



CAPITAL MARKETS

**CONNOR, CLARK & LUNN GLOBAL FINANCIALS FUND II
AND
FOCUSED GLOBAL TRENDS FUND**

**NOTICE OF SPECIAL MEETINGS OF UNITHOLDERS
AND
JOINT MANAGEMENT INFORMATION CIRCULAR**

**Meetings of
Connor, Clark & Lunn Global Financials Fund II and Focused Global Trends Fund
to be held at 8:30 a.m.
September 20, 2011
1 First Canadian Place
Suite 6300
100 King Street West
Toronto, Ontario**



181 University Avenue
Suite 300
Toronto, Ontario M5H 3M7

**CONNOR, CLARK & LUNN GLOBAL FINANCIALS FUND II
AND
FOCUSED GLOBAL TRENDS FUND**

August 24, 2011

Dear Unitholders:

You are invited to special meetings of holders of common units (“Common Units”) and class F units (“Class F Units”) of Connor, Clark & Lunn Global Financials Fund II (“GFT”) and of holders of class A units (“Class A Units”) and class F units (“Class F Units”) of Focused Global Trends Fund (“FTF”, and collectively with GFT, the “Funds”). The special meetings (the “Meetings”) will be held at 8:30 a.m. (Toronto time) on September 20, 2011 at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, Ontario. The purpose of the Meetings is to consider and vote upon extraordinary resolutions relating to the proposed merger (the “Merger Proposal”) of GFT and FTF. FTF will be the continuing fund and, as a result, unitholders of GFT would become unitholders of FTF.

The objectives of the Merger Proposal are to: (i) lower the administrative costs and increase trading liquidity by establishing a larger fund; and (ii) benefit from gaining access to the expertise of Mr. Guy de Blonay (“Mr. de Blonay”) at his new employer, Jupiter Asset Management Limited (“Jupiter”), and to thereby provide greater potential for capital appreciation and utilization of accumulated tax losses.

FTF, as the continuing fund, will be renamed Connor, Clark & Lunn Financial Opportunities Fund and the investment objectives, investment strategy and investment restrictions of the fund would be amended in order to provide investors with an opportunity for capital appreciation by investing in an international portfolio of financial services companies actively managed by Mr. de Blonay. FTF will be managed using the same investment approach that Mr. de Blonay applies to the Jupiter Financial Opportunities Fund. The investment strategy will be to invest in a concentrated, international portfolio principally comprised of financial services companies and to a lesser extent property related companies considered by Jupiter to be undervalued and which exhibit favourable growth prospects.

The Merger Proposal is more fully described in the accompanying joint management information circular (the “Circular”).

If the Merger Proposal is approved and implemented, unitholders of GFT will have the opportunity to redeem their GFT units for a redemption price equal to net asset value per unit if they choose not to participate going forward by tendering units for the GFT annual redemption on the last business day of September 2011. To be redeemed, GFT units must be tendered for redemption no later than September 12, 2011. In order for the Merger Proposal to become effective, it must be approved by a two-thirds majority of unitholders of each of the Funds present in person or represented by proxy at the Meetings. The Merger Proposal is also subject to the receipt of all necessary regulatory and stock exchange approvals. If approved, the extraordinary resolutions are expected to be implemented on or about October 3, 2011. If the Merger Proposal is not approved, the Manager will consider other options, including winding-up one or both of FTF.

The Board of Directors of Connor, Clark & Lunn Capital Markets Inc. (“CC&L Capital Markets”), the manager of both Funds, has determined that the Merger Proposal is in the best interests of each of the Funds and their unitholders. Accordingly, the Board of Directors of CC&L Capital Markets recommends that unitholders of each of GFT and FTF vote in favour of their extraordinary resolution.

In addition, each of the Funds’ Advisory Board and the Independent Review Committee have reviewed the Merger Proposal, and recommended that the Merger Proposal be put to unitholders of each of the Funds for their consideration.

Attached is a Notice of Special Meeting of Unitholders and the Circular, which contain important information relating to the extraordinary resolutions. We urge you to read the Circular carefully. If you are in doubt as to how to deal with the matters described in the Circular, you should consult your advisors.

If you wish to vote on the Merger Proposal, you should submit the enclosed voting instruction form as soon as possible, and in any event no later than 5:00 p.m. (Toronto time) on September 16, 2011.

If you have any questions please do not hesitate to call 1-888-276-2258.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Neil Murdoch". The signature is fluid and cursive, with a prominent initial "W" and a long, sweeping underline.

W. Neil Murdoch
Chief Executive Officer and President
Connor, Clark & Lunn Capital Markets Inc.

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**CONNOR, CLARK & LUNN GLOBAL FINANCIALS FUND II
AND
FOCUSED GLOBAL TRENDS FUND**

NOTICE OF SPECIAL MEETINGS OF UNITHOLDERS

TAKE NOTICE that a special meeting of holders of common units (“Common Units”) and class F units (“Class F Units”) of Connor, Clark & Lunn Global Financials Fund II (“GFT”) and a special meeting of holders of class A units (“Class A Units”) and class F units (“Class F Units”) of Focused Global Trends Fund (“FTF”) will be held at 8:30 a.m. (Toronto time) on September 20, 2011 at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, Ontario for the following purpose:

- For GFT, to consider and, if thought appropriate, approve with or without variation an extraordinary resolution (the “GFT extraordinary resolution”) providing for the merger of GFT and FTF, including the transfer by GFT to FTF of substantially all of the net assets of GFT in consideration for Class A Units and Class F Units of FTF and the automatic redemption by GFT of the Common Units and Class F Units of GFT. FTF will be the continuing fund; and
- For FTF, to consider and, if thought appropriate, approve with or without variation an extraordinary resolution (the “FTF extraordinary resolution”) providing for the merger of GFT and FTF, including changes to the investment objectives, investment strategy and investment restrictions of FTF. FTF will be the continuing fund.

The proposal is more fully described in the accompanying joint management information circular (the “Circular”). A copy of the GFT extraordinary resolution is attached as Appendix I to the Circular and a copy of the FTF extraordinary resolution is attached as Appendix II to the Circular.

DATED at Toronto, Ontario as of the 24th day of August, 2011.

