PCJ Focused Opportunities 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 either the interim financial report or 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, PCJ Focused Opportunities Fund (the "Fund") held $5.8 million in total net assets. During the period, investors in Series A units in the Fund experienced a return of -2.13%. 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 fund 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 11.5% or $0.6 million during the period, from $5.2 million on January 1, 2026, to $5.8 million on June 30, 2026. This change in Net Assets resulted from an increase of $0.7 million due to net subscriptions and a decrease of $0.1 million due to investment operations, including market volatility, income and expense.

North American equity markets experienced elevated volatility during the first half of 2026, as investors balanced geopolitical developments, evolving expectations for interest rates, and concerns surrounding global economic growth. Despite periods of heightened uncertainty, market sentiment improved as the half progressed and all indices finished the period with positive performance: Russell 2000 (+22.6%); S&P/TSX Small Cap Index (+18.0%); NASDAQ (+13.1%); S&P/TSX Composite Index (+11.2%); S&P 500 (+10.2%); Dow Jones (+9.8%).

Following a strong start to the year in January, markets became volatile in February and March as rising geopolitical tensions in the Middle East and higher energy prices renewed inflation concerns and weighed on investor confidence. Throughout the first quarter, central banks maintained a cautious stance by leaving interest rates unchanged, while labour market conditions remained mixed and inflation continued to be closely monitored. Higher energy prices and persistent inflationary pressures complicated expectations for future interest rate cuts, contributing to increased uncertainty across financial markets.

North American equity markets were strong during the second quarter as investor confidence improved following the volatility experienced in Q1. Markets were supported by resilient economic data, strong corporate earnings, and continued investment in artificial intelligence and digital infrastructure. While central banks maintained their policy interest rates throughout the quarter, investors continued to closely monitor inflation data and central bank commentary as expectations for future monetary policy remained closely tied to incoming economic data. Geopolitical developments in the Middle East remained an important source of uncertainty, while easing concerns over potential disruptions to global oil supplies and lower oil prices provided a more constructive backdrop for financial markets.

The PCJ Focused Opportunities Fund's performance was modestly negative during the first half of 2026. Notable contributions during the period came from the Health Care and Real Estate sectors. Within Health Care, long positions in Extendicare Inc. and Chartwell Retirement Residences both contributed. Within Real Estate, a long position in Primaris REIT contributed, partially offset by short positions within the sector. The most notable detractions came from the Consumer Staples and Information Technology sectors. Within Consumer Staples, long positions in Premium Brands Holdings Corp. and AGT Food & Ingredients Inc. both detracted. Within Information Technology, long positions in CGI Inc. and Constellation Software Inc. both detracted.

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 29.4% to 39.7% 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 29.7% of the Fund's NAV. The primary sources of leverage were short positions in equity securities 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 $ 147,161. As at June 30, 2026, cash borrowing represented 0.1% of the Fund's NAV.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Recent Developments

Looking ahead, geopolitical developments are expected to remain an important focus for investors. While recent tensions in the Middle East have eased, the potential for further escalation and its implications for global energy markets, inflation, and economic growth remain key risks with recent violations of a cease fire. We will continue to monitor these developments alongside inflation trends, central bank policy, and the broader economic outlook for their potential impact on financial markets.

While artificial intelligence remains a compelling long-term investment theme, market leadership has begun to broaden beyond the narrow group of companies that have driven equity market performance in recent years. As investors place greater emphasis on company fundamentals, valuations, and earnings execution, we believe opportunities are emerging across a wider range of sectors and companies.

The portfolio's gross leverage decreased, and net length increased slightly during the period. The portfolio has biases towards names benefitting from infrastructure spending, names exposed to the aerospace capex cycle, an aging population theme, and a few special situations.

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, PCJ Investment Counsel Ltd. (PCJ), 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, PCJ Investment Counsel Ltd. (PCJ), 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, calculated based on the net asset value of each respective series of units of the Fund, as described in the section entitled “Management and Performance Fees”. As portfolio manager, PCJ may receive a quarterly incentive fee, 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 since inception. 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 [4]
Net Assets, beginning of Period [1]	**$10.09**	**$10.00**
Increase (decrease) from operations:		
Total revenues	0.07	0.57
Total expenses	(0.20)	(0.55)
Realized gains(losses) for the period	(0.46)	0.28
Unrealized gains (losses) for the period	0.37	0.63
Total increase (decrease) from operations [2]	**(0.22)**	**0.93**
Distributions:		
From net investment income (excluding dividends)	-	-
From dividends	-	(0.12)
From capital gains	-	(0.45)
Return of capital	-	(0.04)
Total distributions [2,3]	**-**	**(0.61)**
Net assets at June 30 or December 31 of the year shown [1,2]	**$9.87**	**$10.09**

