CONNOR, CLARK & LUNN
MANAGED PORTFOLIOS

CC&L BALANCED INCOME PORTFOLIO

Interim Management Report of Fund Performance

For the Period Ended
June 30, 2011

This interim management report of fund performance contains financial highlights but does not contain the complete financial statements of the investment fund. You can obtain copies of the statements at your request, and at no cost, by calling us directly at 1.800.939.9674, by writing us at 300 University Ave, Suite 300, Toronto, ON, M5H 3M7 or by visiting our website at www.cclmanagedportfolios.com, or SEDAR at www.sedar.com.

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

Management Discussion of Fund Performance

Investment Objective and Strategies

The CC&L Balanced Income Portfolio (the "Portfolio") seeks to generate current income while preserving capital. The Portfolio is expected to provide modest potential for growth of capital over time with limited variability of return from year to year. The Portfolio 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.

To achieve these objectives the manager, Connor, Clark & Lunn Management Portfolios Inc. ("CC&L MPI"), has retained the services of a number of specialized portfolio managers, each with its own specialized area of investment expertise. Each of the following portfolio managers within the Connor, Clark & Lunn Financial Group have been retained to determine asset allocation or to invest the assets allocated to their asset class with full authority and responsibility for security selection:

- Baker Gilmore & Associates Inc. ("BGA"): Fixed income (short-term)
- Connor, Clark & Lunn Investment Management Ltd. ("CCLIM"): Canadian equities (growth at a reasonable price, known as GARP, and income trusts and dividend paying shares, known as Income & Growth), fixed income (core) and fixed income (high-yield bonds)
- Connor, Clark & Lunn Private Capital Ltd. ("CCLPC"): Asset allocation
- Gyrus Investment Management Ltd.("Gyrus"): U.S. Income & Growth

In its capacity as portfolio manager responsible for asset allocation, CCLPC will monitor and periodically rebalance the Portfolio's underlying investments in order to maintain the strategic target asset allocations and, CCLPC may, in its sole discretion, based in part upon any modeling, testing and asset allocation services, change the strategic target allocations and/or add or remove asset classes in order to meet the objectives of the Portfolio. The Portfolio may also invest in foreign debt or equity, which may or may not be hedged back to the Canadian dollar. While we expect that such foreign investments will not generally exceed approximately 30% of the assets of the Portfolio at the time of investment, the Portfolio may invest up to 49% of its assets in foreign securities if the portfolio managers, in their discretion, so determine. Generally, it is intended that each asset class will be actively managed by the portfolio manager for such class. The Portfolio may also hold an interest in another mutual fund (the "underlying fund") having portfolio securities of the same asset class and managed by a member of Connor Clark & Lunn Financial Group.

The Portfolio was only established at the beginning of 2006. Until the Portfolio is of sufficient size and/or in order to achieve sufficient diversity in one or more of its asset classes, the Portfolio may invest in units of exchange traded funds which constitute "index participation units" under applicable securities rules, as well as exchange traded closed-end investment funds managed by a member of Connor Clark & Lunn Financial Group, in both cases which reflect the particular asset class. CCLPC has established guidelines with respect to the size threshold for an asset class of the Portfolio before active portfolio management in that asset class will occur and with respect to the funds to be used. Details of such guidelines are included in the annual information form of the Portfolio. Index participation units were not held in the Portfolio as of June 30, 2011.

Risk

For the six month period ended June 30, 2011, the risk profile of the Portfolio was managed in accordance with the goals set out in the simplified prospectus. In the view of CC&L MPI, 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 of June 30, 2011, the Portfolio held $27.9 million in total net assets. During the first half of 2011, investors in Series A units of the Portfolio experienced a return of 3.1%. The blended benchmark for the Portfolio (60% DEX Universe Bond, 20% MSCI World (excluding Canada), 15% S&P/TSX Composite, 5% DEX 91 Day T-bill) returned 2.0% over the same period. The performance of Series F, Series O, Series I, Reserve Series, PI Financial, Canadian First and the Arbour Series units 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 Portfolio remains broadly diversified across a number of asset classes. The chart below shows the asset allocation of the portfolio as at the end of June 2011 and December 2010. The changes in the composition of the Portfolio are carefully monitored and managed by the team of investment specialists at CCLPC, to whom the manager has entrusted the responsibility for actively managing asset allocation.

Asset Class	Manager	Asset Allocation (June 30, 2011)	Asset Allocation (Dec. 31, 2010)	Change
Fixed income (core)	CCLIM	34.0%	37.1%	-3.1%
Fixed income (short-term)	BGA	2.0%	7.0%	-5.0%
Fixed income (high-yield bonds)	CCLIM	12.8%	9.9%	+2.9%
Income & Growth	CCLIM	35.6%	32.8%	+2.8%
U.S. Income & Growth	Gyrus	14.4%	12.4%	+2.0%
Cash		1.2%	0.9%	+0.3%

The individual managers of the various asset classes will have achieved various levels of performance throughout the six months. The impact of their out or underperformance of their policy benchmarks will impact the Portfolio returns as a whole, but because of the active nature of the asset allocation strategy, it is important to note that the magnitude of their performance relative to the Portfolio will vary depending on the asset allocation weight at any point in time.