**By Order of the Board of Directors of
CONNOR, CLARK & LUNN CAPITAL MARKETS INC.**

By: 

W. Neil Murdoch
Chief Executive Officer and President

Note: Reference should be made to the Circular for details of the above matter. If you are unable to be present in person at the meetings, you are requested to complete and sign the enclosed form of proxy or voting instruction form and to return it in the enclosed prepaid envelope provided for that purpose. Voting instruction forms sent by Broadridge Investor Communication Solutions may be completed by telephone or through the internet at www.proxyvote.com.

CONNOR, CLARK & LUNN GLOBAL FINANCIALS FUND II

Connor, Clark & Lunn Global Financials Fund II (“GFT”) is an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement dated February 27, 2007 between Connor, Clark & Lunn Capital Markets Inc. (the “Manager” or “CC&L Capital Markets”) and RBC Dexia Investor Services Trust (the “Trustee” or “RBC Dexia”). On March 22, 2007, GFT completed its initial public offering of common units (“Common Units”) and class F units (“Class F Units”) (collectively, the “GFT Units”) raising \$108,133,800 and the Common Units of GFT began trading on the Toronto Stock Exchange (the “TSX”).

On February 4, 2008, GFT merged with Connor, Clark & Lunn Global Financials Fund. The continuing fund was GFT.

Investment Objectives

GFT’s investment objectives are to:

- (i) provide holders of units of GFT with a stable stream of monthly cash distributions targeted to be \$0.05 per GFT Unit (representing a yield of approximately 6.0% per annum on the issue price of \$10.00 per GFT Unit); and
- (ii) preserve and enhance the net asset value per GFT Unit.

On October 22, 2008, GFT announced a change to the monthly distribution rate as a result of ongoing difficult market conditions. The monthly distribution level was changed from \$0.05 to \$0.0375 per Common Unit and Class F Unit (or from \$0.60 to \$0.45 per annum).

GFT seeks to achieve its investment objectives by investing the assets of GFT in a portfolio consisting of securities of global financial services businesses. In addition, from time to time, the portfolio may include significant cash and cash equivalents.

As of August 19, 2011, 5,200,048 Common Units of GFT were issued and outstanding and 37,500 Class F Units of GFT were issued and outstanding.

FOCUSED GLOBAL TRENDS FUND

Focused Global Trends Fund (“FTF”) is an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement dated June 28, 2007 between the Manager and RBC Dexia. On July 19, 2007, FTF completed its initial public offering of class A units (“Class A Units”) and class F units (“Class F Units”) (collectively, the “FTF Units”) raising \$48,057,000 and the Class A Units of FTF began trading on the TSX.

Investment Objectives

FTF’s investment objectives are to:

- (i) provide holders of units of FTF with a stable stream of monthly cash distributions targeted to be \$0.04167 per FTF Unit (representing a yield of approximately 5.0% per annum on the issue price of \$10.00 per FTF Unit); and
- (ii) preserve and enhance the net asset value per FTF Unit.

On March 17, 2009, FTF announced a change to the monthly distribution rate as a result of ongoing difficult market conditions. The monthly distribution level was changed from \$0.04167 to \$0.02778 per Class A Unit and Class F Unit (or from \$0.50 to \$0.333 per annum).

FTF currently seeks to achieve its investment objectives by investing the assets of FTF in an actively managed portfolio (the “FTF Portfolio”) consisting of equity securities of global companies. Currently, FTF’s investment manager is Pier 21 Asset Management Inc. and the FTF Portfolio is currently managed by Carnegie Asset Management Fondsmaglerselskab A/S (“Carnegie”). However, if the Merger Proposal is approved, CC&L Capital Markets proposes to retain Jupiter Asset Management Limited (“Jupiter”) and its portfolio manager, Mr. Guy de Blonay (“Mr. de Blonay”), to act as investment sub-advisor for the merged fund.

FTF is exposed to a number of foreign currencies. Carnegie takes currency exposure into account in managing the FTF Portfolio. CC&L Capital Markets intends that at least 80% of the value of the FTF Portfolio's non-Canadian currency exposure will be hedged back to the Canadian dollar. Although FTF may use derivatives, consistent with its investment strategies and in accordance with National Instrument 81-102 — *Mutual Funds* ("NI 81-102") (as if FTF were subject to NI 81-102), Carnegie does not otherwise intend to employ derivatives in the management of the FTF Portfolio.

FTF may, from time to time, establish a loan facility that may be used for working capital purposes. Borrowings by FTF under such loan facility must not exceed 5% of the net asset value of FTF at the time of borrowing.

FTF may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income and/or as a short term cash management tool. Any borrower of securities from FTF must maintain with a qualified agent collateral having a market value equal to at least 102% of the market value of the securities borrowed and must provide FTF with a right to sell the collateral if the borrower defaults on its obligations under the securities lending transaction. Any securities lending transaction must qualify as a "securities lending arrangement" for purposes of the *Income Tax Act* (Canada) (the "Tax Act").

Investment Approach

Since inception, Carnegie's investment team's approach to managing global equities (which it has used since 1986) was based on the belief that global trends are important drivers in generating long term stable growth and that a focus on these trends ensures consistently strong results over a long term investment horizon. The core trends around which a portfolio managed by Carnegie was based focused on (i) emerging markets growth; (ii) infrastructure; (iii) energy; and (iv) climate change. Carnegie's focused portfolio of 25 to 30 companies reflects a preference for having a thorough knowledge of relatively few stocks rather than for attempting to control risk via a large number of investments that would render a general overview more complex. A focused portfolio results in a disciplined buy and sell approach which, in Carnegie's case, is based on a one in/one out principle.

As part of the Merger Proposal, FTF, as the continuing fund, will be renamed Connor, Clark & Lunn Financial Opportunities Fund and the investment objectives, investment strategy and investment restrictions of the fund would be amended in order to provide investors with an opportunity for capital appreciation by investing in an international portfolio of financial services companies actively managed by Mr. de Blonay. FTF will be managed using the same investment approach that Mr. de Blonay applies to the Jupiter Financial Opportunities Fund. The investment strategy will be to invest in a concentrated, international portfolio principally comprised of financial services companies and to a lesser extent property related companies considered by Jupiter to be undervalued and which exhibit favourable growth prospects arising from characteristics such as proven management or strong products or services.

