



CC&L Diversified Income Fund

Management Report of Fund Performance

For the year ended December 31, 2025

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

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

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 CC&L Diversified Income 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 CC&L Diversified Income Fund cannot be changed without the approval of a majority of the unitholders at a meeting called to consider the change.

Investment Strategies – CC&L One (the “Manager”) determines the asset classes and the strategic target allocations of asset classes for the Fund. CC&L One monitors and periodically rebalances the Fund’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 Fund. The Fund 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 Fund at the time of investment, the Fund 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 One for such asset class. The Fund 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 Fund 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 Fund, 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 Fund’s tactical asset allocation strategy and the relevant asset class. The percentage of the NAV of the Fund 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 Fund and enhancement of investment returns.

The Fund may use derivatives, including, but not limited to futures, options, forward contracts and swaps, to implement the Fund’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 Fund to enhance returns.

The assets of the Fund 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, 2025 to December 31, 2025, 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, 2025, the CC&L Diversified Income Fund (the “Fund”) held \$16.1 million in total net assets. For the year ended December 31, 2025, investors in Series A units in the Fund experienced a return of 10.35%. 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 13.18% over that period. 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, 2025 and 2024.

Asset Class	Portfolio Manager ⁽¹⁾	Asset Allocation (Dec 31, 2025)	Asset Allocation (Dec 31, 2024)	Change
Fixed income (core)	CCLIM	23.9%	24.0%	-0.1%
Fixed income (short-term)	BGA	23.8%	23.9%	-0.1%
Canadian equity (income & growth)	CCLIM	26.8%	26.6%	+0.2%
Global equity (income & growth)	NS	25.2%	25.3%	-0.1%

(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 Fund returned 10.35%. Canadian equities were the top performing component within the Fund, gaining 24.88% and global equities were up 10.43%. Within fixed income, short-term bonds returned 4.23%, while universe bonds delivered a 2.96% return.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Recent Developments

The second half of 2025 marked a notable transition in the North American economic backdrop, as labour market conditions softened while financial markets remained resilient. In Canada, employment contracted through the summer months, pushing the unemployment rate to its highest level in nearly a decade outside of the pandemic period. U.S. labour data also cooled, with job growth slowing materially and prior payroll figures revised lower. Despite these developments, consumer demand held up reasonably well, reinforcing expectations of a gradual economic slowdown rather than a sharp contraction.

The Bank of Canada lowered its policy rate by a cumulative 50 basis points, ending the year at 2.25%, while the U.S. Federal Reserve delivered multiple rate cuts, bringing the Fed Funds rate to a range of 3.5–3.75%. Trade policy remained an important consideration for investors, though concerns eased over the period as tariff rates ultimately proved lower than initially feared, implementation timelines were delayed, and new trade agreements emerged. Combined with better-than-expected corporate earnings and increasingly accommodative central bank policies, these factors supported strong equity market performance and sustained a prevailing “soft-landing” narrative.

Equity markets delivered solid returns across the second half, with Canadian equities continuing to outperform global peers. The S&P/TSX Composite benefited from pronounced strength in the materials sector, particularly precious metals, as gold prices reached record highs. Canadian equities rose sharply in the third quarter (+12.5%) and followed with further gains in the fourth (+6.3%), finishing the period ahead of both U.S. equities and global markets. Emerging market equities also performed well (+12.8% in C\$ for Q3 and +3.2% in C\$ for Q4), supported by their exposure to metals and commodities. In contrast, U.S. and global equities experienced more muted gains in the fourth quarter as investors digested geopolitical uncertainty, fiscal sustainability concerns, and episodic volatility tied to U.S. regional banks and a federal government shutdown.

Fixed income markets reflected shifting growth and inflation dynamics alongside central bank easing. Bond yields declined during the third quarter as growth concerns intensified, but movements were more mixed in the fourth quarter. Credit markets remained constructive overall, reflecting confidence in corporate balance sheets. Canadian bond indices posted positive returns in the third quarter, supported by falling yields and tighter spreads, though returns moderated or turned negative in the fourth quarter as Government of Canada yields backed up.

