CC&L Absolute Return Bond Fund

Interim Management Report of Fund Performance

For the period ended June 30, 2026

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

Results of Operations

As at June 30, 2026, CC&L Absolute Return Bond Fund (the “Fund”) held $48.5 million in total net assets. During the period, investors in Series A units in the Fund experienced a return of 0.62%. The benchmark for the Fund (FTSE Canada 91 Day T-Bill Index) returned 1.13% over the same period. The performance of the different series within the funds will vary due to the differences in their expense structures. For specific returns by series, please refer to the “Past Performance” section of this report.

The Fund's Net Assets increased by 7.1% or $3.2 million during the period, from $45.3 million on January 1, 2026, to $48.5 million on June 30, 2026. This change in Net Assets resulted from an increase of $3.4 million due to net subscriptions and a decrease of $0.7 million due to distributions and an increase of $0.5 million due to investment operations, including market volatility, income and expense.

The first half of 2026 was characterized by a shift from heightened geopolitical uncertainty toward a renewed focus on resilient economic fundamentals and the implications for monetary policy. The year began with markets transitioning from optimism to a more volatile environment as geopolitical tensions, including the conflict in the Middle East, a sharp rise in oil prices and renewed trade and political uncertainty, challenged the prevailing disinflation narrative. However, sentiment improved markedly during the second quarter as ceasefire negotiations progressed, oil prices retraced much of their earlier gains and investors increasingly looked through geopolitical risks. Instead, markets focused on stronger-than-expected US economic data, continued investment in artificial intelligence (AI) and resilient corporate earnings, all of which supported risk assets. In contrast, Canada's economy remained comparatively weaker throughout the period, with softer economic growth, subdued housing activity and a more gradual recovery in labour markets.

Central banks maintained a cautious approach during the first half of the year, although policy expectations evolved considerably. The Bank of Canada held its policy rate unchanged at 2.25% throughout the period, balancing weaker domestic growth against inflation that remained close to target. In the United States, the Federal Reserve also left interest rates unchanged but adopted a more hawkish tone, driven by resilient economic activity and persistent inflation. This prompted markets to scale back expectations for policy easing and increasingly consider the possibility of monetary tightening. These diverging economic backdrops were reflected in bond markets. Canadian government bond yields declined over the second quarter, offsetting some of the increase experienced earlier in the year, while US Treasury yields continued to move higher as markets repriced the path of US monetary policy. Credit markets remained resilient despite elevated issuance volumes and bouts of volatility, supported by strong investor demand and healthy balance sheets.

The Fund's performance was positive. Quantitative factors benefited from opportunistic positioning across the credit curve. Macro strategies experienced mixed performance. Duration positioning was flat, while the yield curve structure positioned with a steepening bias earlier in the period detracted. A global relative value strategy that favoured Canada government bonds, and sector allocation with a tilt toward Canadian credit, were each rewarded. Security selection detracted driven by long positions in select financial services, gaming, auto, and healthcare companies.

Leverage

Leverage occurs when the Fund borrows money or securities, or uses derivatives, to generate investment exposure that is greater than the amount invested.

The Fund's leverage is determined by calculating the aggregate exposure through the sum of following: (i) the market value of the Fund's short positions; (ii) the amount of cash borrowed for investment purposes; and (iii) the notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. The Fund's exposure to leverage must not exceed 300% of the Fund's Net Asset Value ("NAV").

During the period ended June 30, 2026, the Fund's aggregate exposure to leverage ranged from 133.4% to 249.7% of the Fund's NAV. The aggregate exposure range to leverage was within the expected range as outlined in the simplified prospectus. As at June 30, 2026, the Fund's aggregate exposure was 224.0% of the Fund's NAV. The primary sources of leverage were short positions in fixed income securities, short positions in short-term investments, bond forwards, futures and cash borrowing.