Mr. de Blonay's investment approach is an approach which commences with a macro view of the global economy in order to identify investment themes that have the most potential. Mr. de Blonay then looks for reasonably priced companies through which to play out his best ideas on these themes. Mr. de Blonay invests predominantly in a concentrated, international portfolio of mostly large cap stocks. Mr. de Blonay aims to generate returns in rising markets and limiting losses in falling markets, within the limits of the fund's investment policy. Mr. de Blonay is well-tuned to the market and is willing to restructure the portfolio in anticipation of a significant change in market sentiment.

The top ten holdings and the geographic breakdown of the Jupiter Financial Opportunities Fund as at June 30, 2011 is as set forth below.

Top Ten Holdings⁽¹⁾	Percentage of Portfolio
Banque Cantonale Vaudoise	5.68%
Prudential	4.93%
DnB NOR	4.32%
Standard Chartered	4.10%
Schroders	3.21%
Julius Baer	3.12%
Partners Group	2.99%
Sberbank	2.91%
VTB Bank	2.88%
Commerzbank	2.50%
Total	36.65%

(1) Some of this exposure is through derivatives.

Geographic Region	Percentage of Portfolio
Europe	33.84%
United Kingdom	22.64%
Far East (excluding Japan)	7.22%
Eastern Europe	5.86%
North America	5.54%
Middle East	0.36%
	75.46%
Cash	24.54%
Total	100.00%

If the Merger Proposal is approved and implemented and changes to the investment objectives and investment strategy are approved, after the Effective Date (as defined below), FTF's investment objectives and investment strategy will be as follows:

- **Investment Objectives** — to achieve long term capital growth principally through investment in equities of financial sector companies on an international basis and to provide holders of units with cash distributions initially targeted to be \$0.33 per unit of the merged fund (representing a yield of approximately 7.6% per annum).
- **Investment Strategy** — to invest in a concentrated, international portfolio principally comprised of financial services companies and to a lesser extent property related companies considered to be undervalued and which exhibit favourable growth prospects arising from characteristics such as proven management or strong products or services.

The investment restrictions of the merged fund will remain the same as the current investment restrictions of FTF. The investment restrictions are described in FTF's annual information form for the year ended March 31, 2011.

Termination of FTF

FTF will terminate on July 31, 2017 (the "Termination Date") unless FTF unitholders determine to continue FTF by a majority of the votes cast at a meeting of unitholders.

The Manager may in its discretion terminate FTF without the approval of FTF unitholders if, in the opinion of the Manager the net asset value of FTF is reduced as a result of redemptions or otherwise so that it is no longer economically feasible to continue FTF and it would be in the best interests of FTF unitholders to

terminate FTF. FTF will provide FTF Unitholders notice in writing through CDS no less than 30 days and no more than 60 days prior to such Termination Date. FTF will include a description of the entitlement of the FTF unitholders, which will be based on the net asset value of FTF, in such notice and press release.

Immediately prior to the Termination Date, FTF will, to the extent possible, convert the assets of FTF to cash and the Trustee, after paying or making adequate provision for all of FTF's liabilities, will distribute the net assets of FTF to FTF unitholders as soon as practicable after the Termination Date.

If the term of FTF is extended beyond the Termination Date, FTF unitholders may redeem their FTF Units on the Termination Date at the net asset value per FTF Unit of the applicable class as of such Termination Date.

As of August 19, 2011, 1,487,233 Class A Units of FTF were issued and outstanding and 31,900 Class F Units of FTF were issued and outstanding.

Further Information

For further information about GFT, see GFT's annual information form for the year ended December 31, 2010 (the "GFT AIF") or the CC&L Capital Markets website at www.cclcapitalmarkets.com.

For further information about FTF, see FTF's annual information form for the year ended March 31, 2011 (the "FTF AIF") or the CC&L Capital Markets website at www.cclcapitalmarkets.com.

The GFT AIF and the FTF AIF (collectively, the "AIFs") are both specifically incorporated by reference into this Circular. See also "Documents Incorporated by Reference".

BACKGROUND TO THE PROPOSAL

FTF was launched in June of 2007 and is actively managed by Carnegie. Since its launch in 2007, given the turmoil in the markets and its underperformance relative to its benchmark, the MSCI World Index, FTF has had a significant portion of its units redeemed. This is a situation that many closed-end funds with similar equity mandates have experienced. As a result, FTF's assets are lower and the management expense ratio of FTF is increasing.

GFT was launched in March of 2007 and was designed to take advantage of the expertise of New Star Asset Management Limited ("New Star") in investing in the global financial services sector. GFT was managed using the same investment approach that New Star applies to its New Star Global Financials Fund, a UK domiciled mutual fund which was launched in December 2001. New Star Global Financials Fund and GFT were both managed by Mr. de Blonay from their respective inception dates to October 21, 2009. During Mr. de Blonay's tenure, the New Star Global Financials Fund produced a return of 173% compared with -33% for the FTSE Global Financials Index. In April of 2009, New Star was acquired by Henderson Group Plc ("Henderson"). Subsequent to the acquisition, Mr. de Blonay resigned from Henderson and joined Jupiter, where he had previously been employed prior to joining New Star from 1995 to 2001. Henderson retained investment management responsibility for GFT after Mr. de Blonay's departure. GFT's performance has been affected by the turmoil in equity markets and has also experienced significant redemptions.

The Manager believes that the proposed merger of GFT and FTF and the concurrent changes to FTF's investment mandate and investment manager will provide benefits for unitholders. FTF, as the continuing fund, will be renamed Connor, Clark & Lunn Financial Opportunities Fund and will have a larger market capitalization which should assist in increased liquidity for the units and reduced costs on a per unit basis as a result of the reduction of certain operating costs and expenses of GFT and FTF and an enhanced ability to utilize tax losses.

FTF estimates that it has non-capital losses of approximately \$2.3 million and capital losses of approximately \$16 million to carry forward into 2012. The Manager believes that FTF's tax losses will be available to be applied against future gains and income with the result that distributions may be paid to unitholders as returns of capital or be available for growth in net asset value. However there can be no assurance that legislation will not be enacted or amended or that the Canada Revenue Agency ("CRA") could not successfully challenge the ability of FTF to use its tax losses, thereby adversely affecting the tax characterization of distributions to unitholders or liability of the Fund for taxes on undistributed income.