Canadian Equities

The Canadian equity (Income & Growth) asset class, managed by CCLIM, is the largest asset class in the Portfolio. For the six-month period ending June 30, 2011, the asset class returned 7.8%, easily outpacing its benchmark S&P/TSX Composite Index, which returned 0.2%.

CCLIM believes that macro events set the tone for financial markets during the second quarter of 2011. Concerns over supply disruptions out of Japan, monetary policy tightening in China, resurrection of the Greek debt crisis, and rising energy and food prices put investors in a defensive mood for most of the quarter. Expectations for growth turned negative as economic releases confirmed that the global economy was entering a 'soft patch'.

This moderating outlook pressured the Canadian equity market as economically-sensitive sectors such as technology, energy, and materials all posted significant losses. The Portfolio had limited exposure in these sectors and more emphasis on income-oriented securities which helped to preserve capital and performance. The strong outperformance was also attributable to successful security selection within the energy and utilities sectors. Within the banking sector, CCLIM expects that higher quality banks will begin to outperform and has concentrated the Portfolio's exposure in the three largest banks (Royal Bank of Canada, Toronto-Dominion Bank, and Bank of Nova Scotia).

Mid-cycle market corrections of the magnitude witnessed in the second quarter are not unusual but CCLIM does not expect to see the current slowdown turn into a full-blown recession. The slowdown that we are currently experiencing is similar in magnitude to previous difficult environments and CCLIM expects the economic recovery will re-accelerate during the second half of 2011.

United States Equity

In the United States, for the six month period ended June 30, 2011, Gyrus outperformed the S&P 500 Index by 0.6%, returning 3.6% against the benchmark (S&P 500 Index) return of 3.0%.

The S&P 500 was flat during the second quarter. According to Gyrus, this clearly continues to be a substandard recovery in the U.S. economy. U.S. GDP in the first quarter came in at 1.9% and economists are expecting it to remain at that level for Q2. Many economic indicators are moderating as well including the oft-watched ISM Manufacturing Index. While it has remained above an economic expansion level of 50 since August 2009, the Index has fallen lower from earlier this year.

Gyrus continues to believe that a moderate growth trajectory is the most likely scenario as inflation remains low and central banks will keep interest rates low to stimulate growth. Employment growth is the key to the sustainability of the recovery. Recent weak employment data can be explained by supply chain issues arising from Japan, severe weather in the first quarter of 2011, and uncertainty engendered by the sovereign debt crisis in Europe. Markets globally have been responding to the continuing debt issues in Europe. Some budget austerity actions were taken by the Greek government but it is unlikely to be sufficient to solve the problem. The day of reckoning has merely been postponed as Greece, Ireland, and probably Portugal will have to restructure their debt. In contrast, American companies continue to post strong earnings that will add to their already healthy balance sheets. Capital management through dividend increases and share buybacks with selective mergers and acquisitions activity should provide continued support to the market.

Health care and utilities sectors had strong quarters while financials and energy lagged behind. During the quarter, the Portfolio sold Lowe's Companies Inc. and purchased The Home Depot, Inc. The CCLPC approach for the U.S. Income & Growth component of the Portfolio is to maintain a portfolio that has a dividend yield higher than the market, and a low pay-out ratio to foster dividend growth. A history without dividend cuts is also part of the screening process.

Fixed Income

Our short-term bond manager, BGA, outperformed their benchmark DEX Short-term Bond Index in the first half of 2011. BGA returned 2.1% against the benchmark's (DEX Short Term Bond Index) 1.8%.

According to BGA, risk aversion returned to global capital markets in the second quarter of 2011, as rising concerns over the potential for a Greek debt default combined with softer economic data and rising oil prices helped push government bond yields lower. Stock markets fell and investors in the credit markets focused more on quality in an environment of rising economic uncertainty. The U.S. economy has continued to soften with business sentiment pointing to more subdued growth. Canada has also been impacted by global events. Although business confidence has remained strong, consumer spending has begun to decelerate, impacted by rising oil prices and efforts by households to pare debt levels in anticipation of rising global interest rates.

While fiscal spending provided important support to domestic demand during the credit crisis, government expenditure is now expected to become a drag on growth as Canada's newly elected Conservative majority government commits to eliminating the deficit by 2014. Despite a surprising jump in core inflation to 1.8% in May, the Bank of Canada ("BoC") left interest rates unchanged and maintained its cautious outlook highlighted by the strength of the Canadian dollar and the sovereign debt crisis in Europe.

Interest rates remain at very low levels globally, especially in Canada, where solid business confidence is expected to drive investment and hiring gains. We expect the BoC will begin raising overnight rates again in the latter half of the year. For the period, yields on two-year Government of Canada (GoC) bonds fell 27 basis points to 1.60%, while yields on five-year GoC bonds fell 41 basis points to 2.36%. The portfolio remains overweight high-grade financials and AAA-rated securities. The Portfolio remains underweight BBB-rated securities as BGA believes that risks to the global economy remain and in this environment it prefers higher quality exposures.