Series A inception date: March 31, 2025

Series F	JUN 30, 2026	DEC 31, 2025 [4]
Net Assets, beginning of Period [1]	**$10.53**	**$10.00**
Increase (decrease) from operations:		
Total revenues	0.07	0.60
Total expenses	(0.15)	(0.52)
Realized gains(losses) for the period	(0.45)	0.27
Unrealized gains (losses) for the period	0.32	0.71
Total increase (decrease) from operations [2]	**(0.21)**	**1.06**
Distributions:		
From net investment income (excluding dividends)	-	-
From dividends	-	(0.05)
From capital gains	-	(0.15)
Return of capital	-	(0.01)
Total distributions [2,3]	**-**	**(0.21)**
Net assets at June 30 or December 31 of the year shown [1,2]	**$10.35**	**$10.53**

Series F inception date: March 31, 2025

(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.

(4) For the period from March 31, 2025 (date of commencement of operations) to December 31, 2025.

FINANCIAL HIGHLIGHTS

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

Series I	JUN 30, 2026	DEC 31, 2025 [4]
Net Assets, beginning of Period [1]	**$10.48**	**$10.00**
Increase (decrease) from operations:		
Total revenues	0.07	0.48
Total expenses	(0.10)	(0.22)
Realized gains(losses) for the period	(0.47)	0.02
Unrealized gains (losses) for the period	0.41	0.64
Total increase (decrease) from operations [2]	**(0.09)**	**0.92**
Distributions:		
From net investment income (excluding dividends)	-	-
From dividends	-	(0.14)
From capital gains	-	(0.27)
Return of capital	-	(0.04)
Total distributions [2,3]	**-**	**(0.45)**
Net assets at June 30 or December 31 of the year shown [1,2]	**$10.35**	**$10.48**

Series I inception date: March 31, 2025

(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.

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(4) For the period from March 31, 2025 (date of commencement of operations) to December 31, 2025.

FINANCIAL HIGHLIGHTS

Ratios & Supplemental Data:

Series A	JUN 30, 2026	DEC 31, 2025 [6]
Total net asset value (000s) [1]	$179	$132
Number of units outstanding [1]	18,171	13,121
Management expense ratio [2]	3.58%	4.90%
Management expense ratio before waivers or absorption [3]	3.58%	4.90%
Portfolio turnover rate [4]	73.61%	101.55%
Trading expense ratio [5]	0.40%	0.98%
Net asset value per unit	$9.87	$10.09

Series A inception date: March 31, 2025

Series F	JUN 30, 2026	DEC 31, 2025 [6]
Total net asset value (000s) [1]	$579	$228
Number of units outstanding [1]	55,941	21,623
Management expense ratio [2]	2.58%	4.36%
Management expense ratio before waivers or absorption [3]	2.58%	4.36%
Portfolio turnover rate [4]	73.61%	101.55%
Trading expense ratio [5]	0.40%	0.98%
Net asset value per unit	$10.35	$10.53

Series F inception date: March 31, 2025

Series I	JUN 30, 2026	DEC 31, 2025 [6]
Total net asset value (000s) [1]	$5,041	$4,804
Number of units outstanding [1]	486,909	458,584
Management expense ratio [2]	1.45%	1.94%
Management expense ratio before waivers or absorption [3]	1.45%	1.94%
Portfolio turnover rate [4]	73.61%	101.55%
Trading expense ratio [5]	0.40%	0.98%
Net asset value per unit	$10.35	$10.48

Series I inception date: March 31, 2025

(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

(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.

(6) As at December 31 2025 for the period from March 31, 2025 (date of commencement of operations).

MANAGEMENT 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	2.00%	50.00%	50.00%
Series F	1.00%	0.00%	100.00%
Series I	0.00%	0.00%	0.00%

Performance Fees

The Fund may pay a quarterly performance fee to the portfolio manager, PCJ, 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 20% of the amount by which the Fund outperforms the hurdle. The performance fee is applicable to the 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 hurdle rate for Series A and F units of the Fund is 4.0% per annum.