Further, the investment objectives, investment strategy and investment restrictions of FTF would be amended in order to provide investors with an opportunity for capital appreciation by investing in an international portfolio of financial services companies actively managed by Mr. de Blonay of Jupiter. FTF will be managed using the same investment approach that Mr. de Blonay applies to the Jupiter Financial Opportunities Fund. The investment strategy will be to invest in a concentrated, international portfolio principally comprised of financial services companies and to a lesser extent property related companies considered by Jupiter to be undervalued and which exhibit favourable growth prospects arising from characteristics such as proven management or strong products or services.

Mr. de Blonay joined Jupiter in January 2010 and became co-manager of the Jupiter Financial Opportunities Fund and manager of an offshore long/short hedge fund in June 2010. Mr. de Blonay became the lead manager of the Jupiter Financial Opportunities Fund on January 1, 2011. Jupiter's financials team manages more than £1.3 billion across four financials portfolios. Prior to joining Jupiter, as noted above, Mr. De Blonay was the portfolio manager for the New Star Global Financials Fund. The Jupiter Financial Opportunities Fund currently has an S&P Fund Rating of AAA and Mr. de Blonay was named an FE Alpha Manager for 2011.

In the opinion of Mr. de Blonay, global financials continue to be lowly valued amid a highly uncertain economic environment. Investors remain concerned about the end of QE2 in the US and Greece's economic future. While macroeconomic risks are likely to dominate in the near term, Mr. de Blonay continues to believe a thematic approach to investment in global financials has the potential to create meaningful returns over the long term. Global banks in particular are likely to see divergent performances with the sovereign debt crisis overshadowing Europe's banks. Mr. de Blonay is cautious about undercapitalized banks in the region (including the UK), preferring businesses in relatively safe-haven economies of Switzerland, Sweden, Germany and Norway. Mr. de Blonay believes institutions operating in robust economies with strong deposit bases and low dependence on wholesale funding should be the ultimate beneficiaries of painful deleveraging in the West. In the US, Mr. de Blonay's preference is for banks and specialist financials (e.g. private equity) geared to the recovery of the corporate sector and M&A activity. Longer term, Mr. de Blonay is monitoring data and valuations for the opportunity to increase exposure to key emerging markets. In these economies, public and private sector balance sheets are healthy and penetration rates remain low. When the current inflationary cycle turns, solid loan growth should lead to solid stock price returns.

The following chart sets forth the number of Common Units and Class F Units of GFT and Class A Units and Class F Units of FTF issued and outstanding, closing trading price and net asset value per Common Units and Class F Units of GFT and Class A Units and Class F Units of FTF as at August 19, 2011.

Name of Fund	Number of Units Outstanding	Closing Unit Price (\$)	Net Asset Value per Unit (\$)
Connor, Clark & Lunn Global Financials Fund II			
Common Units	5,200,048	4.11	4.17
Class F Units	37,500	N/A	4.33
Focused Global Trends Fund			
Class A Units	1,487,233	4.20	4.37
Class F Units	31,900	N/A	4.56

DETAILS OF THE PROPOSAL

The purpose of the special meetings is for holders of units of GFT (the “GFT Meeting”) and for holders of units of FTF (the “FTF Meeting”), and collectively with the GFT Meeting, the “Meetings”) to consider and vote upon extraordinary resolutions relating to the proposed merger of GFT and FTF (the “Merger Proposal”).

Merger Proposal

Unitholders of each Fund will be asked to consider and vote upon the Merger Proposal. FTF unitholder approval is required pursuant to subsection 611(d) of the TSX Company Manual. If the Merger Proposal is implemented, holders of units of FTF will continue as, and unitholders of GFT participating in the merger will become, holders of units of FTF. If approved by unitholders of each Fund, it is expected that the merger will become effective on or about October 3, 2011 (the “Effective Date”). If the Merger Proposal is not approved, the Manager will consider other options, including winding-up one or both of FTF.

The objectives of the Merger Proposal are to: (i) lower the administrative costs and increase trading liquidity by establishing a larger fund; and (ii) benefit from gaining access to the expertise of Mr. de Blonay at Jupiter, and to thereby provide greater potential for capital appreciation and utilization of accumulated tax losses.

Currently, GFT Units may be surrendered at any time for redemption but are only redeemed on the last business day of each month. Holders of GFT Units whose GFT Units are redeemed on the last business day of September in each year are entitled to receive a redemption price per GFT Unit based on the net asset value per GFT Unit less any costs of funding the redemption. If the Merger Proposal is approved, GFT unitholders participating in the merger will benefit from the same annual and monthly redemption rights, except that the annual redemption date will be the last business day in January rather than the last business day in September.

The following steps will then take place to implement the Merger Proposal:

GFT will transfer all or substantially all of its net assets to FTF in consideration for the issuance by FTF to GFT of a number of units of each class of FTF determined based on exchange ratios established as of the close of trading on the business day immediately preceding the Effective Date.

The Exchange Ratios (as defined below) will be calculated based on the relative net asset values of the units of each class of GFT and the units of each class of FTF.

Immediately following the transfer of assets of GFT to FTF and the issuance of units of FTF to GFT, all Common Units and Class F Units of GFT will be automatically redeemed. Each holder of Common Units of GFT participating in the merger will receive such number of Class A Units of FTF as is equal to the number of GFT Common Units held multiplied by the Exchange Ratio for such units. Each holder of Class F Units of GFT participating in the merger will receive such number of Class F Units of FTF as is equal to the number of GFT Class F Units held multiplied by the Exchange Ratio for such units.