On the core bond side, CCLIM believes that the global economy hit a significant soft patch during the second quarter of 2011 as the effects from the Japanese supply-chain disruption, the resurrection of the European sovereign debt crisis, and severe weather all negatively impacted the pace of growth. Weaker-than-expected economic growth and European debt concerns caused longer-term yields to approach their previous lows. In the U.S., growth moderated as strong business spending was mitigated by the headwind created by rising food and energy prices and a loss of momentum in job creation. Canada fared better with strong business spending and strong employment growth despite pressure from an appreciating Canadian dollar.

Looking ahead, CCLIM expects that economic growth in North America will re-accelerate resulting in a moderately positive economic outlook for the remainder of 2011. While many positive factors support this outlook, CCLIM expects that the influence of monetary tightening in emerging markets to control inflation will most likely keep a lid on the pace of overall global growth. A confluence of external factors, such as the risk of contagion from the European debt situation or the possible resolution to the U.S. debt ceiling problem, could also lead to heightened market volatility in the near term.

For the six-month period ending June 30, 2011, the core bond portfolio outperformed its benchmark DEX Universe Bond Index. The portfolio returned 2.8% for the period while the benchmark returned 2.2%.

With respect to high-yield bonds, CCLIM felt that weakness in the pace of the global economic recovery and European debt concerns reversed the positive investor sentiment towards credit that had prevailed since last summer. While this produced a positive outcome for government bonds in North America and many other countries as yields declined considerably, it had the opposite effect on the high yield market where credit spreads widened. The widening then intensified driven by increased supply caused by investors exiting the marketplace. Despite all this recent pressure in the high yield market, overall rates remained near historic lows. Issuers were more timid during the quarter, especially in the U.S. where the overall issuance level declined considerably, especially in June. The situation was similar in Canada where new issues were also light. Heightened volatility should continue for at least the near term as several headwinds such as European sovereign debt woes and the U.S. debt ceiling situation may persist. However, CCLIM continues to be optimistic about the high yield market, where current elevated yields have become increasingly attractive. The high-yield portion of the portfolio returned 1.5% to the benchmark's (DEX Universe Bond Index) 2.2% during the first half of 2011.

Recent Developments

The second quarter of 2011 was marked by an equity market selloff and volatility relating to economic news releases and the bond markets rallying as investors shifted to safe haven investments. After a good first quarter despite the soaring commodity prices, deteriorating disposable incomes, and the Japanese disasters of March, global equity markets were not able to hold onto their gains in the latest quarter.

While energy and agricultural prices have eased lower since April, there remain several headwinds that will challenge the momentum of this economic recovery. The residual effect of the supply chain disruptions from Japan persists. The Chinese government raising interest rates in an attempt to rein in inflation will be a threat to global growth in the world's second largest economy. The sovereign debt crisis in Europe has flared up again after it had been simmering since the bailout package Greece received last year from the European Union and International Monetary Fund. The U.S. economy remained fragile and growth has entered a 'soft patch'. The S&P/TSX Composite fell 5.1% during the second quarter and nearly gave back all that it had gained in the first quarter of 2011. Had it not been for a strong rally during the last week of June, the S&P 500 would have been in negative territory for the quarter as well. Challenges in the equity markets proved to be positive for both government bonds and gold bullion.

Regarding the operations of the Portfolio, a number of changes are proposed. Firstly, subject to approval of the Independent Review Committee, CC&L MPI will be replaced by CCLPC as the Portfolio's manager. If approved, the change of manager will take effect October 1, 2011. Secondly, CC&L MPI also intends to seek the approval of unitholders to change the basis of the calculation of how expenses are charged to the Portfolio by removing for all series the cap on the aggregate of the management fees and ordinary operating expenses. In addition, CC&L MPI will seek the approval of Series I unitholders to have Series I commence to bear its proportionate share of the ordinary operating expenses in the Portfolio rather than the manager. The unitholder meetings are expected to be held on or about September 15, 2011 and, if approved, the foregoing changes are expected to be implemented on or about October 1, 2011.

Effective July 15, 2011, the Portfolio has ceased to offer units of the PI Financial Series.

Related Party Transactions

CC&L MPI is affiliated with Connor, Clark & Lunn Financial Group. As disclosed in the prospectus and annual information form, all of the portfolio managers we have employed are also affiliated with Connor, Clark & Lunn Financial Group. In the six months ended June 30, 2011, no additions or deletions were made to portfolio managers providing services to the Portfolio.

CC&L MPI receives management fees with respect to the day-to-day business and operations of the Portfolio, calculated based on the net asset value of each respective series of units of the Portfolio, 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.

CONNOR, CLARK & LUNN
MANAGED PORTFOLIOS

Management Discussion of Fund Performance

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 Portfolio in the six months ending June 30, 2011.

Caution regarding forward-looking statements

The analysis in the document includes forward looking statements. The use of any of the words anticipate, may, will, expect, estimate, should, believe and similar expressions are intended to identify forward-looking statements. Such statements reflect the opinion of CC&L MPI and the Portfolio's portfolio managers regarding factors that might be reasonably expected to affect the performance and the distributions on units of the Portfolio, and are based on information available at the time of writing. CC&L MPI 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 or analysis.

Financial Highlights

The following tables show selected key financial information about the Portfolio and are intended to help you understand the Portfolio's financial performance since inception. This information is derived from the Portfolio's unaudited semi-annual financial statements dated June 30, 2011 and previous audited financial statements dated December 31 of the years indicated below.