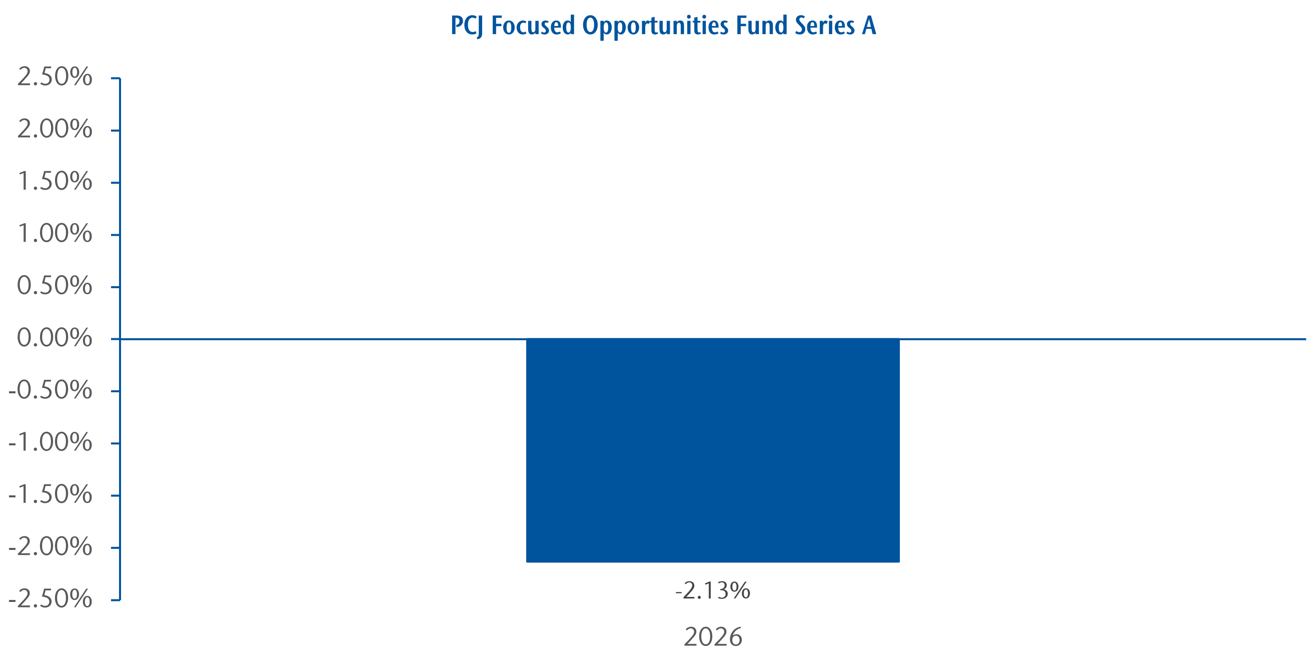
PAST PERFORMANCE

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 the six-month period ended June 30, 2026. 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.



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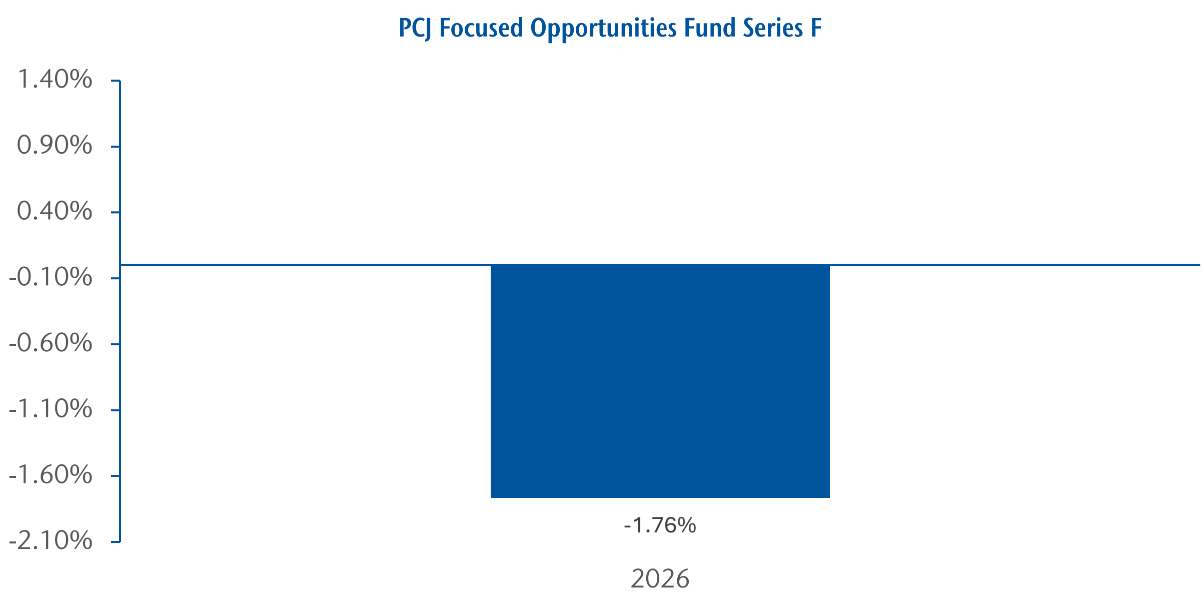