GFT Common Units will be redeemed by GFT in exchange for FTF Class A Units at an exchange ratio (the “Exchange Ratio”) calculated based on the relative net asset value of the GFT Common Units and the FTF Class A Units as at the close of trading on the TSX on the business day prior to the Effective Date. GFT Class F Units will be redeemed by GFT in exchange for FTF Class F Units at the Exchange Ratio calculated based on the relative net asset value of the GFT Class F Units and the FTF Class F Units as at the close of trading on the TSX on the business day prior to the Effective Date. The net asset value of the GFT Common Units and Class F Units and the FTF Class A Units and Class F Units will be calculated in accordance with the provisions of the trust agreements of GFT and FTF, respectively. FTF unitholders will continue to hold the same number of FTF Units of a class as they held prior to the merger and, because FTF Units will be issued to GFT at the Exchange Ratios, the issuance will not be dilutive to FTF unitholders. By way of an example, if, on the day prior to the Effective Date, the net asset value per FTF Class A Unit were \$5.00 and the net asset value per GFT Common Unit were \$5.00, then on the merger, each GFT Common Unit would entitle the holder thereof to and the holder would receive one FTF Class A Unit. At current net asset values, it is estimated that approximately 4,962,060 FTF Class A Units and 35,784 FTF Class F Units would be issued under the merger. No fractional units of FTF or cash in lieu thereof will be issued or paid under the merger.

If the Merger Proposal is approved, unitholders of GFT will not be required to take any action in order to be recognized as unitholders of FTF and to trade their GFT Units. GFT Units held by GFT unitholders will automatically be exchanged for FTF Units calculated by reference to the applicable Exchange Ratio. Registration of beneficial interests in FTF as the continuing fund will be made only through the book-entry only system administered by CDS Clearing and Depository Services Inc. (“CDS”). Beneficial owners of FTF Units will not have the right to receive physical certificates evidencing their ownership. Following the Effective Date, GFT Units will be delisted from the TSX. After the merger, GFT will be wound up as soon as possible.

The Merger Proposal is subject to approval of GFT unitholders and FTF unitholders and to TSX and any other required approvals. There is no assurance that the conditions to the implementation of the merger will be satisfied on a timely basis, if at all.

If the Merger Proposal is approved and implemented, unitholders of GFT participating in the merger will become holders of units of FTF. Additional information relating to FTF, including a description of the attributes of FTF Units is available in the FTF AIF which is incorporated by reference into this Circular.

If the Merger Proposal is approved and implemented, unitholders of GFT who do not wish to participate in the merger may surrender their GFT Units for redemption no later than 5:00 p.m. (Toronto time) on September 12, 2011. GFT Units so surrendered will be redeemed on September 30, 2011 for a redemption price per unit of a class equal to the net asset value per unit of the class as of such date and payment of the redemption price will be made no later than 10 days following the Effective Date. GFT unitholders who wish to redeem their GFT Units should still vote in favour of the Merger Proposal and simply redeem their GFT Units.

Following the Meetings, and if the Merger Proposal is approved and implemented, FTF may determine to issue warrants to subscribe for additional Class A Units and Class F Units to its holders of such Units. It is proposed that, if, while such warrants are outstanding, the basic net asset value per Class A Unit or Class F Unit of FTF is greater than the dilution threshold (being the subscription price payable on the exercise of one such warrant less the warrant exercise fee, if any, for such warrant), a diluted net asset value per Class A Unit or Class F Unit would be calculated by adding to the denominator the total number of Class A Units or Class F Units, as the case may be, issuable upon the exercise of the warrants then outstanding and by adding to the numerator the product of such number of Class A Units or Class F Units, as the case may be, and the dilution threshold. The diluted net asset value per Class A Unit or Class F Unit would be deemed to be the resulting quotient. For the purposes of retractions of Units, the net asset value per Unit would be the basic net asset value per Unit unless such basic net asset value per Unit exceeded the dilution threshold, in which case the net asset value per Unit would be the diluted net asset value per Unit.

RECOMMENDATION OF THE BOARD OF DIRECTORS OF CC&L CAPITAL MARKETS

The Board of Directors of CC&L Capital Markets has determined that the Merger Proposal is in the best interests of each of the Funds and their unitholders. Accordingly, the Board of Directors of CC&L Capital Markets recommends that unitholders of each of the Funds vote in favour of their extraordinary resolution.

In arriving at this determination, consideration was given to the following factors:

- If the Merger Proposal is approved and GFT is merged into FTF, FTF, as the continuing fund, will have a larger market capitalization and a greater number of units outstanding which is expected to increase trading liquidity of the Class A Units of FTF on the TSX.
- The merger is expected to result in administrative cost savings by eliminating the duplication of certain third party costs. As a result, FTF, as the continuing fund, is expected to have reduced costs on a per FTF Unit basis when compared to the current costs on a per unit basis of either FTF or GFT.
- The merger is expected to provide unitholders with access to the expertise of Mr. de Blonay at Jupiter, and to thereby provide greater potential for capital appreciation and utilization of accumulated tax losses.
- If the extraordinary resolution is approved and implemented, GFT unitholders will have an opportunity to redeem their GFT Units at 100% of net asset value per GFT unit of the class should they choose not to participate by continuing to hold GFT Units.

As required by National Instrument 81-107 — *Independent Review Committee for Investment Funds* (“NI 81-107”), CC&L Capital Markets presented the terms of the extraordinary resolution to the Independent Review Committee of the Funds for a recommendation as required by NI 81-107.

Each Fund’s Advisory Board and the Independent Review Committee has reviewed the Merger Proposal, and recommended that the Merger Proposal be put to each of the Funds’ unitholders for their consideration.

CONDITIONS TO IMPLEMENTING THE EXTRAORDINARY RESOLUTIONS

The Merger Proposal is subject to unitholder, TSX and any other required approvals.

In order to become effective, the GFT extraordinary resolution must be approved by 66⅔% of GFT unitholders voting on such resolution and the FTF extraordinary resolution must be approved by 66⅔% of FTF unitholders voting on such resolution.

There can be no assurance that the conditions precedent to implementing the Merger Proposal will be satisfied on a timely basis, if at all. If the requisite unitholder approval for the Merger Proposal is not obtained or if any other required approval is not obtained, the Merger Proposal will not be implemented.

EXPENSES OF THE EXTRAORDINARY RESOLUTIONS

Whether or not the extraordinary resolutions are approved, all costs and expenses incurred in connection with the calling and holding of the Meeting will be borne by each of the Funds. Such costs and expenses are estimated to be approximately \$75,000 for GFT and \$25,000 for FTF.