Financial Highlights:

Series A	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net Assets, beginning of year[1]	**$9.75**	**$9.18**	**$8.29**	**$9.97**	**$10.28**	**$10.00**
Increase (decrease) from operations:						
Total revenues	0.22	0.43	0.37	0.42	0.36	0.37
Total expenses	(0.11)	(0.22)	(0.19)	(0.21)	(0.25)	(0.19)
Realized gains (losses) for the period	0.39	0.28	(0.24)	(0.37)	(0.03)	0.10
Unrealized gains (losses) for the period	(0.23)	0.32	1.24	(1.08)	(0.31)	0.57
Total increase (decrease) from operations[2]	**0.27**	**0.81**	**1.19**	**(1.24)**	**(0.23)**	**(0.85)**
Distributions:						
From income (excluding dividends)[3]	(0.07)	(0.16)	(0.22)	(0.19)	(0.07)	(0.06)
From dividends[3]	(0.05)	(0.05)	(0.04)	(0.08)	(0.11)	(0.09)
From capital gains	(0.28)	-	-	-	(0.02)	(0.09)
Return of capital	-	-	-	-	-	-
Total distributions[4]	**(0.40)**	**(0.21)**	**(0.26)**	**(0.27)**	**(0.20)**	**(0.24)**
Net assets, end of period[1,5]	**$9.67**	**$9.75**	**$9.18**	**$8.29**	**$9.97**	**$10.28**

Series A inception date: February 1, 2006

Series F	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net Assets, beginning of year[1]	**$10.70**	**$10.07**	**$10.00**	**-**	**-**	**-**
Increase (decrease) from operations:						
Total revenues	0.24	0.47	0.13	-	-	-
Total expenses	(0.07)	(0.14)	(0.04)	-	-	-
Realized gains (losses) for the period	0.41	0.31	0.05	-	-	-
Unrealized gains (losses) for the period	(0.21)	0.35	0.05	-	-	-
Total increase (decrease) from operations[2]	**0.38**	**0.99**	**0.19**	**-**	**-**	**-**
Distributions:						
From income (excluding dividends)[3]	(0.10)	(0.29)	(0.10)	-	-	-
From dividends[3]	(0.07)	(0.09)	(0.02)	-	-	-
From capital gains	(0.30)	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions[4]	**(0.47)**	**(0.38)**	**(0.12)**	**-**	**-**	**-**
Net assets, end of period[1,5]	**$10.61**	**$10.70**	**$10.07**	**-**	**-**	**-**

Series F inception date: September 13, 2009

Financial Highlights

Series I	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net Assets, beginning of year[1]	**$9.70**	**$9.12**	**$8.15**	**$9.70**	**$10.00**	**-**
Increase (decrease) from operations:						
Total revenues	0.23	0.42	0.37	0.38	0.36	-
Total expenses	(0.01)	(0.02)	(0.02)	(0.03)	(0.03)	-
Realized gains (losses) for the period	0.44	0.28	(0.21)	(0.46)	(0.07)	-
Unrealized gains (losses) for the period	(0.03)	0.32	1.18	(1.49)	(0.35)	-
Total increase (decrease) from operations[2]	**0.63**	**1.00**	**1.31**	**(1.60)**	**(0.08)**	**-**
Distributions:						
From income (excluding dividends)[3]	(0.13)	(0.30)	(0.29)	(0.26)	(0.06)	-
From dividends[3]	(0.09)	(0.09)	(0.05)	(0.10)	(0.09)	-
From capital gains	(0.28)	-	-	-	(0.02)	-
Return of capital	-	-	-	-	-	-
Total distributions[4]	**(0.50)**	**(0.39)**	**(0.34)**	**(0.36)**	**(0.17)**	**-**
Net assets, end of period[1,5]	**$9.60**	**$9.70**	**$9.12**	**$8.15**	**$9.70**	**-**

Series I inception date: July 11, 2007

Series O	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net Assets, beginning of year[1]	**$9.57**	**$9.01**	**$8.06**	**$9.60**	**$10.00**	**-**
Increase (decrease) from operations:						
Total revenues	0.22	0.43	0.39	0.38	0.30	-
Total expenses	(0.06)	(0.13)	(0.11)	(0.12)	(0.10)	-
Realized gains (losses) for the period	0.37	0.28	(0.19)	(0.36)	(0.12)	-
Unrealized gains (losses) for the period	(0.20)	0.30	1.17	(1.29)	(0.29)	-
Total increase (decrease) from operations[2]	**0.33**	**0.88**	**1.26**	**(1.39)**	**(0.21)**	**-**
Distributions:						
From income (excluding dividends)[3]	(0.09)	(0.23)	(0.22)	(0.19)	(0.05)	-
From dividends[3]	(0.06)	(0.07)	(0.04)	(0.08)	(0.09)	-
From capital gains	(0.27)	-	-	-	(0.02)	-
Return of capital	-	-	-	-	-	-
Total distributions[4]	**(0.42)**	**(0.30)**	**(0.26)**	**(0.27)**	**(0.16)**	**-**
Net assets, end of period[1,5]	**$9.49**	**$9.57**	**$9.01**	**$8.06**	**$9.60**	**-**

