CC&L High Yield 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 High Yield Bond Fund (the "Fund") held $146.1 million in total net assets. During the period, investors in Series A units experienced a return of 0.57%. The blended benchmark for the Fund (60% Merrill Lynch US High Yield Cash Pay BB Index (CAD Hedged) & 30% FTSE Canada Corporate BBB Bond Index & 10% Merrill Lynch Canada BB-B High Yield Index) returned 1.54% over the same period. Performance differences between series are attributable to differences in their expense structures.

The Fund's Net Assets increased by 17.3% or $21.5 million during the period, from $124.6 million on January 1, 2026, to $146.1 million on June 30, 2026. This change in Net Assets resulted from an increase of $22.0 million due to net subscriptions and a decrease of $2.6 million due to distributions and an increase of $2.1 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 generated a positive return during the period yet underperformed its benchmark. Security selection, particularly within the financial services, automotive, gaming, and media industries, detracted from performance. Interest rate strategies experienced mixed performance. Duration positioning was modestly negative, while a global relative value strategy that favoured Canada government bonds was rewarded. Sector allocation was neutral from a performance perspective. Quantitative factors were modestly positive.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Recent Developments

Economic momentum has proven more resilient than expected, but the underlying drivers of growth are becoming increasingly uneven. Economic growth has held up, supported by continued investment in artificial intelligence, fiscal spending, resilient corporate earnings and strong financial markets. At the same time, interest rate-sensitive sectors, including housing and parts of the consumer economy, continue to show signs of slowing, particularly in Canada. This divergence suggests the expansion is becoming narrower rather than stronger, with overall activity increasingly reliant on a smaller number of growth drivers. Inflation also presents a mixed picture. Lower oil prices have provided some near-term relief, but underlying price pressures remain firm enough to keep central banks cautious. As a result, while markets have become more optimistic about the inflation outlook, we believe it is too early to conclude that inflation is on a smooth path back to target. Looking ahead, we expect central banks to remain data dependent, balancing resilient economic activity against inflation that is proving slower to moderate than anticipated. Although downside risks to growth remain, our base case continues to be one of moderate economic expansion rather than recession, with monetary policy remaining restrictive until there is greater confidence that inflation has been durably contained.

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 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, the portfolio manager retained by the Fund, Connor, Clark & Lunn Investment Management Ltd., is also affiliated with Connor, Clark & Lunn Financial Group Ltd. During the period ended June 30, 2026, 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 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)	**$7.33**	**$7.40**	**$7.18**	**$7.08**	**$8.33**	**$8.63**
Increase (decrease) from operations:						
Total revenues	0.19	0.37	0.38	0.35	0.35	0.36
Total expenses	(0.08)	(0.16)	(0.16)	(0.16)	(0.16)	(0.18)
Realized gains(losses) for the period	(0.06)	0.18	0.09	(0.16)	(0.67)	0.02
Unrealized gains (losses) for the period	(0.00)	(0.13)	0.23	0.41	(0.54)	(0.15)
Total increase (decrease) from operations (2)	**0.05**	**0.26**	**0.54**	**0.44**	**(1.02)**	**0.05**
Distributions:						
From net investment income (excluding dividends)	(0.15)	(0.33)	(0.34)	(0.38)	(0.38)	(0.35)
From dividends	-	-	-		-	-
From capital gains	-	-	-		-	-
Return of capital	-	-	-		-	-
Total distributions (2,3)	**(0.15)**	**(0.33)**	**(0.34)**	**(0.38)**	**(0.38)**	**(0.35)**
Net assets at June 30 or December 31 of the year shown (1,2)	**$7.22**	**$7.33**	**$7.40**	**$7.18**	**$7.08**	**$8.33**