TERMINATION OF THE EXTRAORDINARY RESOLUTIONS

The extraordinary resolutions may, at any time before or after the holding of the Meeting (but prior to the entering into of any amendment to GFT’s trust agreement giving effect to GFT’s extraordinary resolution) be terminated by the Board of Directors of CC&L Capital Markets without further notice to, or action on the part of, unitholders of the Funds if such board determines in its sole judgement that it would be inadvisable for the Funds to proceed.

MANAGEMENT OF FTF AS THE CONTINUING FUND

The Manager

CC&L Capital Markets, a registered portfolio manager, is the manager of FTF and is responsible for its management and administration. The registered and head office of the Manager is 181 University Avenue, Suite 300, Toronto, Ontario M5H 3M7.

The Manager is a leading provider of investment products and has raised over \$2.35 billion since 2004. The Manager is part of the Connor, Clark & Lunn Financial Group, which also includes Connor, Clark & Lunn Investment Management Ltd., Connor, Clark & Lunn Private Capital Ltd., Baker Gilmore & Associates Inc., PCJ Investment Counsel Ltd., Scheer Rowlett & Associates Investment Management Ltd., New Star Canada Inc., Connor, Clark & Lunn Arrowstreet Capital Ltd., Connor, Clark & Lunn Infrastructure Ltd., Banyan Capital Partners Management Partnership, Global Alpha Capital Management Ltd., Gyrus Investment Management Inc., and Crestpoint Real Estate Investments Ltd. (collectively, the “CC&L Group”). The CC&L Group, with over \$39 billion in assets under management as at June 30, 2011, offers professional management of financial assets for pension plan sponsors, capital accumulation plans, corporations, foundations, mutual funds and individual investors.

The Manager also acts as manager or investment advisor for the following investment funds: Connor, Clark & Lunn 2009 Flow-Through Limited Partnership; Connor, Clark & Lunn 2010 Flow-Through Limited Partnership; Connor, Clark & Lunn Real Return Income Fund; Connor, Clark & Lunn Conservative Income and Growth Fund, CANADIAN Financials & Utilities Split Corp.; Connor, Clark & Lunn Natural Resources Class; Connor, Clark & Lunn Balanced Portfolio Class; Build America Investment Grade Bond Fund; Canadian Banc Capital Securities Trust; North American Financials Capital Securities Trust; HBanc Capital Securities

Trust; Australian Banc Capital Securities Trust; Macquarie Emerging Markets Infrastructure Income Fund; Australian Banc Income Fund; and ING Floating Rate Senior Loan Fund.

Duties and Services Provided by the Manager

Pursuant to FTF's trust agreement, the Manager has exclusive authority to manage the operations and affairs of FTF, to make all decisions regarding the business of FTF and to bind FTF. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of FTF to do so. Among other restrictions imposed on the Manager, it may not dissolve FTF or wind up FTF's affairs except in accordance with the provisions of FTF's trust agreement.

The Manager's duties include: maintaining accounting records for FTF; authorizing the payment of operating expenses incurred on behalf of FTF; calculating the amount and determining the frequency of distributions by FTF; preparing financial statements, income tax returns and financial and accounting information as required by FTF; ensuring that unitholders of FTF are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that FTF complies with regulatory requirements; preparing the reports to FTF's unitholders and to the Canadian Securities Administrators; providing the Trustee with information and reports necessary for it to fulfil its fiduciary responsibilities; administering the redemption of units; and negotiating contracts with third-party providers of services, including, but not limited to, custodians, transfer agents, auditors and printers. The Manager provides office facilities and personnel to carry out these services, together with clerical services which are not furnished by the Trustee or transfer agent of FTF.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of FTF and to exercise the degree of care, diligence and skill of a reasonably prudent manager in similar circumstances. FTF's trust agreement provides that the Manager will not be liable in any way for any default, failure or defect in any of the securities comprising the FTF Portfolio so long as the Manager has complied with the standard of care set forth above. The Manager will incur liability, however, in cases of wilful misconduct, bad faith, negligence, disregard of the Manager's standard of care or by any material breach or default by it of its obligations under FTF's trust agreement.

Unless the Manager resigns or is removed as described below, the Manager will continue as manager until the Termination Date. The Manager may resign its rights, powers, duties and responsibilities under FTF's trust agreement upon sixty (60) days prior written notice to RBC Dexia and to unitholders or upon such lesser notice as RBC Dexia may accept. The Manager is deemed to have resigned if an order is made or a resolution is passed or other proceeding is taken for the dissolution of the Manager, if the Manager consents to or makes a general assignment for the benefit of creditors, or makes a proposal to creditors under any insolvency laws, or is declared bankrupt, or if a liquidator or trustee in bankruptcy, custodian or receiver or receiver and administrator or interim receiver or other officer with similar powers is appointed in respect of the Manager, or if the Manager ceases to be resident in Canada for the purposes of the Tax Act. If the Manager is in material default of its obligations under FTF's trust agreement and such default has not been cured within twenty (20) business days after notice of same has been given to the Manager, FTF must give notice thereof to unitholders and the unitholders may remove the Manager and appoint a successor manager of FTF.

Management Fees

The Manager is entitled to fees for its services under FTF's trust agreement as described under "Fees and Expenses" at a rate of 1.10% per annum of the net asset value of FTF plus an amount equal to the Service Fee (as defined below), in each case, plus applicable taxes. The Manager will pay to registered dealers whose clients hold Class A Units a service fee (the "Service Fee") equal to 0.40% per annum of the net asset value per Class A Unit. The Manager is reimbursed for all reasonable costs and expenses incurred by the Manager on behalf of FTF. In addition, the Manager and each of its directors, officers, employees and agents is indemnified by FTF for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against the Manager or any of its officers, directors, employees or agents in the exercise of its duties as manager, except those resulting from the Manager's wilful misconduct, bad

faith or negligence. The management fee for GFT is 1.10% per annum of the net asset value of GFT plus a service fee equal to 0.40% per annum of the net asset value per Common Unit, plus applicable taxes.

Officers and Directors of the Manager

The name, municipality of residence, offices held with the Manager and principal occupation for the past five years of each of the directors and officers of the Manager are set forth below.