Series O inception date: April 30, 2007

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Financial Highlights

Arbour Series	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net Assets, beginning of year[1]	**$9.53**	**$8.97**	**$8.11**	**$9.76**	**$10.09**	**$10.01**
Increase (decrease) from operations:						
Total revenues	0.22	0.43	0.36	0.39	0.40	0.20
Total expenses	(0.12)	(0.25)	(0.21)	(0.24)	(0.27)	(0.09)
Realized gains (losses) for the period	0.35	0.26	(0.34)	(0.25)	(0.04)	0.07
Unrealized gains (losses) for the period	(0.16)	0.38	1.06	(1.02)	(0.24)	0.20
Total increase (decrease) from operations[2]	**0.28**	**0.82**	**0.86**	**(1.12)**	**(0.16)**	**0.39**
Distributions:						
From income (excluding dividends)[3]	(0.05)	(0.13)	(0.20)	(0.18)	(0.07)	(0.04)
From dividends[3]	(0.04)	(0.04)	(0.04)	(0.07)	(0.11)	(0.08)
From capital gains	(0.27)	-	-	-	(0.02)	(0.09)
Return of capital	-	-	-	-	-	-
Total distributions[4]	**(0.36)**	**(0.17)**	**(0.24)**	**(0.25)**	**(0.20)**	**(0.21)**
Net assets, end of period[1,5]	**$9.45**	**$9.53**	**$8.97**	**$8.11**	**$9.76**	**$10.09**

Arbour Series inception date: August 22, 2006

Canadian First Series	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net Assets, beginning of year[1]	**$10.00**	**-**	**-**	**-**	**-**	**-**
Increase (decrease) from operations:						
Total revenues	0.18	-	-	-	-	-
Total expenses	(0.10)	-	-	-	-	-
Realized gains (losses) for the period	0.37	-	-	-	-	-
Unrealized gains (losses) for the period	(0.32)	-	-	-	-	-
Total increase (decrease) from operations[2]	**0.12**	**-**	**-**	**-**	**-**	**-**
Distributions:						
From income (excluding dividends)[3]	(0.05)	-	-	-	-	-
From dividends[3]	(0.03)	-	-	-	-	-
From capital gains	(0.28)	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions[4]	**(0.36)**	**-**	**-**	**-**	**-**	**-**
Net assets, end of period[1,5]	**$9.77**	**-**	**-**	**-**	**-**	**-**

Canadian First Series inception date: February 10, 2011

Financial Highlights

Reserve Series	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net Assets, beginning of year[1]	**$11.59**	**$10.87**	**$10.00**	**-**	**-**	**-**
Increase (decrease) from operations:						
Total revenues	0.26	0.52	0.29	-	-	-
Total expenses	(0.16)	(0.30)	(0.18)	-	-	-
Realized gains (losses) for the period	0.47	0.32	0.03	-	-	-
Unrealized gains (losses) for the period	(0.29)	0.40	0.73	-	-	-
Total increase (decrease) from operations[2]	**0.28**	**0.94**	**0.88**	**-**	**-**	**-**
Distributions:						
From income (excluding dividends)[3]	(0.05)	(0.11)	(0.18)	-	-	-
From dividends[3]	(0.04)	(0.04)	(0.03)	-	-	-
From capital gains	(0.32)	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions[4]	**(0.41)**	**(0.15)**	**(0.22)**	**-**	**-**	**-**
Net assets, end of period[1,5]	**$11.51**	**$11.59**	**$10.87**	**-**	**-**	**-**

Reserve Series inception date: May 13, 2009

(1) This information is derived from the Portfolio's financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements. This difference is due to use of different pricing methodologies.
(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.
(3) The allocation of distributions between income and dividends is an estimate and may not reflect amounts distributed for tax purposes.
(4) Distributions were paid in cash or reinvested in additional units of the Portfolio, or both.
(5) This is not a reconciliation between the opening and the closing net assets per unit.

Financial Highlights

Ratios & Supplemental Data:

Series A	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net asset value ('000s)(1)	$7,925	$5,745	$2,815	$1,787	$883	$732
Number of units outstanding(1)	818,405	589,065	306,673	215,509	88,559	71,228
Average number of units outstanding	752,766	422,499	279,357	122,369	100,392	48,773
Management expense ratio(2,5)	2.11%	2.18%	2.11%	2.08%	2.07%	2.04%
Portfolio turnover rate(3)	120.24%	229.08%	227.92%	234.40%	78.95%	176.51%
Trading expense ratio(4)	0.10%	0.19%	0.13%	0.20%	0.32%	0.28%
Net asset value per unit	$9.68	$9.77	$9.19	$8.31	$9.98	$10.28

Series A inception date: February 1, 2006

Series F	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net asset value ('000s)(1)	$807	$795	$642	-	-	-
Number of units outstanding(1)	75,955	74,301	63,762	-	-	-
Average number of units outstanding	75,254	68,498	35,006	-	-	-
Management expense ratio(2,5)	1.13%	1.15%	1.11%	-	-	-
Portfolio turnover rate(3)	120.24%	229.08%	227.92%	-	-	-
Trading expense ratio(4)	0.10%	0.19%	0.13%	-	-	-
Net asset value per unit	$10.63	$10.72	$10.08	-	-	-