Series A inception date: May 16, 2012

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)	**$8.12**	**$8.11**	**$7.75**	**$7.57**	**$8.80**	**$9.01**
Increase (decrease) from operations:						
Total revenues	0.21	0.41	0.41	0.37	0.37	0.38
Total expenses	(0.04)	(0.08)	(0.08)	(0.09)	(0.08)	(0.09)
Realized gains(losses) for the period	(0.07)	0.20	0.14	(0.17)	(0.74)	0.01
Unrealized gains (losses) for the period	(0.01)	(0.15)	0.16	0.42	(0.37)	(0.14)
Total increase (decrease) from operations (2)	**0.09**	**0.38**	**0.63**	**0.53**	**(0.82)**	**0.16**
Distributions:						
From net investment income (excluding dividends)	(0.16)	(0.37)	(0.38)	(0.41)	(0.40)	(0.38)
From dividends	-	-	-		-	-
From capital gains	-	-	-		-	-
Return of capital	-	-	-		-	-
Total distributions (2,3)	**(0.16)**	**(0.37)**	**(0.38)**	**(0.41)**	**(0.40)**	**(0.38)**
Net assets at June 30 or December 31 of the year shown (1,2)	**$8.05**	**$8.12**	**$8.11**	**$7.75**	**$7.57**	**$8.80**

Series F inception date: September 19, 2012

(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)]	**$9.27**	**$9.19**	**$8.76**	**$8.46**	**$9.77**	**$9.93**
Increase (decrease) from operations:						
Total revenues	0.24	0.46	0.46	0.42	0.41	0.42
Total expenses	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains(losses) for the period	(0.08)	0.24	0.12	(0.20)	(0.81)	-
Unrealized gains (losses) for the period	(0.01)	(0.14)	0.31	0.51	(0.49)	(0.13)
Total increase (decrease) from operations [(2)]	**0.15**	**0.55**	**0.88**	**0.72**	**(0.90)**	**0.28**
Distributions:						
From net investment income (excluding dividends)	(0.19)	(0.44)	(0.44)	(0.47)	(0.46)	(0.43)
From dividends	-	-	-		-	-
From capital gains	-	-	-		-	-
Return of capital	-	-	-		-	-
Total distributions [(2,3)]	**(0.19)**	**(0.44)**	**(0.44)**	**(0.47)**	**(0.46)**	**(0.43)**
Net assets at June 30 or December 31 of the year shown [(1,2)]	**$9.24**	**$9.27**	**$9.19**	**$8.76**	**$8.46**	**$9.77**

Series I inception date: May 16, 2012

(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)	$124	$137	$175	$240	$341	$619
Number of units outstanding (1)	17,137	18,732	23,728	33,431	48,172	74,353
Management expense ratio (2)	2.19%	2.14%	2.23%	2.21%	2.19%	2.20%
Management expense ratio before waivers or absorption (3)	2.19%	2.14%	2.23%	2.21%	2.19%	2.20%
Portfolio turnover rate (4)	82.25%	172.75%	160.82%	186.59%	175.26%	109.10%
Trading expense ratio (5)	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Net asset value per unit	$7.22	$7.33	$7.40	$7.18	$7.08	$8.33

Series A inception date: May 16, 2012

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)	$105	$104	$101	$138	$225	$248
Number of units outstanding (1)	13,066	12,862	12,415	17,834	29,776	28,226
Management expense ratio (2)	0.99%	1.00%	1.03%	1.11%	1.01%	0.97%
Management expense ratio before waivers or absorption (3)	0.99%	1.00%	1.03%	1.11%	1.01%	0.97%
Portfolio turnover rate (4)	82.25%	172.75%	160.82%	186.59%	175.26%	109.10%
Trading expense ratio (5)	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Net asset value per unit	$8.05	$8.12	$8.11	$7.75	$7.57	$8.80

Series F inception date: September 19, 2012

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)	$145,904	$124,381	$118,546	$87,445	$99,282	$122,861
Number of units outstanding (1)	15,794,310	13,411,627	12,900,101	9,987,321	11,732,642	12,580,103
Management expense ratio (2)	0.09%	0.10%	0.13%	0.09%	0.12%	0.08%
Management expense ratio before waivers or absorption (3)	0.09%	0.10%	0.13%	0.09%	0.12%	0.08%
Portfolio turnover rate (4)	82.25%	172.75%	160.82%	186.59%	175.26%	109.10%
Trading expense ratio (5)	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Net asset value per unit	$9.24	$9.27	$9.19	$8.76	$8.46	$9.77