<u>Name and Municipality</u>	<u>Position with the Manager</u>	<u>Principal Occupation</u>
W. NEIL MURDOCH Oakville, Ontario	Director, President and Chief Executive Officer	Director, President and Chief Executive Officer, CC&L Capital Markets
MICHAEL W. FREUND Toronto, Ontario	Director and Chairman	Managing Partner, Connor, Clark & Lunn Financial Group
DARREN N. CABRAL Toronto, Ontario	Director, Vice-President and Chief Financial Officer	Vice-President, CC&L Capital Markets

During the past five years, all of the directors and officers of CC&L Capital Markets listed above have held their present principal occupations (or similar positions with their present employer or its affiliates), except for Darren N. Cabral who joined CC&L Capital Markets in May 2007.

W. Neil Murdoch: *CFA; BComm, McGill University; LLB, University of Toronto; Master of Management, Kellogg Graduate School of Management, Northwestern University.* Mr. Murdoch joined CC&L Capital Markets in December 2003. Prior thereto, Mr. Murdoch was Executive Vice-President and Portfolio Manager at AIC Group of Funds.

Michael W. Freund: *B.Bus.Sci., University of Cape Town.* Mr. Freund has held various management positions within the CC&L Group of companies since 1997. Mr. Freund’s current principal occupation is Managing Partner of the Connor, Clark & Lunn Financial Group.

Darren N. Cabral: *CFA; BA (Hons.), York University; MBA, Schulich School of Business, York University.* Mr. Cabral joined CC&L Capital Markets in May 2007. Prior thereto, Mr. Cabral held various positions with affiliates of Middlefield Group Limited from September 2001 to April 2007, including Executive Director of Research at Middlefield Capital Corporation and Managing Director of Middlefield International Limited.

The Advisory Board

FTF established an advisory board (the “Advisory Board”) consisting of two members appointed by the Manager each of whom is independent of the Manager, the Investment Manager and each of their affiliates, and free from any interest and any business or other relationship which could, or could be reasonably perceived to, materially interfere with the exercise of an Advisory Board member’s judgement. The Advisory Board provides independent advice to the Manager to assist the Manager in performing its services under FTF’s trust agreement, including with respect to conflicts of interest or potential conflicts of interest (other than those described under “Conflicts of Interest” in the FTF AIF) or related party transactions identified by the Manager. The members of the Advisory Board are required to act honestly and in good faith in the best interests of FTF and the unitholders and, in connection with that duty, will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Manager reports to the Advisory Board on the operation and performance of FTF on a quarterly basis, including with respect to compliance with applicable investment restrictions and material contracts as amended from time to time.

All fees and expenses of the Advisory Board incurred in connection with its duties with respect to FTF are paid by FTF. The Advisory Board has the authority to retain, at the expense of FTF, independent counsel or other advisors if the Advisory Board deems it appropriate to do so. The members of the Advisory Board receive remuneration for their services as advisors. The advisors' fees paid during the year ended March 31, 2011 were \$21,830.

The members of the Advisory Board are indemnified by FTF except in cases of wilful misconduct, bad faith, negligence or breach of their standard of care. The Advisory Board members are not responsible for the investments made by FTF or for the performance of FTF. The members of the Advisory Board may serve in a similar capacity in respect of other entities managed by the Manager.

The following is a brief description of the backgrounds of the members of the Advisory Board:

Fred Lazar is a Professor of Economics at York University's Schulich School of Business. In addition to a distinguished academic career, Mr. Lazar has served as a senior advisor to the governments of Canada and Ontario and to a number of national and international companies.

Joseph Wright currently serves on the board of directors of several public companies and private organizations. His former positions include the Chief Executive Officer of Swiss Bank Corporation (Canada) and Vice-Chairman and Director of Burns Fry Limited.

The Independent Review Committee

NI 81-107 requires all publicly offered investment funds, including FTF, to establish an Independent Review Committee to whom the Manager must refer all conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters and provide assistance to the Independent Review Committee in carrying out its functions. The Independent Review Committee is required to be comprised of a minimum of three independent members, and is subject to requirements to conduct regular assessments and provide reports to FTF and to unitholders in respect of its functions. FTF is fully compliant with NI 81-107 and the following individuals have been appointed as members of the Independent Review Committee: Fred Lazar, Frank Santangeli and Joseph Wright. The principal occupations and biographies of Fred Lazar and Joseph Wright are set forth above. The principal occupation and biography of Frank Santangeli is set forth below.

Frank Santangeli has worked in the financial services industry since 1960. Positions he has held include Vice-President of Sunlife Canada, President and Chief Executive Officer of Finsco Investment Management Corporation, and Vice-President of Imasco Financial Corporation. He has also served as Chairman of The Investment Funds Institute of Canada.

The Trustee

RBC Dexia has been appointed the trustee of FTF pursuant to the provisions of FTF's trust agreement. The Trustee acts as custodian of FTF's assets and is responsible for certain aspects of the day-to-day administration of FTF as described in FTF's trust agreement, including executing documents on behalf of FTF, processing redemptions, calculating net asset value, net income and net realized capital gains of FTF and maintaining the books and records of FTF.

The Trustee or any successor trustee may resign upon 60 days' written notice to unitholders and the Manager or may be removed, for any reason, upon 30 days' written notice with the approval of a majority of the votes cast at a meeting of unitholders called for such purpose with two or more persons present in person or by proxy representing not less than 10% of the units then outstanding. Any such resignation or removal shall become effective only on the acceptance of appointment by a successor trustee. If the Trustee resigns or is removed by unitholders, a successor trustee may forthwith be appointed by the Manager and, in the case of removal by unitholders, the successor trustee appointed by the Manager must be approved by unitholders.

FTF's trust agreement provides that the Trustee not to be liable in carrying out its duties under FTF's trust agreement except in cases of wilful misconduct, bad faith, negligence or in cases where the Trustee has breached

the standard of care. In addition, FTF's trust agreement contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

The Trustee is entitled to receive fees from FTF and to be reimbursed for all expenses and liabilities which are properly incurred by the Trustee in connection with the activities of FTF.

The Investment Manager and Sub-Advisor

Currently, Pier 21 Asset Management Inc. is the investment manager of FTF and as investment manager is responsible for FTF's investment strategy. Pier 21 Asset Management Inc. retained Carnegie to provide investment advisory and portfolio management services to FTF.