Series F inception date: September 13, 2009

Series I	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net asset value ('000s)(1)	$2,956	$19,154	$17,664	$9,575	$2,104	-
Number of units outstanding(1)	307,542	1,974,299	1,937,832	1,175,353	217,013	-
Average number of units outstanding	1,661,519	2,102,357	1,456,067	761,829	83,280	-
Management expense ratio(2,5)	0.00%	0.06%	0.06%	0.08%	0.23%	-
Portfolio turnover rate(3)	120.24%	229.08%	227.92%	234.40%	78.95%	-
Trading expense ratio(4)	0.10%	0.19%	0.13%	0.20%	0.32%	-
Net asset value per unit	$9.61	$9.72	$9.13	$8.16	$9.71	-

Series I inception date: July 11, 2007

Series O	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net asset value ('000s)(1)	$12,177	$9,840	$2,740	$1,412	$695	-
Number of units outstanding(1)	1,280,647	1,028,219	304,160	175,276	72,423	-
Average number of units outstanding	1,166,290	436,984	233,776	142,827	61,538	-
Management expense ratio(2,5)	1.14%	1.16%	1.11%	1.13%	1.15%	-
Portfolio turnover rate(3)	120.24%	229.08%	227.92%	234.40%	78.95%	-
Trading expense ratio(4)	0.10%	0.19%	0.13%	0.20%	0.32%	-
Net asset value per unit	$9.51	$9.59	$9.02	$8.07	$9.61	-

Series O inception date: April 30, 2007

Financial Highlights

Arbour Series	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net asset value ('000s)(1)	$289	$312	$300	$498	$575	$255
Number of units outstanding(1)	30,568	32,786	33,425	61,452	58,948	25,255
Average number of units outstanding	31,631	38,049	40,503	70,207	42,128	22,116
Management expense ratio(2,5)	2.44%	2.50%	2.41%	2.37%	2.37%	2.35%
Portfolio turnover rate(3)	120.24%	229.08%	227.92%	234.40%	78.95%	176.51%
Trading expense ratio(4)	0.10%	0.19%	0.13%	0.20%	0.32%	0.28%
Net asset value per unit	$9.47	$9.55	$8.98	$8.12	$9.77	$10.09

Arbour Series inception date: August 22, 2006

Canadian First Series	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net asset value ('000s)(1)	$33	-	-	-	-	-
Number of units outstanding(1)	3,414	-	-	-	-	-
Average number of units outstanding	3,308	-	-	-	-	-
Management expense ratio(2,5)	2.53%	-	-	-	-	-
Portfolio turnover rate(3)	120.24%	-	-	-	-	-
Trading expense ratio(4)	0.10%	-	-	-	-	-
Net asset value per unit	$9.79	-	-	-	-	-

Canadian First Series inception date: February 10, 2011

Reserve Series	Jun 30'11	Dec 31'10	Dec 31'09	Dec 31'08	Dec 31'07	Dec31'06
Net asset value ('000s)(1)	$3,743	$2,320	$950	-	-	-
Number of units outstanding(1)	324,595	200,161	87,405	-	-	-
Average number of units outstanding	246,217	131,658	60,352	-	-	-
Management expense ratio(2,5)	2.63%	2.69%	2.58%	-	-	-
Portfolio turnover rate(3)	120.24%	229.08%	227.92	-	-	-
Trading expense ratio(4)	0.10%	0.19%	0.13%	-	-	-
Net asset value per unit	$11.53	$11.61	$10.88	-	-	-

Reserve Series inception date: May 13, 2009

(1) This information is provided as at December 31 of the years shown except 2011 which as at June 30.
(2) Management expense ratio is based on total expenses (excluding 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 Portfolio's portfolio turnover rate indicates how actively the Portfolio's subadvisors manage its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Portfolio buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate 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 a fund.
(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
(5) CC&L MPI intends to call a meeting of the Portfolio's unitholders on or around September 15, 2011, to seek their approval to change the basis of the calculation of how expenses are charged to the Portfolio by removing for all series the cap on the aggregate of the management fees and ordinary operating expenses. Had the cap on management fees and ordinary operating expenses been lifted as of January 1, 2011, the management expense ratio (MER) would have been higher than reported above. The 'uncapped' MER of each series would have been as follows: Series A 2.46%, Series F 1.48%, Series I 0.35%, Series O 1.48%, Arbour Series 2.79%, Canadian First Series 2.88%, Reserve Series 2.98%.

Management Fees

The Portfolio pays management fees, which are accrued daily and paid periodically. The management fees are paid in consideration for the provision of, or arranging for the provision of, management, administration, investment advisory services and distribution. The annual management fees vary among the different series depending on the amount of ordinary operating expenses charged to each. The Manager, CC&L MPI, has committed to capping the aggregate of the management fees and ordinary operating expenses at the rates listed in the table below (the "capped rates") exclusive of the Harmonized Sales Tax ("HST"), all other taxes, interest, brokerage and other portfolio transaction costs.