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, 2025, 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, 2025.

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, 25	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21
Net Assets, beginning of year ⁽¹⁾	\$13.46	\$12.43	\$11.98	\$13.38	\$12.68
Increase (decrease) from operations:					
Total revenues	0.42	0.27	0.47	0.40	0.31
Total expenses	(0.46)	(0.29)	(0.41)	(0.38)	(0.40)
Realized gains (losses) for the year	1.13	1.15	0.46	(0.05)	0.72
Unrealized gains (losses) for the year	(0.14)	0.13	0.01	(1.34)	0.33
Total increase (decrease) from operations ⁽²⁾	0.95	1.26	0.53	(1.37)	0.96
Distributions:					
From net investment income (excluding dividends)	-	-	(0.01)	-	-
From dividends	-	(0.02)	(0.08)	(0.10)	-
From capital gains	(0.49)	(0.23)	-	-	(0.27)
Return of capital	-	-	-	-	-
Total distributions ^(2,3)	(0.49)	(0.25)	(0.09)	(0.10)	(0.27)
Net assets at December 31 of year shown ^(1,2)	\$13.93	\$13.46	\$12.43	\$11.98	\$13.38

Series A inception date: February 1, 2006

Series F	DEC 31, 25	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21
Net Assets, beginning of period ⁽¹⁾	\$15.96	\$15.24	\$14.68	\$16.26	\$14.95
Increase (decrease) from operations:					
Total revenues	0.50	0.33	0.58	0.50	0.37
Total expenses	(0.31)	(0.21)	(0.34)	(0.31)	(0.31)
Realized gains (losses) for the year	1.35	1.45	0.57	(0.08)	0.87
Unrealized gains (losses) for the year	(0.19)	0.13	0.06	(1.47)	0.30
Total increase (decrease) from operations ⁽²⁾	1.35	1.70	0.87	(1.36)	1.23
Distributions:					
From net investment income (excluding dividends)	-	-	(0.06)	-	-
From dividends	-	(0.11)	(0.22)	(0.15)	-
From capital gains	(0.76)	(0.87)	-	-	(0.01)
Return of capital	-	-	-	-	-
Total distributions ^(2,3)	(0.76)	(0.98)	(0.28)	(0.15)	(0.01)
Net assets at December 31 of year shown ^(1,2)	\$16.59	\$15.96	\$15.24	\$14.68	\$16.26

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, 25	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21
Net Assets, beginning of year ⁽¹⁾	\$15.74	\$14.15	\$13.69	\$15.17	\$14.28
Increase (decrease) from operations:					
Total revenues	0.49	0.34	0.54	0.46	0.36
Total expenses	(0.36)	(0.17)	(0.32)	(0.29)	(0.30)
Realized gains (losses) for the year	1.35	1.26	0.52	(0.06)	0.81
Unrealized gains (losses) for the year	(0.19)	0.16	0.01	(1.49)	0.38
Total increase (decrease) from operations ⁽²⁾	1.29	1.59	0.75	(1.38)	1.25
Distributions:					
From net investment income (excluding dividends)	-	-	(0.06)	-	-
From dividends	-	(0.07)	(0.20)	(0.14)	-
From capital gains	(0.84)	-	(0.06)	-	(0.36)
Return of capital	-	-	-	-	-
Total distributions ^(2,3)	(0.84)	(0.07)	(0.32)	(0.14)	(0.36)
Net assets at December 31 of year shown ^(1,2)	\$16.21	\$15.74	\$14.15	\$13.69	\$15.17