A component of the Fund's leverage is cash borrowing. Such facilities are repayable on demand. During the period ended June 30, 2026, the Fund's range of cash borrowing was $Nil to $5,463,513.46. As at June 30, 2026, cash borrowing represented 0.2% of the Fund's NAV.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Recent Developments

Economic momentum is fading, but the pace of the deceleration remains unusually slow. Growth continues to be underpinned by three key forces: persistent fiscal stimulus, labour hoarding (where businesses retain employees to avoid future difficulty rehiring), and resilient consumer balance sheets. However, recent data – particularly in housing and consumer spending – suggest a quiet broadening of weakness beneath the surface. Housing stands out as the most concerning segment, with clear and sustained softness across both the US and Canada. Given its historical role in leading economic recoveries and recessions, housing weakness casts doubt on any near-term growth rebound. Inflation presents a more ambiguous picture. While headline data have eased and short-term pressures are abating, inflation expectations remain uncomfortably elevated. With central banks largely reactive and waiting for clearer signals, the bar for near-term rate cuts remains high unless data meaningfully deteriorates.

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 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.

Related Party Transactions

CFI is affiliated with Connor, Clark & Lunn Financial Group Ltd. As disclosed in the prospectus and annual information form, the portfolio manager retained by the Fund, Connor, Clark & Lunn Investment Management Ltd., is also a affiliated with Connor, Clark & Lunn Financial Group Ltd. During the year ended June 30, 2026, no additions or deletions were made to the portfolio managers providing services to the Fund.

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

Recommendations or reports by the Independent Review Committee

The Independent Review Committee tabled no special reports and made no reportable material recommendations to the manager of the Fund during the period ended June 30, 2026.

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 for the past five years. This information is derived from the Fund's unaudited interim financial statements and annual audited financial statements.

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

Series A	JUN 30, 2026	DEC 31, 2025	Dec 31, 2024	DEC 31, 2023	DEC 31, 2022	DEC 31, 2021
Net Assets, beginning of Period (1)	**$8.14**	**$8.21**	**$7.96**	**$7.92**	**$9.32**	**$9.68**
Increase (decrease) from operations:						
Total revenues	0.20	0.34	0.35	0.31	0.33	0.52
Total expenses	(0.09)	(0.19)	(0.21)	(0.22)	(0.23)	(0.34)
Realized gains(losses) for the period	(0.10)	0.07	0.37	(0.07)	(0.62)	0.28
Unrealized gains (losses) for the period	0.02	(0.01)	(0.02)	0.24	(0.10)	(0.15)
Total increase (decrease) from operations (2)	**0.03**	**0.21**	**0.49**	**0.26**	**(0.62)**	**0.31**
Distributions:						
From net investment income (excluding dividends)	(0.12)	-	(0.16)	(0.22)	(0.72)	(0.66)
From dividends		(0.09)	-	-	-	-
From capital gains	-	(0.04)	-	-	-	(0.01)
Return of capital	-	(0.12)	(0.09)	(0.02)	-	-
Total distributions (2,3)	**(0.12)**	**(0.25)**	**(0.25)**	**(0.24)**	**(0.72)**	**(0.67)**
Net assets at June 30 or December 31 of the year shown (1	**$8.07**	**$8.14**	**$8.21**	**$7.96**	**$7.92**	**$9.32**