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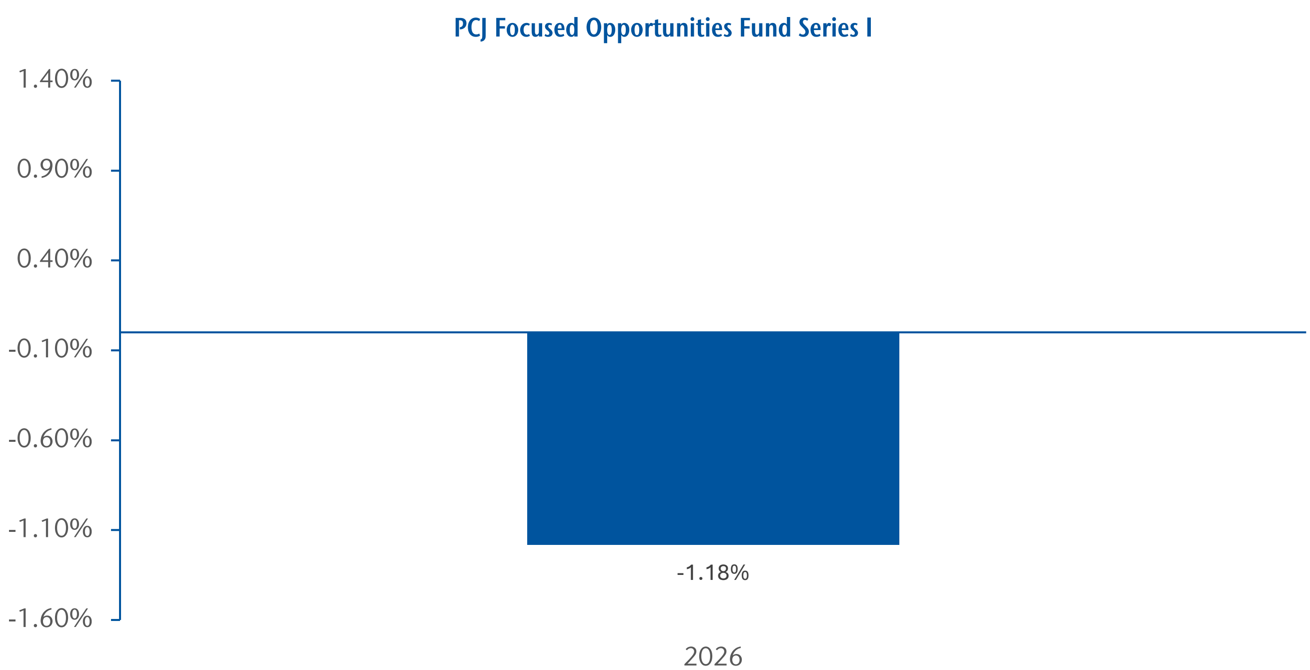
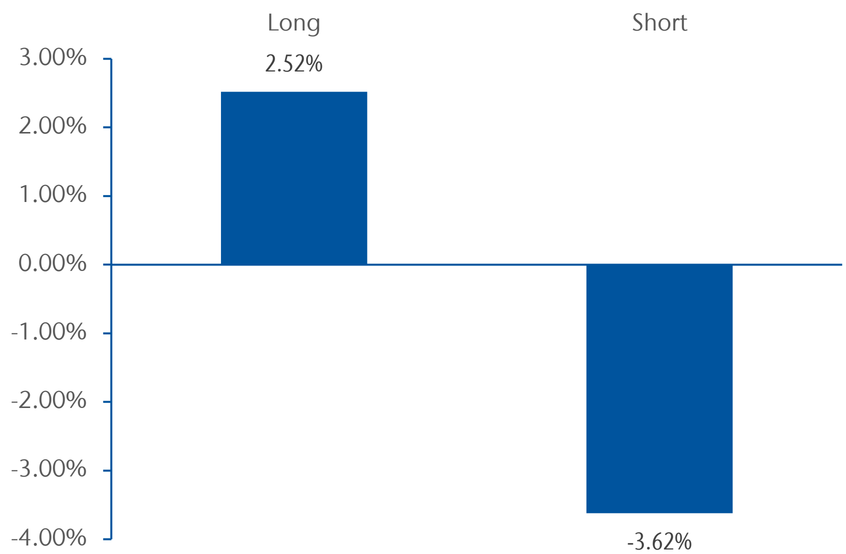