Series O inception date: August 30, 2007

Series Arbour	DEC 31, 25	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21
Net Assets, beginning of year ⁽¹⁾	\$11.79	\$11.01	\$10.85	\$12.16	\$11.34
Increase (decrease) from operations:					
Total revenues	0.37	0.25	0.43	0.37	0.28
Total expenses	(0.47)	(0.33)	(0.41)	(0.39)	(0.40)
Realized gains (losses) for the year	1.00	1.01	0.41	(0.05)	0.65
Unrealized gains (losses) for the year	(0.14)	0.09	0.02	(1.19)	0.28
Total increase (decrease) from operations ⁽²⁾	0.76	1.02	0.45	(1.26)	0.81
Distributions:					
From net investment income (excluding dividends)	-	-	(0.01)	-	-
From dividends	-	(0.01)	(0.05)	(0.08)	-
From capital gains	(0.75)	(0.29)	(0.23)	-	-
Return of capital	-	-	-	-	-
Total distributions ^(2,3)	(0.75)	(0.30)	(0.29)	(0.08)	-
Net assets at December 31 of year shown ^(1,2)	\$11.79	\$11.79	\$11.01	\$10.85	\$12.16

Series Arbour 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, 25	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21
Net Assets, beginning of year ⁽¹⁾	\$16.36	\$15.48	\$15.26	\$17.07	\$15.88
Increase (decrease) from operations:					
Total revenues	0.51	0.34	0.60	0.51	0.40
Total expenses	(0.84)	-	(0.54)	(0.52)	(0.52)
Realized gains (losses) for the year	1.38	1.39	0.58	(0.06)	0.93
Unrealized gains (losses) for the year	(0.17)	0.20	0.03	(1.75)	0.28
Total increase (decrease) from operations ⁽²⁾	0.88	1.93	0.67	(1.82)	1.09
Distributions:					
From net investment income (excluding dividends)	-	-	(0.02)	-	-
From dividends	-	(0.02)	(0.10)	(0.12)	-
From capital gains	(0.66)	(1.05)	(0.33)	-	-
Return of capital	-	-	-	-	-
Total distributions ^(2,3)	(0.66)	(1.07)	(0.45)	(0.12)	-
Net assets at December 31 of year shown ^(1,2)	\$16.63	\$16.36	\$15.48	\$15.26	\$17.07

Series Reserve 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, 25	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21
Total net asset value (000s) ⁽¹⁾	\$10,003,758	\$11,105	\$12,715	\$14,371	\$18,547
Number of units outstanding ⁽¹⁾	718,400	825,230	1,022,762	1,199,852	1,386,042
Management expense ratio ⁽²⁾	3.24%	2.23%	3.18%	2.98%	2.86%
Management expense ratio before waivers or absorption ⁽³⁾	3.24%	2.23%	3.18%	2.98%	2.86%
Portfolio turnover rate ⁽⁴⁾	144.71%	119.46%	134.89%	154.70%	108.93%
Trading expense ratio ⁽⁵⁾	0.05%	0.00%	0.04%	0.07%	0.10%
Net asset value per unit	\$13.93	\$13.46	\$12.43	\$11.98	\$13.38

Series A inception date: February 1, 2006

Series F	DEC 31, 25	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21
Total net asset value (000s) ⁽¹⁾	\$1,481,105	\$1,604	\$1,362	\$1,584	\$1,615
Number of units outstanding ⁽¹⁾	89,283	100,527	89,390	107,925	99,348
Management expense ratio ⁽²⁾	1.76%	1.25%	2.11%	1.90%	1.81%
Management expense ratio before waivers or absorption ⁽³⁾	1.76%	1.25%	2.11%	1.90%	1.81%
Portfolio turnover rate ⁽⁴⁾	144.71%	119.46%	134.89%	154.70%	108.94%
Trading expense ratio ⁽⁵⁾	0.05%	0.00%	0.04%	0.07%	0.10%
Net asset value per unit	\$16.59	\$15.96	\$15.24	\$14.68	\$16.26

Series F inception date: September 14, 2009

Series O	DEC 31, 25	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21
Total net asset value (000s) ⁽¹⁾	\$3,423,244	\$3,372	\$4,948	\$5,586	\$6,679
Number of units outstanding ⁽¹⁾	211,171	214,193	349,795	408,082	440,416
Management expense ratio ⁽²⁾	2.12%	1.05%	2.15%	1.95%	1.86%
Management expense ratio before waivers or absorption ⁽³⁾	2.12%	1.05%	2.15%	1.95%	1.86%
Portfolio turnover rate ⁽⁴⁾	144.71%	119.46%	134.89%	154.70%	108.94%
Trading expense ratio ⁽⁵⁾	0.05%	0.00%	0.04%	0.07%	0.10%
Net asset value per unit	\$16.21	\$15.74	\$14.15	\$13.69	\$15.17