Series I inception date: May 16, 2012

(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

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 Fund to CFI. Management fees in respect of Series I units are arranged directly and charged outside the Fund. Management fees on Series I units are not expenses of the Fund. CFI uses a portion of management fees to pay 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	1.85%	54.05%	45.95%
Series F	0.85%	0.00%	100.00%
Series I	0.00%	0.00%	0.00%

PAST PERFORMANCE

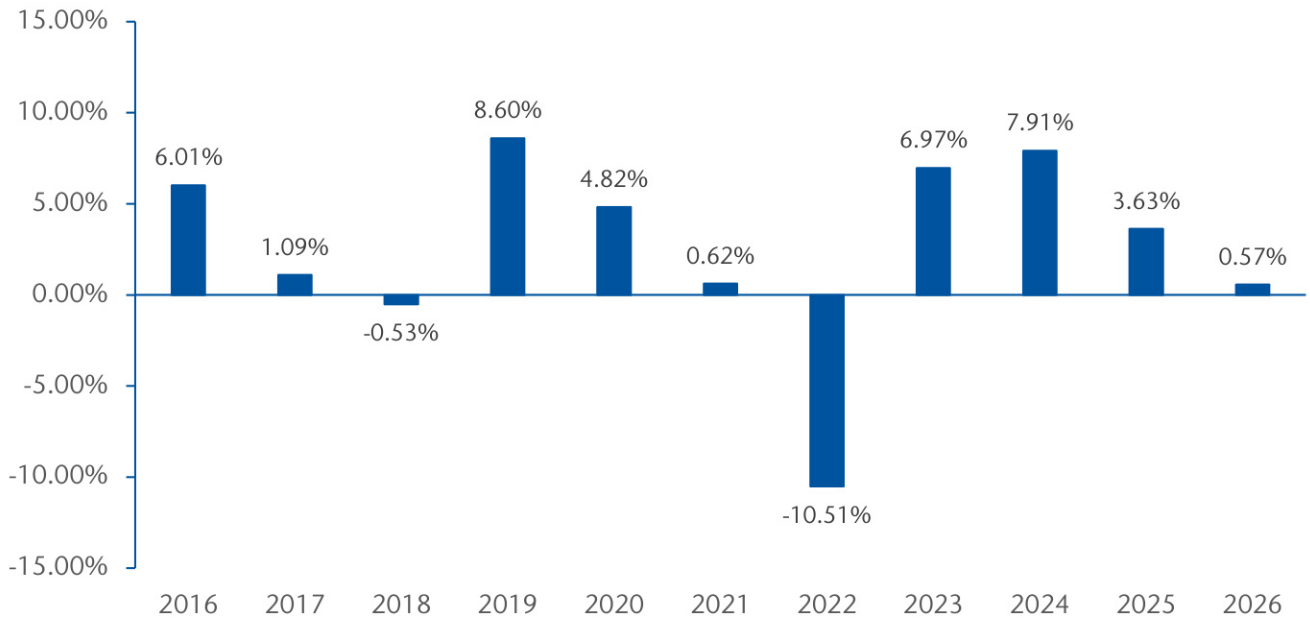
Past Performance

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.