PAST PERFORMANCE

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	Extendicare Inc	8.5
2	Black Diamond Group	7.4
3	CRH PLC	6.3
4	Premium Brands Holdings Corporation	6.2
5	Brookfield Infrastructure Partners LP	5.8
6	Chartwell Retirement Residences	5.6
7	Advantage Energy Ltd	4.5
8	CAE Inc.	4.3
9	Primaris Reit	4.1
10	Brookfield Business Corp	3.3
11	Alaris Equity Partners Income Trust	3.1
12	Knight-Swift Transportation Holdings Inc	3.1
13	Finning International Inc.	2.8
14	Heartland Express Inc	2.8
15	Transalta Corp.	2.7
16	Keyera Corp.	2.5
17	Spartan Delta Corp	2.5
18	Aecon Group Inc.	2.4
19	ADENTRA Inc	2.3
20	Agt Food & Ingredients Inc	2.1
21	Greenfire Resources Ltd	2.0
22	Enerflex Ltd.	1.8
23	Strathcona Resources Ltd	1.6
24	Kraken Robotics Inc	1.1
25	Element Fleet Management Corp	1.0
	Top long positions as a percentage of total net asset value	89.9

	Top 25 Investments - Short	% of Net Asset Value
1	iShares S&P/TSX Capped Energy Index ETF	(6.7)
2	State Street SPDR S&P 500 ETF	(2.7)
3	Vulcan Materials Co	(2.7)
4	iShares Russell 2000 ETF	(2.2)
5	Stantec Inc.	(1.7)
6	Canadian Tire Corp. Ltd. Class A	(1.5)
7	Martin Marietta Materials	(1.5)
8	Quebecor Inc. Class B	(1.1)
9	Ishares Trust Dow Jones US Real Estate	(0.9)
10	Richelieu Hardware Ltd.	(0.9)
11	Advanced Drainage Systems In	(0.8)
12	AtkinsRealis Group Inc	(0.7)
13	Visa Inc-Class A	(0.6)
14	Riocan REIT Units	(0.6)
15	Mastercard Inc	(0.5)
16	Metro Inc.	(0.5)
17	Copart Inc	(0.5)
18	Aritzia Inc	(0.5)
19	Rxo Inc	(0.4)
20	Cogeco Communications Inc	(0.4)
21	Precision Drilling Corp.	(0.4)
22	Tesla Inc	(0.4)
23	Fiera Capital Corp.	(0.4)
24	High Liner Foods	(0.4)
25	Werner Enterprises Inc	(0.3)
	Top short positions as a percentage of total net asset value	(29.3)

Portfolio Allocation	Long	Short	Net
Short-term investments	32.7	-	32.7
Canadian equities	74.2	(9.4)	64.8
U.S. equities	5.9	(7.6)	(1.7)
Foreign equities	12.1	-	12.1
Exchange-traded funds	-	(12.6)	(12.6)
Other assets less liabilities	4.7	-	4.7
	129.6	(29.6)	100.0

Net Currency Exposure	% of Net Asset Value
Canadian dollar	96.3
U.S. dollar	3.7
	100.00

Bonds by Credit Rating*	% of Net Asset Value
AAA	32.7
	32.7

Sector Allocation	Long	Short	Net
Communication services	-	(1.5)	(1.5)
Consumer discretionary	-	(2.4)	(2.4)
Consumer staples	8.4	(1.1)	7.3
Energy	15.0	(0.4)	14.6
Financials	3.1	(1.6)	1.5
Health care	14.2	-	14.2
Industrials	30.6	(5.3)	25.3
Information technology	2.0	-	2.0
Materials	6.3	(4.2)	2.1
Real estate	4.1	(0.5)	3.6
Utilities	8.5	-	8.5
Short-term investments	32.7	-	32.7
Exchange-traded funds	-	(12.6)	(12.6)
Other assets less liabilities	4.7	-	4.7
	129.6	(29.6)	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.