The capped rates represent the theoretical maximum rate at which management fees can be charged to the Portfolio. In practice management fees can never reach 100% of the capped rates as ordinary operating expenses will always occupy some percentage of the capacity available under the capped rates. The percentage of the capped rates occupied by ordinary operating expenses is expected to decline as the Portfolio increases in size. Operating expenses normally grow more slowly than the Portfolio, thereby becoming less significant relative to the increasing size of the Portfolio.

Series	A	F	I*	O	PI Financial	Reserve	R7	Arbour	Cdn 1st
Capped rates (%)	1.95	1.00	0.00	1.00	1.95	2.40	1.00	2.24	2.34

*Fees are negotiable and charged outside the Portfolio, but may not exceed 1.00%.

The amount of the capped rates is different from the management expenses ratio ("MER") of the Portfolio. The MER of a series of the Portfolio is comprised of the total expenses of the series including the HST but excludes brokerage charges and other transaction costs, income taxes and certain unitholder optional fees.

For certain series, part of the management fees paid are used to compensate dealers for services provided in connection with an investment in the Portfolio. Dealer compensation is paid as trailing commissions based on amounts invested in the Portfolio. The table below indicates the percentage of the capped rates that can accrue to the Manager for management, administration and investment advisory services and the percentage at which trailing commissions are paid.

Series	A	F	I*	O	PI Financial	Reserve	R7	Arbour	Cdn 1st
Management, administration and investment advice (%)	51.3	100.0	0.0	100.0	51.3	58.3	100.0	48.7	46.6
Dealer compensation (%)	48.7	0.0	0.0	0.0	48.7	41.7	0.0	51.3	53.4

Past Performance

The performance information shown assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional securities of the Portfolio. 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 Portfolio has performed in the past does not necessarily indicate how it will perform in the future.

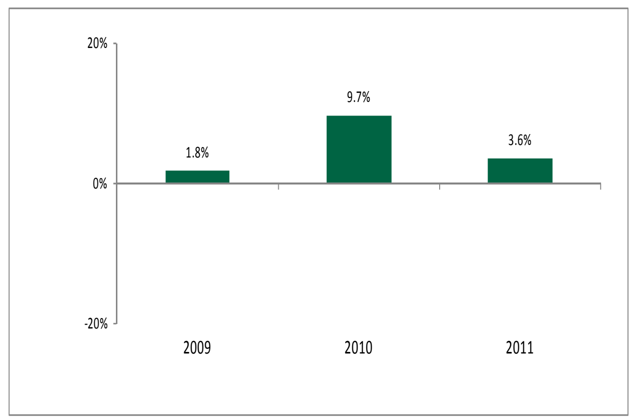
Year-by-year Returns

The following bar charts show the investment fund's annual performance for each of the years shown (interim performance for the six months ended June 30, 2011) and illustrate how the fund's performance has changed from year to year. 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.

Series A

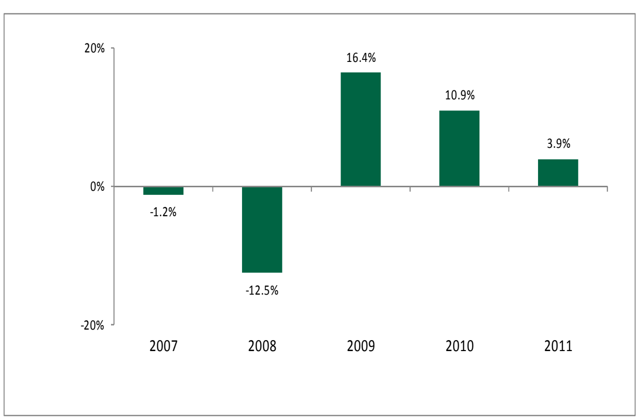
Performance for 2006 represents returns from February 1 to December 31, 2006.

Series F



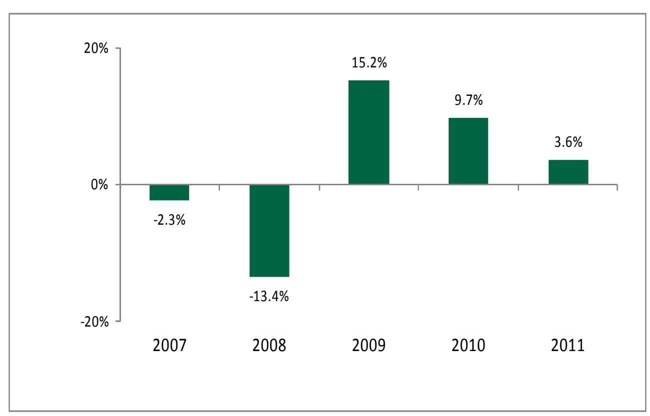
Performance for 2009 represents returns from September 13, 2009 to December 31, 2009.

Series I



Performance for 2007 represents returns from July 11 to December 31, 2007.

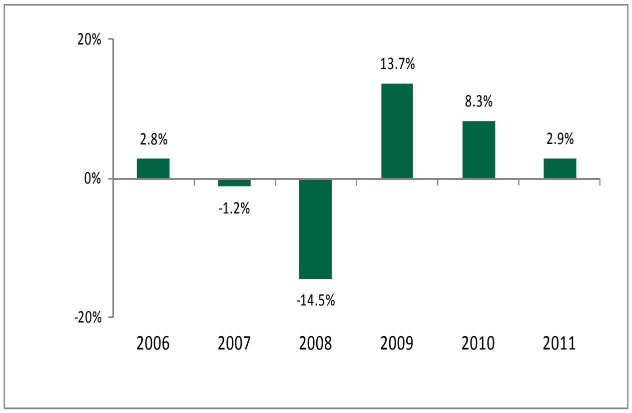
Series O



Performance for 2007 represents returns from April 30 to December 31, 2007.