Series A inception date: February 15, 2019

Series F	JUN 30, 2026	DEC 31, 2025	Dec 31, 2024	DEC 31, 2023	DEC 31, 2022	DEC 31, 2021
Net Assets, beginning of Period (1)	**$8.69**	**$8.67**	**$8.32**	**$8.19**	**$9.54**	**$9.78**
Increase (decrease) from operations:						
Total revenues	0.22	0.36	0.36	0.32	0.35	0.45
Total expenses	(0.05)	(0.13)	(0.13)	(0.12)	(0.13)	(0.19)
Realized gains(losses) for the period	(0.10)	0.14	0.40	(0.14)	(0.76)	0.26
Unrealized gains (losses) for the period	0.03	(0.01)	(0.04)	0.33	(0.23)	(0.04)
Total increase (decrease) from operations (2)	**0.10**	**0.36**	**0.59**	**0.39**	**(0.77)**	**0.48**
Distributions:						
From net investment income (excluding dividends)	(0.13)	-	(0.16)	(0.23)	(0.76)	(0.71)
From dividends	-	(0.10)	-		-	-
From capital gains	-	(0.04)	-		-	(0.01)
Return of capital	-	(0.12)	(0.09)	(0.02)	-	-
Total distributions (2,3)	**(0.13)**	**(0.26)**	**(0.25)**	**(0.25)**	**(0.76)**	**(0.72)**
Net assets at June 30 or December 31 of the year shown (1	**$8.66**	**$8.69**	**$8.67**	**$8.32**	**$8.19**	**$9.54**

Series F inception date: February 15, 2019

(1) This information is derived from the Fund's audited annual financial statements for prior periods, and from the interim unaudited semi-annual statements for the current period ended June 30, 2026, 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 oustanding over the financial period. This table is not meant to be a reconciliation of beginning to ending net assets per unit.

(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 I	JUN 30, 2026	DEC 31, 2025	Dec 31, 2024	DEC 31, 2023	DEC 31, 2022	DEC 31, 2021
Net Assets, beginning of Period (1)	**$9.23**	**$9.16**	**$8.75**	**$8.55**	**$9.92**	**$10.04**
Increase (decrease) from operations:						
Total revenues	0.23	0.39	0.39	0.34	0.36	0.47
Total expenses	(0.03)	(0.06)	(0.09)	(0.08)	(0.09)	(0.06)
Realized gains(losses) for the period	(0.10)	0.01	0.40	(0.13)	(0.74)	0.30
Unrealized gains (losses) for the period	0.01	0.02	(0.01)	0.33	(0.22)	(0.08)
Total increase (decrease) from operations (2)	**0.11**	**0.36**	**0.69**	**0.46**	**(0.69)**	**0.63**
Distributions:				-		
From net investment income (excluding dividends)	(0.14)	-	(0.17)	(0.24)	(0.80)	0.74
From dividends	-	0.11	-	-	-	-
From capital gains	-	(0.04)	-	-	-	(0.01)
Return of capital	-	(0.13)	(0.10)	(0.02)	-	-
Total distributions (2,3)	**(0.14)**	**(0.28)**	**(0.27)**	**(0.26)**	**(0.80)**	**(0.75)**
Net assets at June 30 or December 31 of the year shown (1,2	**$9.22**	**$9.23**	**$9.16**	**$8.75**	**$8.55**	**$9.92**

Series I inception date: February 15, 2019

(1) This information is derived from the Fund's audited annual financial statements for prior periods, and from the interim unaudited semi-annual statements for the current period ended June 30, 2026, 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 oustanding over the financial period. This table is not meant to be a reconciliation of beginning to ending net assets per unit.

(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	JUN 30, 2026	DEC 31, 2025	Dec 31, 2024	DEC 31, 2023	DEC 31, 2022	DEC 31, 2021
Total net asset value (000s) (1)	$2,978	$1,547	$17	$267	$105	$99
Number of units outstanding (1)	369,057	190,071	33,874	33,497	13,264	10,663
Management expense ratio (2)	1.93%	1.80%	2.14%	2.27%	2.15%	3.32%
Management expense ratio before waivers or absorption (3)	1.93%	1.80%	2.14%	2.27%	2.15%	3.32%
Portfolio turnover rate (4)	487.17%	777.29%	501.48%	508.71%	480.87%	451.19%
Trading expense ratio (5)	0.38%	0.44%	0.48%	0.44%	0.50%	0.21%
Net asset value per unit	$8.07	$8.14	$8.21	$7.96	$7.92	$9.32

