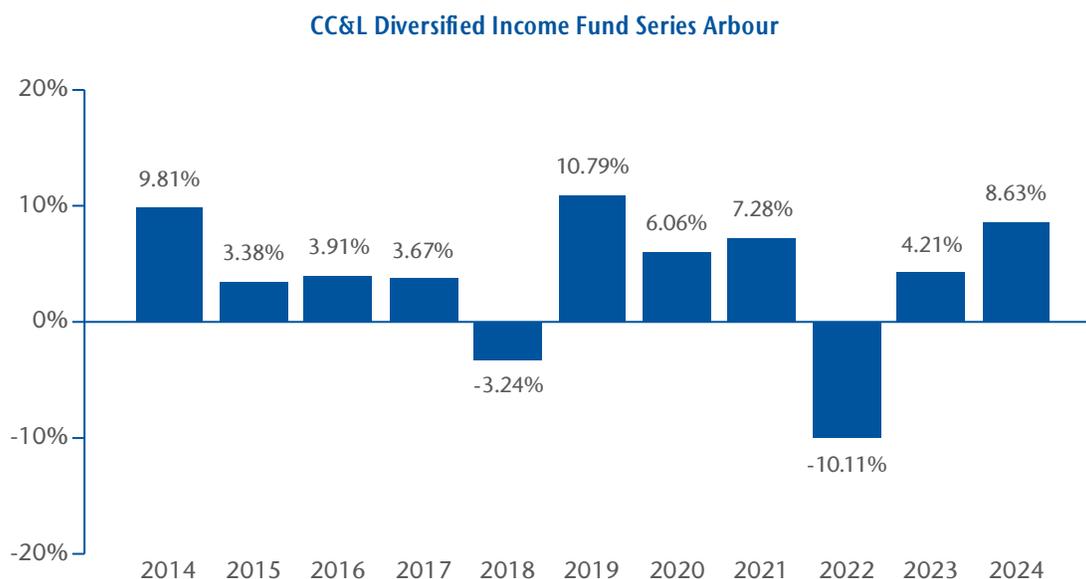
## PAST PERFORMANCE - CC&L DIVERSIFIED INCOME FUND SERIES ARBOUR

### Past Performance

The performance information shown below assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. Note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

### Year-by-year Returns

The following bar charts show the Fund's annual performance for each of the years shown and for the twelve-month period ended December 31, 2024 and illustrate how the Fund's performance has changed from period to period. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.



## PAST PERFORMANCE

### Annual Compound Returns

The table below shows past performance for the last one, three, five and ten year financial periods, as applicable, for each series of the Fund, relative to the performance of relevant broad-based securities market index during the same periods.

CC&L Diversified Income Fund	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date
<b>CC&amp;L Diversified Income Fund Series A</b>	9.07%	0.99%	3.50%	3.74%	4.25%	January-27-06
<b>Benchmark *</b>	15.12%	5.06%	6.97%	6.58%	6.30%	January-27-06
<b>CC&amp;L Diversified Income Fund Series F</b>	10.22%	2.06%	4.59%	4.83%	6.35%	September-14-09
<b>Benchmark **</b>	15.12%	5.06%	6.97%	6.58%	7.01%	September-14-09
<b>CC&amp;L Diversified Income Fund Series O</b>	10.14%	2.01%	4.54%	4.80%	5.20%	April-30-07
<b>Benchmark ***</b>	15.12%	5.06%	6.97%	6.58%	6.18%	April-30-07
<b>CC&amp;L Diversified Income Fund Series Reserve</b>	8.86%	0.81%	3.31%	3.58%	5.51%	May-13-09
<b>Benchmark ****</b>	15.12%	5.06%	6.97%	6.58%	7.33%	May-13-09
<b>CC&amp;L Diversified Income Fund Series Arbour</b>	8.63%	0.58%	2.97%	3.29%	3.86%	August-22-06
<b>Benchmark *****</b>	15.12%	5.06%	6.97%	6.58%	6.35%	August-22-06

\* The benchmark is 25% S&P/TSX Composite Index & 25% MSCI World Index (CAD\$) & 25% FTSE Canada Universe Bond Index & 25% FTSE Canada Short Term Overall Bond Index in Canadian Dollars. Index from January 2006.

\*\* The benchmark is 25% S&P/TSX Composite Index & 25% MSCI World Index (CAD\$) & 25% FTSE Canada Universe Bond Index & 25% FTSE Canada Short Term Overall Bond Index in Canadian Dollars. Index from September 2009.

\*\*\* The benchmark is 25% S&P/TSX Composite Index & 25% MSCI World Index (CAD\$) & 25% FTSE Canada Universe Bond Index & 25% FTSE Canada Short Term Overall Bond Index in Canadian Dollars. Index from April 2007.

\*\*\*\* The benchmark is 25% S&P/TSX Composite Index & 25% MSCI World Index (CAD\$) & 25% FTSE Canada Universe Bond Index & 25% FTSE Canada Short Term Overall Bond Index in Canadian Dollars. Index from May 2009.

\*\*\*\*\* The benchmark is 25% S&P/TSX Composite Index & 25% MSCI World Index (CAD\$) & 25% FTSE Canada Universe Bond Index & 25% FTSE Canada Short Term Overall Bond Index in Canadian Dollars. Index from August 2006.

## SUMMARY OF INVESTMENT PORTFOLIO

Below is a breakdown of the Fund's investment holdings as at December 31, 2024. The individual holdings and their relative percentage of the overall fund will change between reporting periods as markets change and the portfolio manager buys and sells individual securities

Asset Mix	% of Net Asset Value	Top 25 Investments	% of Net Asset Value
Canadian equities	26.6	Canada 4.25% 2026.12.01	3.0
U.S. equities	19.2	Microsoft Corp.	2.5
Foreign equities	6.4	Royal Bank of Canada	2.1
Fixed income	46.1	Canadian Imperial Bank of Commerce	1.6
Short-term investments	1.1	Alphabet Inc - Cl C	1.5
Other assets less liabilities	0.6	Apple Inc.	1.4
	100.0	Toronto-Dominion Bank 4.124925514% 2025.01.31	1.4
<b>Asset Mix</b>	<b>% of Net Asset Value</b>	Canada 2.75% 2055.12.01	1.3
Communication services	2.3	Bank of Montreal %	1.3
Consumer discretionary	3.2	National Bank Canada 2.237% 2026.11.04	1.2
Consumer staples	2.6	Constellation Software Inc.	1.2
Energy	5.2	Bank of Montreal 3.65% 2027.04.01	1.2
Financials	16.6	Canada 2.0% 2051.12.01	1.0
Health care	3.3	Manulife Financial Corp.	1.0
Industrials	6.4	Sun Life Financial 2.46% 2026.11.18	1.0
Information technology	7.0	Ontario 3.8% 2034.12.02	0.9
Materials	1.9	Capital Power Corp	0.9
Real estate	1.0	Agnico Eagle Mines Ltd	0.9
Utilities	2.7	Enbridge Inc. 5.375% 2027.09.27	0.9
Fixed income	46.1	Toronto-Dominion Bank 5.423% 2026.07.10	0.8
Short-term investments	1.1	Mastercard Inc	0.8
Other assets less liabilities	0.6	TC Energy Corp	0.8
	100.0	Royal Bank of Canada 2.14% 2026.11.03	0.8
		Toronto-Dominion Bank	0.7
		Enbridge Inc.	0.7
			31.1

Note: The investments and percentages may have changed by the time you purchase units of this Fund. The top 25 investment holdings are made available quarterly, 60 days after quarter end.