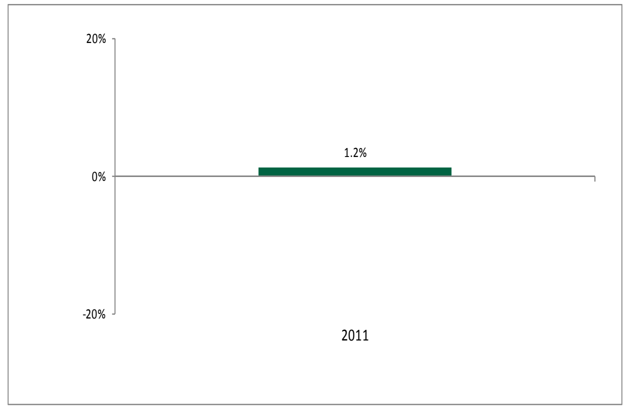
Past Performance

Arbour Series



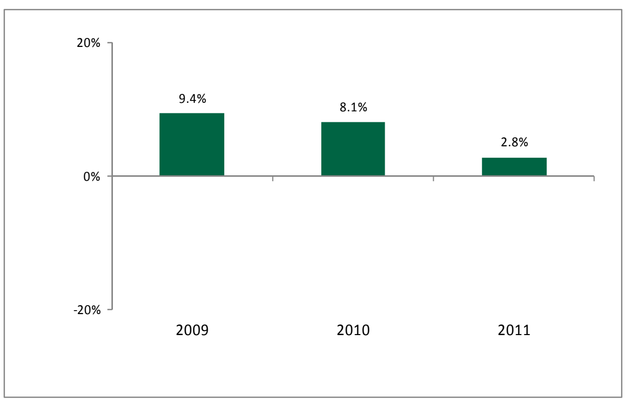
Performance for 2006 represents returns from August 22 to December 31, 2006.

Canadian First Series



Performance for 2011 represents returns from February 10, 2011 to June 30, 2011.

Reserve Series



Performance for 2009 represents returns from May 13 to June 30, 2009.

CONNOR, CLARK & LUNN
MANAGED PORTFOLIOS

Summary of Investment Portfolio

Below is a breakdown of the Portfolio's investment holdings as at June 30, 2011. The individual holdings and their relative percentage of the overall portfolio will change between reporting periods as markets change and managers buy and sell individual securities.

Asset Mix	Market Value $	% of Net Asset Value
Canadian content	18,300,220	65.5
Foreign content	5,439,897	19.5
Cash and cash equivalents	4,328,653	15.5
Other assets (liabilities)	(137,656)	(0.5)
		100.0

Asset Mix	Market Value $	% of Net Asset Value
Canadian equity	9,872,807	35.4
U.S. equity	3,963,592	14.2
International equity	-	0.0
Canadian fixed income	8,427,413	30.2
International fixed income	1,476,305	5.3
Cash and cash equivalents	4,328,653	15.5
Other assets (liabilities)	(137,656)	(0.5)
		100.0

	Top 25 Investments	Market Value $	% of Net Asset Value
1	Toronto-Dominion Bank	703,308	2.5
2	Cash	637,898	2.3
3	Quebecor Media Inc 7.375% January 15, 2021	604,461	2.2
4	Royal Bank of Canada	600,917	2.2
5	Great West Life Co. 7.153% May 16, 2016	599,328	2.1
6	Baytex Energy Corp. 6.750% February 17, 2021	589,195	2.1
7	Bank of Nova Scotia	575,190	2.1
8	TD Capital Trust (CATS III) 7.243% Dec 31, 2018	543,910	1.9
9	Ford Credit Canada 7.500% August 18, 2015	541,458	1.9
10	Bank of Montreal B/A August 25, 2011	498,914	1.8
11	CIBC 3.150% November 2, 2015	471,793	1.7
12	Telus Corp. Non-voting	414,183	1.5
13	National Bank BDN September 7, 2011	398,876	1.4
14	Peyto Exploration & Development	396,095	1.4
15	Thomson Reuters Corporation	395,594	1.4
16	Brookfield Infrastructure Partners LP	392,113	1.4
17	ARC resources Ltd.	360,144	1.3
18	TMX Group Inc.	348,473	1.2
19	Mullen Group Ltd.	324,133	1.2
20	Ontario 5.850% March 8, 2033	282,788	1.0
21	Algonquin Power & Utilities Corp.	277,649	1.0
22	Manulife Financial Corporation 7.768% April 8, 2019	272,060	1.0
23	Alberta 4.000% December 1, 2019	269,848	1.0
24	Royal Bank of Canada 3.180% November 2, 2015	264,081	0.9
25	Corus Entertainment Inc.	259,958	0.9
	Top long positions as a percentage of		39.4
	Total net asset value	27,931,114	

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