Series O inception date: August 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, 25	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21
Total net asset value (000s) ⁽¹⁾	\$99,537	\$101	\$120	\$123	\$147
Number of units outstanding ⁽¹⁾	8,440	8,557	10,927	11,327	12,048
Management expense ratio ⁽²⁾	3.79%	2.79%	3.57%	3.41%	3.25%
Management expense ratio before waivers or absorption ⁽³⁾	3.79%	2.79%	3.57%	3.41%	3.25%
Portfolio turnover rate ⁽⁴⁾	144.71%	119.46%	134.89%	154.70%	108.93%
Trading expense ratio ⁽⁵⁾	0.05%	0.00%	0.04%	0.07%	0.10%
Net asset value per unit	\$11.75	\$11.77	\$11.01	\$10.85	\$12.16

Arbour Series inception date: August 22, 2006

Series Reserve	DEC 31, 25	DEC 31, 24	DEC 31, 23	DEC 31, 22	DEC 31, 21
Total net asset value (000s) ⁽¹⁾	\$993,693	\$1,102	\$1,288	\$1,301	\$1,755
Number of units outstanding ⁽¹⁾	59,753	67,366	83,220	85,273	102,783
Management expense ratio ⁽²⁾	4.94%	0.00%	3.35%	3.15%	3.03%
Management expense ratio before waivers or absorption ⁽³⁾	4.94%	0.00%	3.52%	3.31%	3.19%
Portfolio turnover rate ⁽⁴⁾	144.71%	119.46%	134.89%	154.70%	108.94%
Trading expense ratio ⁽⁵⁾	0.05%	0.00%	0.04%	0.07%	0.10%
Net asset value per unit	\$16.63	\$16.36	\$15.48	\$15.26	\$17.07

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.

	As a percentage of management fees		
	Annual Rates	Dealer Compensation	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%
Arbour Series	2.24%	51.34%	48.66%

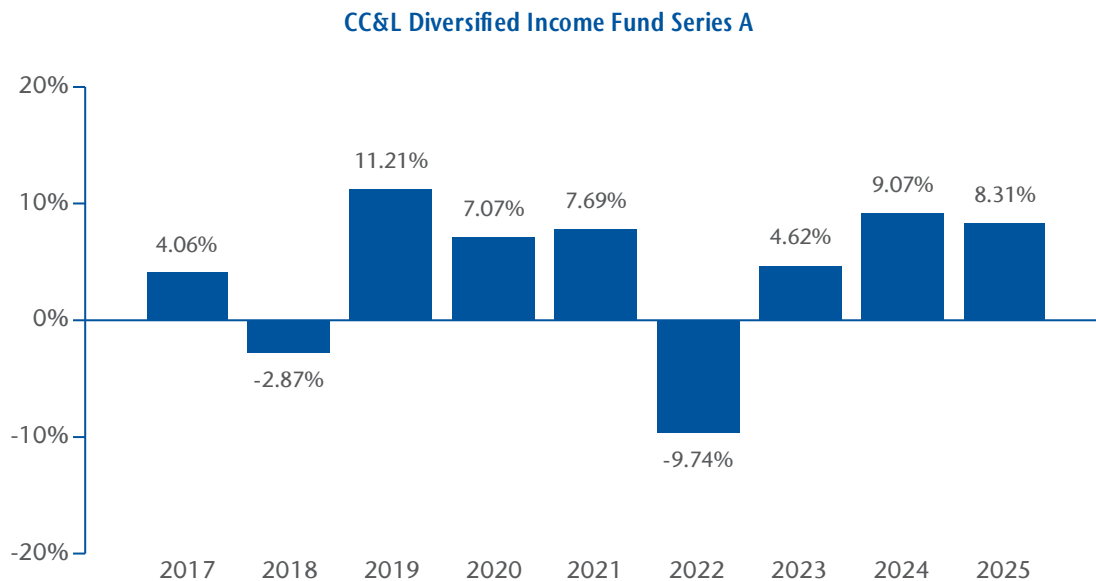
PAST PERFORMANCE - CC&L DIVERSIFIED INCOME FUND SERIES A

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, 2025 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.