CC&L High Yield Bond Fund Series A



PAST PERFORMANCE

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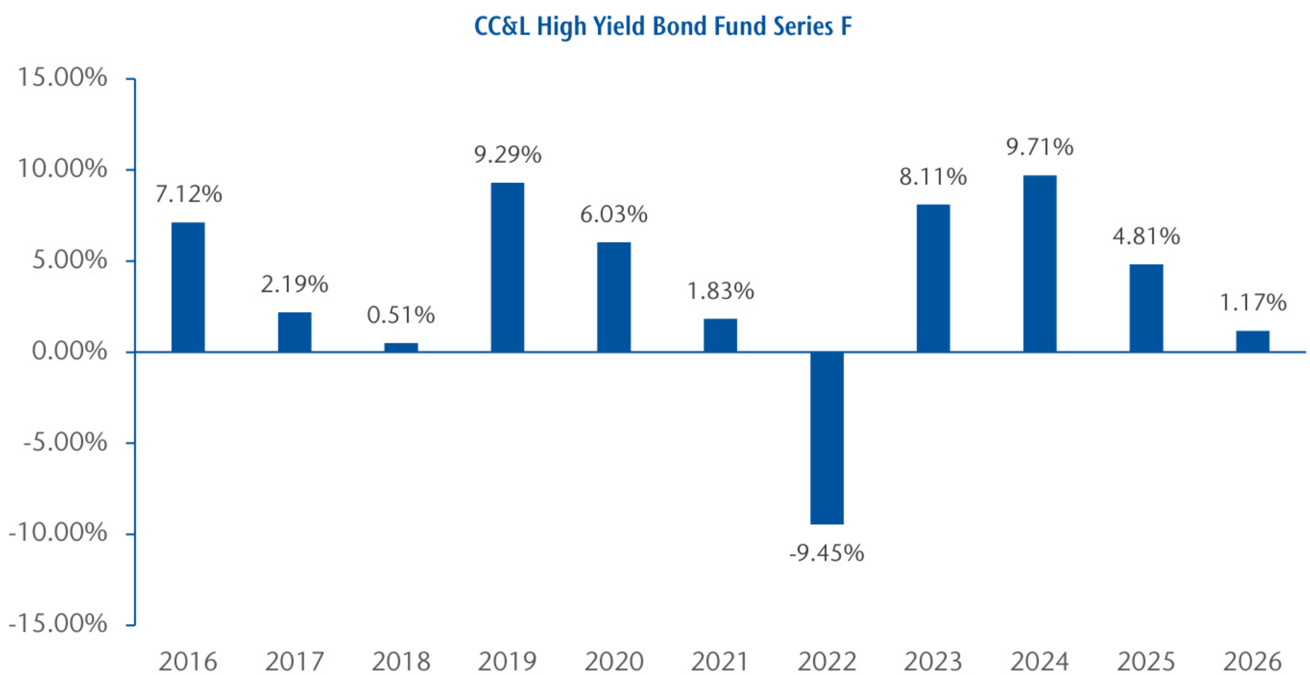
Year-by-year Returns

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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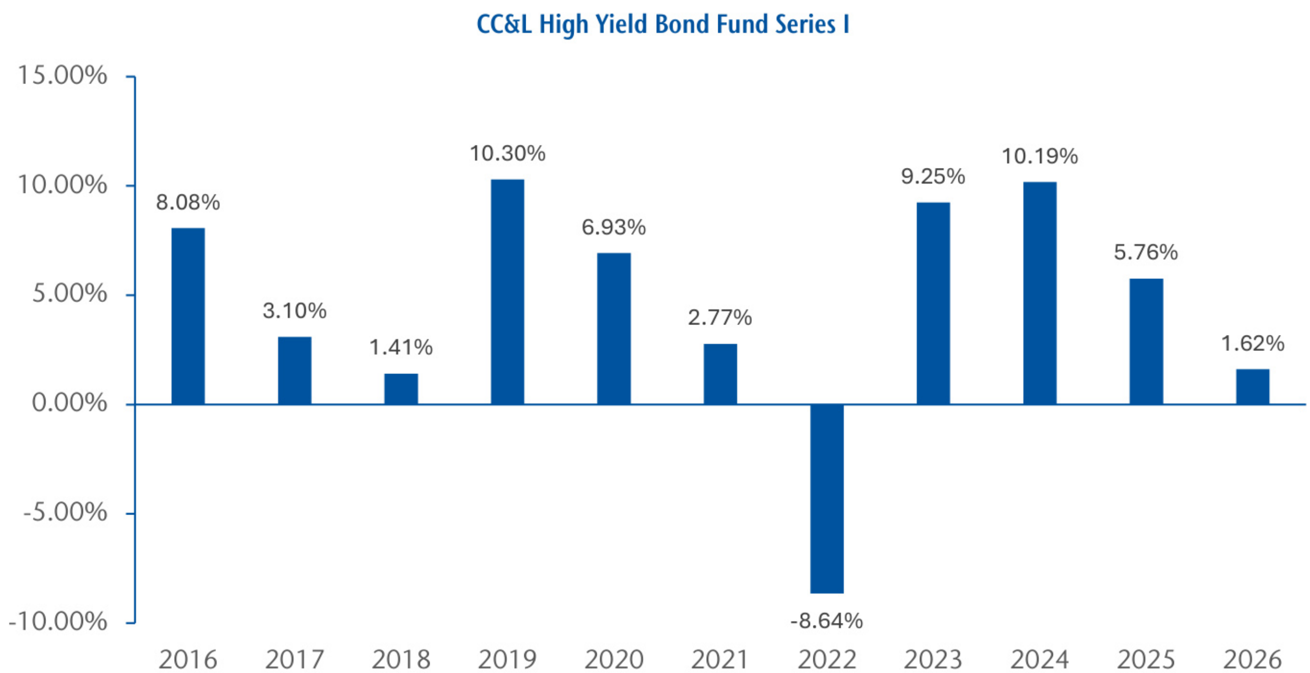