Series A inception date: February 15, 2019

Series F	JUN 30, 2026	DEC 31, 2025	Dec 31, 2024	DEC 31, 2023	DEC 31, 2022	DEC 31, 2021
Total net asset value (000s) (1)	$26,805	$20,775	$683	$925	$1,630	$2,782
Number of units outstanding (1)	3,095,018	2,391,156	78,797	111,213	199,147	291,593
Management expense ratio (2)	0.79%	0.71%	1.11%	1.08%	0.99%	1.76%
Management expense ratio before waivers or absorption (3)	0.79%	0.71%	1.11%	1.08%	0.99%	1.76%
Portfolio turnover rate (4)	487.17%	777.29%	501.48%	508.71%	480.87%	451.19%
Trading expense ratio (5)	0.38%	0.44%	0.48%	0.44%	0.50%	0.21%
Net asset value per unit	$8.66	$8.69	$8.67	$8.32	$8.19	$9.54

Series F inception date: February 15, 2019

Series I	JUN 30, 2026	DEC 31, 2025	Dec 31, 2024	DEC 31, 2023	DEC 31, 2022	DEC 31, 2021
Total net asset value (000s) (1)	$18,753	$22,966	$29,477	$25,896	$25,295	$33,901
Number of units outstanding (1)	2,033,202	2,487,821	3,216,914	2,961,119	2,959,236	3,416,269
Management expense ratio (2)	0.32%	0.38%	0.54%	0.49%	0.52%	0.40%
Management expense ratio before waivers or absorption (3)	0.32%	0.38%	0.54%	0.49%	0.52%	0.40%
Portfolio turnover rate (4)	487.17%	777.29%	501.48%	508.71%	480.87%	451.19%
Trading expense ratio (5)	0.38%	0.44%	0.48%	0.44%	0.50%	0.21%
Net asset value per unit	$9.22	$9.23	$9.16	$8.75	$8.55	$9.92

Series I inception date: February 15, 2019

(1) This information is provided as at June 30 or December 31 of the years shown.

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

(3) The Manager of the Fund, CC&L Funds Inc., may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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 AND PERFORMANCE FEES

Management Fees

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

		As a percentage of management fees	
	Annual Rates	**Dealer Compensation**	**Investment advice, administration and profit**
Series A	1.45%	68.97%	31.03%
Series F	0.45%	0.00%	100.00%
Series I	0.00%	0.00%	0.00%

Performance Fees

The Fund pays a quarterly performance fee to the Manager, calculated and accrued daily. The performance fee is based on the performance of a Series of the Fund relative to the performance of the Fund's hurdle and is equal to 15% of the amount by which the Fund outperforms the hurdle. The performance fee is applicable to Series A and Series F units. Unitholders of Series I units may negotiate a performance fee to be paid by the investor directly to the Manager. The FTSE Canada 91 Day T-bill Index return is the hurdle for the Fund.