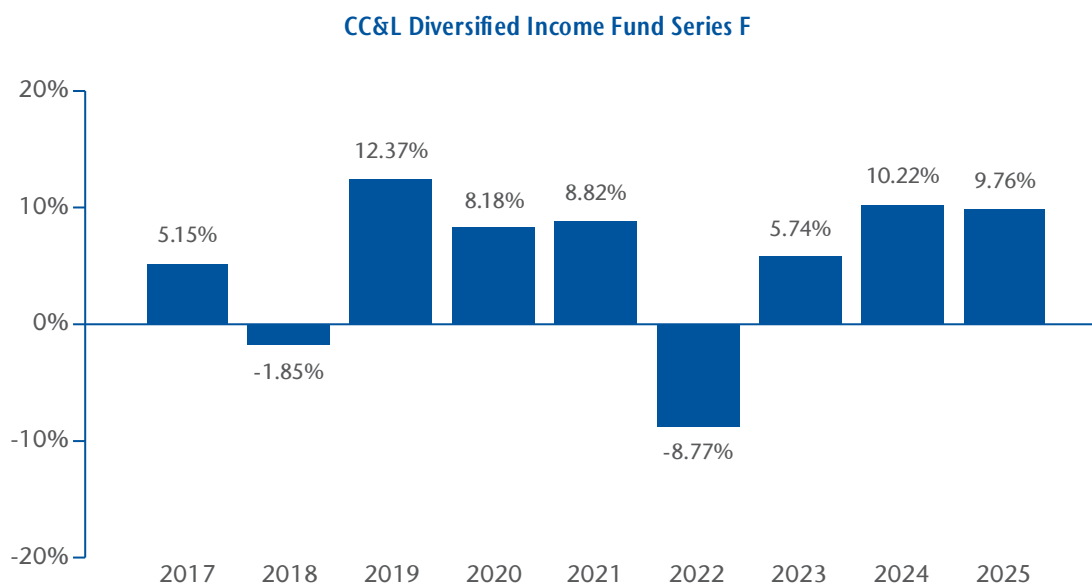
PAST PERFORMANCE - CC&L DIVERSIFIED INCOME FUND SERIES F

Past Performance

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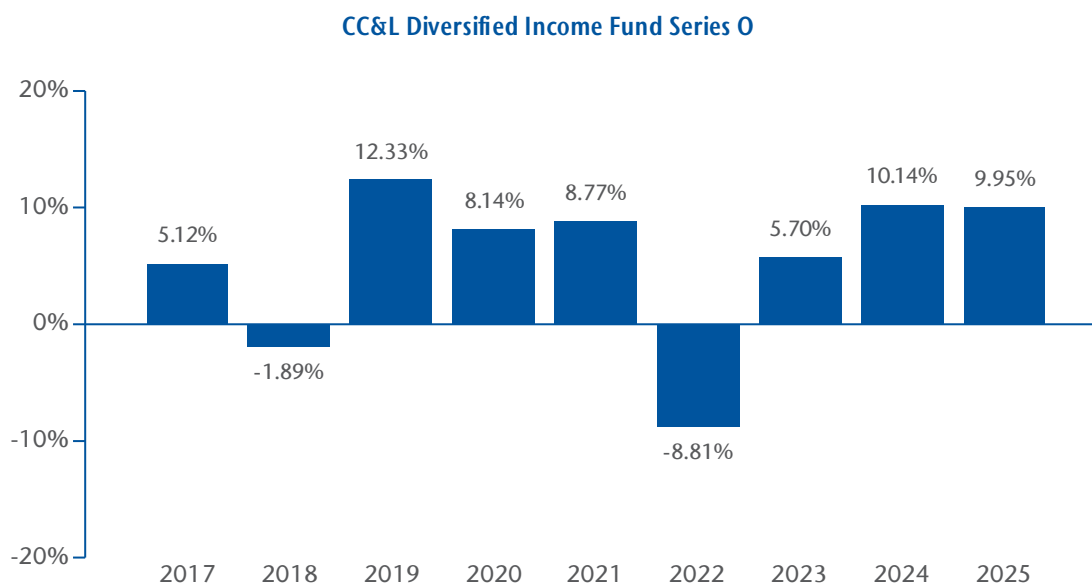
PAST PERFORMANCE - CC&L DIVERSIFIED INCOME FUND SERIES O