SUMMARY OF INVESTMENT PORTFOLIO

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.

Asset Mix	% of Net Asset Value
Canadian high yield bonds	46.3
U.S. high yield bonds	37.2
Other bonds	8.8
Short-term investments	6.6
Currency forward contracts	-0.8
Futures contracts	-0.1
Other assets less liabilities	2.0
	100.0

Sector Allocation	% of Net Asset Value
Automotive	4.9
Banking	9.8
Basic Industry	4.0
Capital goods	1.6
Communications	2.5
Consumer goods	1.2
Energy	13.1
Healthcare	2.5
Leisure	3.8
Media	7.1
Real estate	7.9
Retail	4.0
Services	1.9
Technology & electronics	1.7
Telecommunications	10.5
Transportation	2.0
Utilities	13.8
Short-term investments	6.6
Currency forward contracts	-0.8
Futures contracts	-0.1
Other assets less liabilities	2.0
	100.0

Top 25 Investments	% of Net Asset Value
1 Cogeco Communications 6.13% 2029.02.27	2.3
2 Bell Canada 5.85% 2032.11.10	2.0
3 Sell Protection on MARKIT CDX.NA.HY.46.5Y.V2 06/31 5.00% 2031.06.20	1.7
4 Canada 3.50% 2057.12.01	1.6
5 Bpce Sa 4.68% 2031.04.15	1.6
6 Videotron Ltd 3.95% 2032.10.15	1.6
7 Ford Credit Canada 4.92% 2031.01.09	1.4
8 Wolf Midstream Canada Lp 5.95% 2033.07.18	1.3
9 Albertsons Cos/Safeway 3.50% 2029.03.15	1.1
10 Ford Credit Canada Co 5.67% 2030.02.20	1.1
11 Brookfield Infra Fin Ulc 5.98% 2033.02.14	1.1
12 Capital Power Corp 4.23% 2033.01.14	1.0
13 Telus Corp 5.75% 2033.09.08	0.9
14 Canada 0.50% 2030.12.01	0.9
15 Sunoco Lp 4.38% 2029.03.26	0.9
16 Canada 2.75% 2055.12.01	0.9
17 Keyera Corp 6.88% 2029.06.13	0.9
18 Cenovus Energy Inc 4.25% 2033.03.20	0.8
19 Cco Hldgs Llc/Cap Corp 4.25% 2031.02.01	0.8
20 Telus Corp 4.65% 2031.08.13	0.7
21 Capital Power Corp 7.95% 09/09/2032 7.95% 2032.09.09	0.7
22 Venture Global Lng Inc 9.88% 2032.02.01	0.7
23 Nova Scotia Power Inc 4.95% 2032.11.15	0.7
24 Cogent Comms Grp / Fin 7.00% 2027.06.15	0.7
25 Air Canada 4.63% 2029.08.15	0.7
	28.0

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.