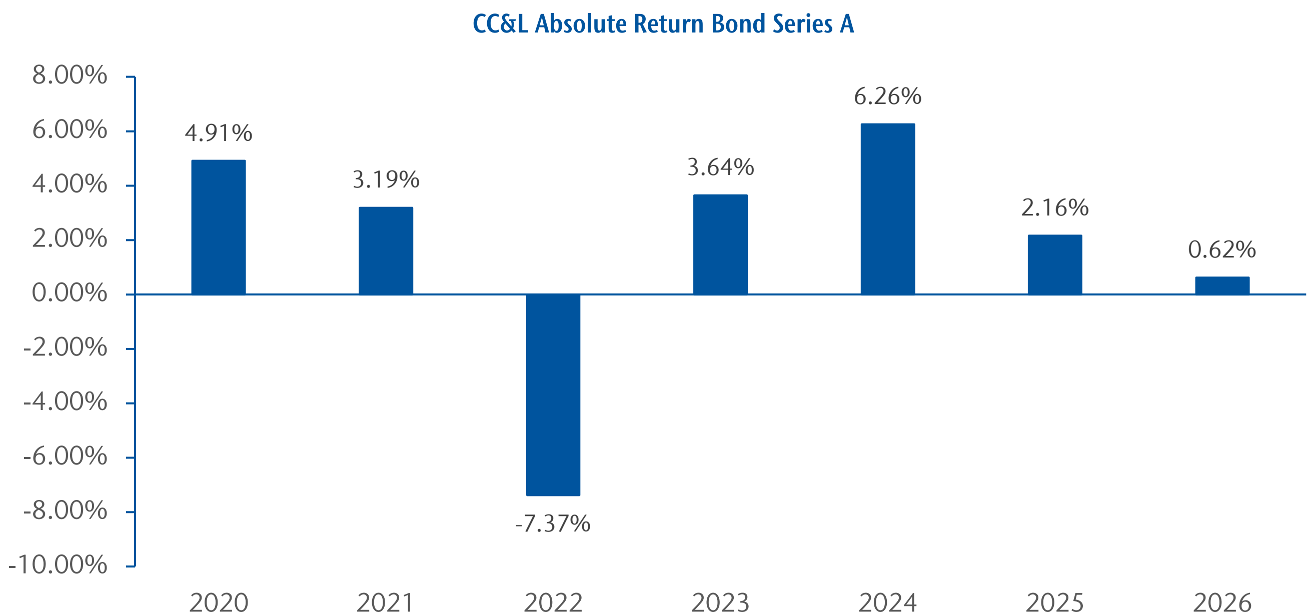
PAST PERFORMANCE

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 six-month period ended June 30, 2026 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

Past Performance

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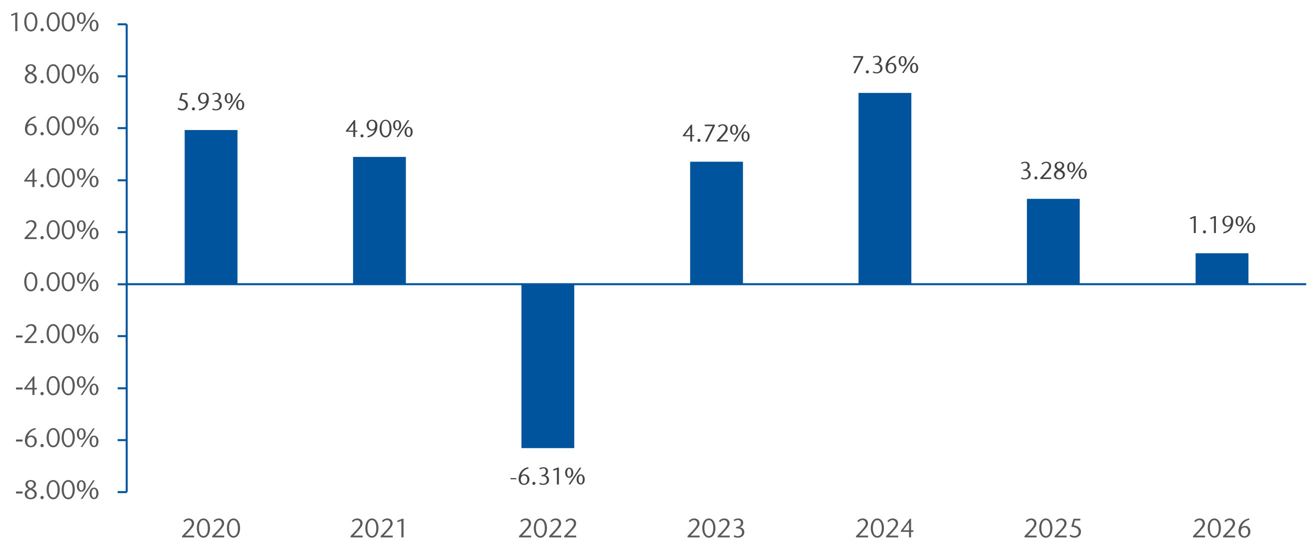
CC&L Absolute Return Bond Series F