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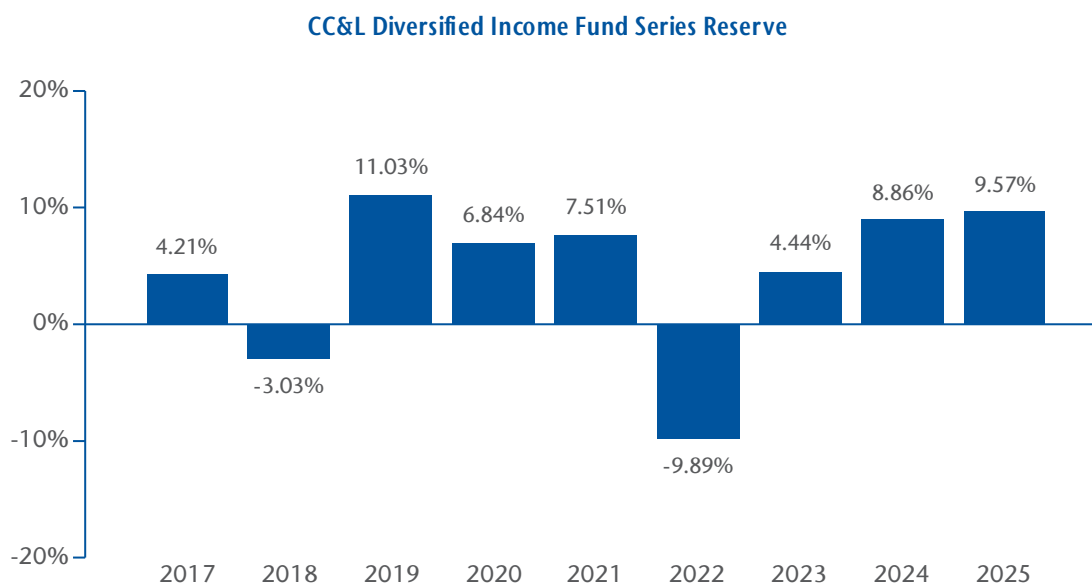
PAST PERFORMANCE - CC&L DIVERSIFIED INCOME FUND SERIES RESERVE

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.

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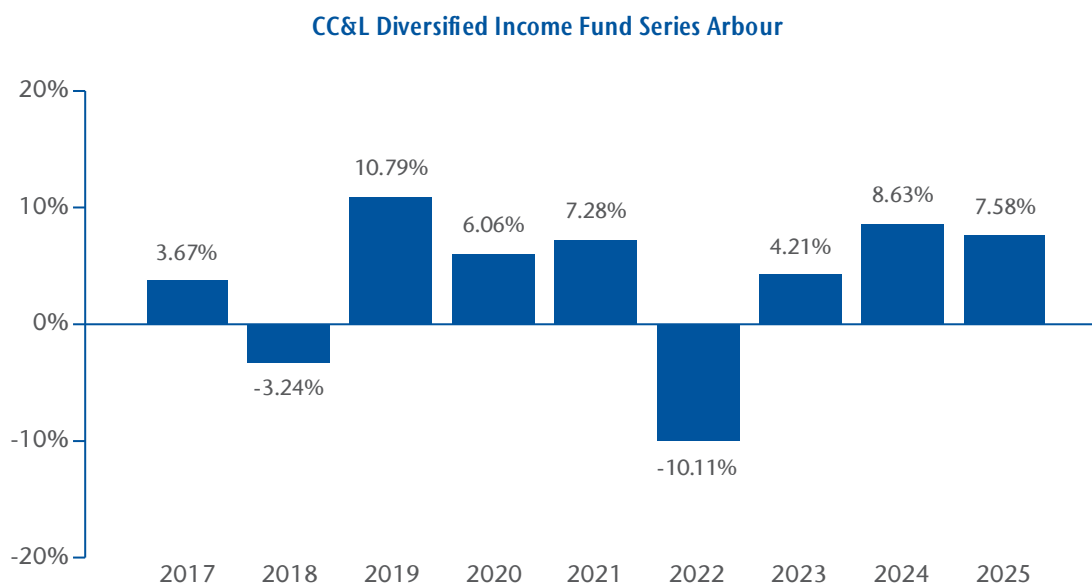
PAST PERFORMANCE - CC&L DIVERSIFIED INCOME FUND SERIES ARBOUR

Past Performance

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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
CC&L Diversified Income Fund Series A	8.31%	7.31%	3.74%	4.19%	4.45%	January-27-06
Benchmark *	13.18%	13.10%	7.61%	7.44%	6.64%	January-27-06
CC&L Diversified Income Fund Series F	9.76%	8.55%	4.90%	5.32%	6.56%	September-14-09
Benchmark **	13.18%	13.10%	7.61%	7.44%	7.38%	September-14-09
CC&L Diversified Income Fund Series O	9.95%	8.58%	4.89%	5.30%	5.45%	April-30-07
Benchmark ***	13.18%	13.10%	7.61%	7.44%	6.55%	April-30-07
CC&L Diversified Income Fund Series Reserve	9.57%	7.60%	3.83%	4.16%	5.75%	May-13-09
Benchmark ****	13.18%	13.10%	7.61%	7.44%	7.67%	May-13-09
CC&L Diversified Income Fund Series Arbour	7.58%	6.79%	3.27%	3.70%	4.05%	August-22-06
Benchmark *****	13.18%	13.10%	7.61%	7.44%	6.70%	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, 2025. 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	26.2	Canada 4.25% 2026.12.01	2.9
U.S. equities	17.9	Canada 2.75% 2030.09.01	2.8
Foreign equities	7.8	Microsoft Corp.	2.4
Fixed income	47.3	Royal Bank of Canada	2.3
Short-term investments	0.2	Alphabet Inc - Cl C	2.3
Other assets less liabilities	0.6	Toronto-Dominion Bank	1.8
	100.0	National Bank Canada 2.237% 2026.11.04	1.4
Sector Allocation	% of Net Asset Value	Sun Life Financial 2.46% 2026.11.18	1.4
Communication services	3.2	Apple Inc.	1.3
Consumer discretionary	3.6	Royal Bank of Canada 2.14% 2026.11.03	1.2
Consumer staples	2.3	Agnico Eagle Mines Ltd	1.2
Energy	4.1	Barrick Mining Corp	1.1
Financials	15.8	Canadian Imperial Bank of Commerce	1.0
Health care	2.6	Canadian Pacific Kansas City Ltd	0.9
Industrials	4.9	Toronto-Dominion Bank 5.423% 2026.07.10	0.9
Information technology	6.0	Manulife Financial Corp.	0.9
Materials	5.4	Kinross Gold Corp.	0.9
Real estate	1.0	Canada 1.75% 2053.12.01	0.8
Utilities	3.0	Met Life Global Funding	0.8
Fixed income	47.3	National Bank of Canada	0.8
Short-term investments	0.2	Brookfield Asset Management Lt	0.8
Other assets less liabilities	0.6	Lundin Mining	0.7
	100.0	Canada 2.5% 2027.11.01	0.7
		Intuit Inc.	0.7
		CIBC	0.7
			32.7

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.