PAST PERFORMANCE

Past Performance

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Year-by-year Returns

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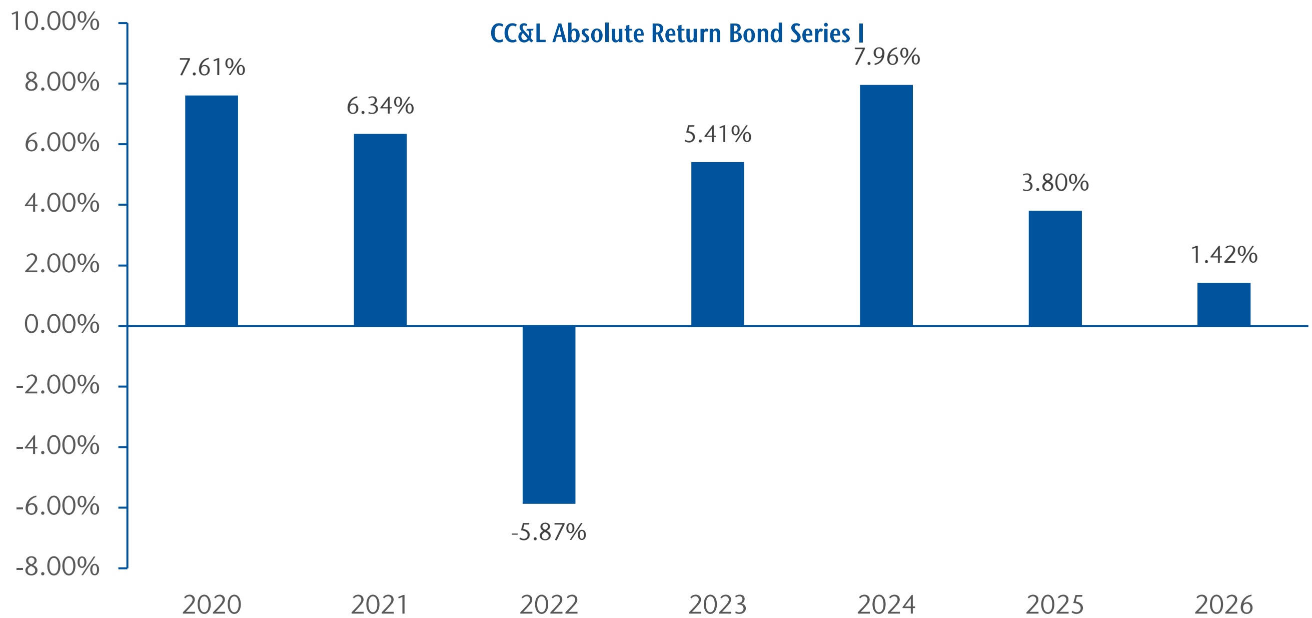
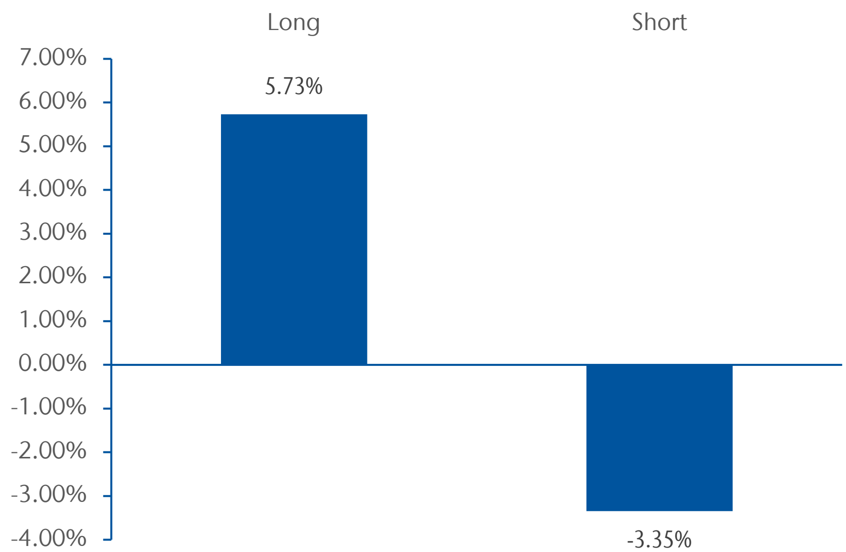


PAST PERFORMANCE

The following bar chart shows the performance of the Fund's long and short portfolio positions for the period from January 1, 2026 to June 30, 2026 before deducting fees and expenses and before the impact of other assets less liabilities.



SUMMARY OF INVESTMENT PORTFOLIO

Below is a breakdown of the Fund's investment holdings as at June 30, 2026. 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.

Top 25 Investments - Long	% of Net Asset Value
1 Canada 3.50% 2057.12.01	26.3
2 Canada 3.25% 2036.06.01	6.8
3 Sell Protection on MARKIT CDX.NA.HY.46.5Y.V2 06/31 5.00% 2031.06.20	6.6
4 Ontario 3.90% 2036.06.02	5.1
5 Quebec 4.00% 2036.09.01	3.4
6 Granite Reit Holdings Lp 4.35% 2031.10.04	3.4
7 Us Treasury N/B 4.63% 2055.11.15	3.3
8 United States Treasury (TIPS) - RRUS 1.88% 2036.01.15	2.8
9 Canada 3.50% 2029.09.01	2.6
10 Dream Summit Industrial 5.11% 2029.02.12	2.6
11 Ford Credit Canada Co 5.67% 2030.02.20	2.6
12 Quebec 4.20% 2057.12.01	2.6
13 ARC RESOURCES LTD 4.41% 2032.06.17	2.5
14 Cogeco Communications 6.13% 2029.02.27	2.3
15 Inter Pipeline Ltd 5.71% 2030.05.29	2.3
16 Wolf Midstream Canada Lp 5.95% 2033.07.18	2.1
17 Ford Credit Canada Co 5.24% 2028.05.23	1.8
18 Carnival Corp 5.75% 2032.08.01	1.7
19 Cogent Comms Grp / Fin 7.00% 2027.06.15	1.6
20 Rogers Communications In 6.25% 2031.07.31	1.6
21 Carnival Corp 5.88% 2031.06.15	1.6
22 Brookfield Infra Fin Ulc 4.53% 2035.09.24	1.5
23 Albertsons Cos/Safeway 3.50% 2029.03.15	1.5
24 Inter Pipeline Ltd 6.38% 2033.02.17	1.4
25 Midas Opco Holdings Llc 5.63% 2029.08.15	1.3
Top long positions as a percentage of total net asset value	91.4

Top 25 Investments - Short	% of Net Asset Value
1 Ontario 4.45% 2056.12.02	(13.4)
2 Canada 3.25% 2035.12.01	(4.6)
3 Hydro One Inc 4.85% 2054.11.30	(3.8)
4 Us Treasury N/B 4.13% 2036.02.15	(2.8)
5 Dell Int Llc / Emc Corp 5.50% 2035.04.01	(2.4)
6 Canada 2.75% 2031.03.01	(2.0)
7 Gray Media Inc 7.25% 2033.08.15	(1.8)
8 Verizon Communications (Green Bond) 5.05% 2033.05.0	(1.7)
9 Adapthealth Llc 4.63% 2029.08.01	(1.7)
10 Ontario 4.60% 2055.12.02	(1.7)
11 Wolverine World Wide 4.00% 2029.08.15	(1.7)
12 407 International Inc 4.54% 2054.10.09	(1.5)
13 Calgary Airport Authorit 3.55% 2053.10.07	(1.4)
14 T-Mobile Usa Inc 5.05% 2033.07.15	(1.3)
15 Conagra Brands Inc 5.40% 2048.11.01	(1.2)
16 Enbridge Gas Inc 4.84% 2055.09.12	(1.2)
17 Verizon Communications 3.55% 2051.03.22	(1.2)
18 Davita Inc 3.75% 2031.02.15	(1.1)
19 Nordstrom Inc 4.25% 2031.08.01	(1.1)
20 Ontario Power Generation (Green) 4.99% 2054.06.28	(1.1)
21 Nordstrom Inc 4.38% 2030.04.01	(1.0)
22 Epcor Utilities 4.99% 2054.05.31	(1.0)
23 Toronto Hydro Corp 4.95% 2052.10.13	(0.9)
24 Paramount Global 4.95% 2031.01.15	(0.8)
25 Molina Healthcare Inc 3.88% 2032.05.15	(0.8)
Top short positions as a percentage of total net asset value	(53.1)

	% of Net Asset Value		
Portfolio Allocation	Long	Short	Net
Short-term investments	2.4	(17.6)	(15.2)
Bonds	187.4	(73.9)	113.5
Futures contracts*	0.1	(0.7)	(0.6)
Currency forward contracts	0.1	(0.2)	(0.1)
Bond forward contracts	0.2	-	0.2
Credit default swaps	-	(0.1)	(0.1)
Other assets less liabilities	2.3	-	2.3
	192.5	(92.5)	100.0

	% of Net Asset Value		
Sector Allocation	Long	Short	Net
Corporate bonds	123.1	(50.1)	73.0
Canadian government bonds	64.3	(23.8)	40.5
Short-term investments	2.4	(17.6)	(15.2)
Futures contracts**	0.1	(0.7)	(0.6)
Currency forward contracts	0.1	(0.2)	(0.1)
Bond forward contracts	0.2	-	0.2
Credit default swaps	-	(0.1)	(0.1)
Other assets less liabilities	2.3	-	2.3
	192.5	(92.5)	100.0

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

* - Credit ratings are determined from a composite of bond rating services such as Standard & Poor's, Moody's and Dominion Bond Rating Services.

** - Notional principal values represent of total net assets (34.34%) for US 2 Year T-Note Futures, 3.47% for Canadian 2 Year Bond Futures, 7.62% for Euro French Government Bond (OAT) Futures, (22.22%) for US 5 Year T-Note Futures, (17.22%) for Canadian 10 Year Bond Futures, (3.73%) for Ultra Bond Futures, 1.96% for US 10 Year T-Note Futures and (94.61%) for Canadian 5-Year Bond Futures.

SUMMARY OF INVESTMENT PORTFOLIO

Net Currency Exposure	% of Net Asset Value
Canadian dollar	100.3
Euro	(0.3)
	100.0

Bonds by Credit Rating*	% of Net Asset Value
AAA	41.6
AA	12.5
A	10.4
BBB	77.9
BB	21.7
B	9.9
CCC	2.5
NR	13.3
	189.8

Region Allocation	Long	Short	Net
United States	27.3	(23.8)	3.5
Canada	151.1	(49.7)	101.4
Foreign	9.0	(0.4)	8.6
Short-term investments	2.4	(17.6)	(15.2)
Futures contracts*	0.1	(0.7)	(0.6)
Currency forward contracts	0.1	(0.2)	(0.1)
Credit default swaps	0.2	-	0.2
Bond forward contracts	-	(0.1)	(0.1)
Other assets less liabilities	2.3	-	2.3
	192.5	(92.5)	100.0

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

* - Credit ratings are determined from a composite of bond rating services such as Standard & Poor's, Moody's and Dominion Bond Rating Services.

** - Notional principal values represent of total net assets (34.34%) for US 2 Year T-Note Futures, 3.47% for Canadian 2 Year Bond Futures, 7.62% for Euro French Government Bond (OAT) Futures, (22.22%) for US 5 Year T-Note Futures, (17.22%) for Canadian 10 Year Bond Futures, (3.73%) for Ultra Bond Futures, 1.96% for US 10 Year T-Note Futures and (94.61%) for Canadian 5-Year Bond Futures.