In connection with the Merger Proposal, CC&L Capital Markets intends to retain Jupiter as the investment sub-advisor for FTF pursuant to an investment sub-advisory agreement to be entered into by CC&L Capital Markets with Jupiter. The fees payable to Jupiter will be paid out of the Manager's fee.

Currently, Carnegie is the sub-advisor of FTF. In connection with the Merger Proposal, CC&L Capital Markets intends to retain Jupiter as its investment sub-advisor.

If CC&L Capital Markets does not retain Jupiter as investment sub-advisor, it will seek to retain another acceptable advisor to act as an investment manager or sub-advisor to the fund to implement the merged fund's new investment strategy.

INTEREST OF MANAGEMENT AND OTHERS IN THE EXTRAORDINARY RESOLUTIONS

CC&L Capital Markets is the manager of the Funds and receives a fee from the Funds as described in the AIFs, which are specifically incorporated by reference into, and form an integral part, of this Circular. See "Documents Incorporated by Reference".

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Funds, the following is a summary of the principal Canadian federal income tax considerations relating to the Merger Proposal that are generally applicable to GFT and FTF unitholders who are individuals (other than trusts) and who, at all relevant times for purposes of the Tax Act are resident in Canada, hold GFT Units and FTF Units as capital property and deal at arm's length with GFT and FTF and are not affiliated with GFT or FTF ("Holders"). Certain Holders whose units of the Funds might not otherwise qualify as capital property may be entitled to make the irrevocable election in the circumstances permitted by subsection 39(4) of the Tax Act to deem such units (and all other Canadian securities owned by the holder) to be capital property.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the "Regulations"), all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary is not exhaustive of all possible Canadian federal income tax considerations and does not anticipate any changes in law, nor does it take into account, provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. This summary is also based on the assumptions that the Funds qualify at all times as "mutual fund trusts" within the meaning of the Tax Act, were not established and have not and will not be maintained for the benefit of non-residents of Canada for the purpose of the Tax Act and are not "SIFT trusts" within the meaning of the Tax Act.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any particular Holder are made. Accordingly, Holders should consult their own tax advisors for advice with respect to the tax consequences to them of the extraordinary resolution, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.

A Holder who redeems GFT Units for the September 30, 2011 redemption date will realize a capital gain (or capital loss) in the amount by which the proceeds of redemption of such units, which generally will not include any amount of income or capital gains of GFT allocated to such Holder in respect of such redemption, exceed (or are less than) the aggregate of the Holder's adjusted cost base of such units and any reasonable costs of disposition. A Holder must include one-half of such a capital gain (a "taxable capital gain") in income and may deduct one-half of any such capital loss against the Holder's taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

Merger Proposal

The proposed merger will likely have tax consequences for Holders of GFT Units because the merger will not take place on a rollover basis for tax purposes. As described in more detail below, Holders of GFT Units will realize any accrued capital gain or loss on their units as a result of the merger.

Tax Consequences to GFT and FTF

On the disposition by GFT of substantially all of its net assets to FTF, GFT will, in respect of such assets held as capital property, realize a capital gain (or capital loss) in the amount by which the proceeds of disposition of such assets exceed (or are less than) the aggregate of the adjusted cost base to GFT of such assets and any reasonable costs of disposition. The proceeds of disposition of such assets to GFT will equal the then fair market value of the FTF Units received as consideration therefor.

FTF will acquire the assets of GFT at a cost equal to the then net asset value of the FTF Units issued to GFT as consideration therefor (which the Manager expects to be representative of the fair market value of such FTF Units at the time of issuance). On the disposition by FTF of its assets, including assets acquired from GFT, FTF will, in respect of such assets held as capital property, realize a capital gain (or capital loss) in the amount by which the proceeds of disposition of such assets exceed (or are less than) the aggregate of the adjusted cost base to FTF of such assets and any reasonable costs of disposition.

Tax Consequences to Holders

A Holder of FTF Units will not dispose of such units as a result of the merger of the Funds. A Holder of GFT Units will be considered to dispose of such units upon the automatic redemption of such units for proceeds consisting of FTF Units, and will be considered to realize a capital gain (or capital loss) in the amount by which the then fair market value of the FTF Units received by such Holder, less any amount of income or capital gains of GFT allocated to such Holder in respect of the redemption, exceeds (or is less than) the aggregate of such Holder's adjusted cost base of their GFT Units, taking into account any reinvested distributions as of the time of the merger, and any reasonable costs of disposition.

The aggregate cost for tax purposes to a Holder receiving FTF Units as proceeds on the automatic redemption of GFT Units will be the fair market value of such FTF Units at that time. For the purpose of determining the adjusted cost base to a Holder of GFT Units at the time of redemption, the cost of each GFT unit owned by the Holder must be averaged with the adjusted cost base of all GFT Units owned by the Holder as capital property.

Where a holder of GFT Units has received a return of capital distribution from GFT in respect of a GFT unit, the adjusted cost base of such unit will have been reduced by the amount of such distribution. To the extent that the adjusted cost base of such unit would otherwise be less than zero, a capital gain equal to the negative amount will have been deemed to have been realized by such holder, and the adjusted cost base of such unit will have been increased by the amount of such deemed capital gain.

One-half of any capital gain (a "taxable capital gain") realized on the disposition of GFT Units will be included in the Holder's income and one-half of any capital loss (an "allowable capital loss") realized will generally be deducted from any taxable capital gains realized in the same taxation year subject to and in accordance with detailed rules in the Tax Act.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, provided that FTF qualifies as a “mutual fund trust” for the purposes of the Tax Act and the Regulations, or units of FTF are listed on a designated stock exchange, units of FTF will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts (“TFSA”).

Provided the holder of a TFSA deals at arm’s length with FTF, does not have a “significant interest” (within the meaning of the Tax Act) in FTF, and does not have a “significant interest” (within the meaning of the Tax Act) in a corporation, partnership or trust that does not deal at arm’s length with FTF, units of FTF will not be a prohibited investment under the Tax Act for such TFSA. Notwithstanding the foregoing, if units of FTF are “prohibited investments” for the purposes of a TFSA (or, pursuant to draft legislation released for comment by the Department of Finance on August 16, 2011 implementing changes proposed in the Federal Budget released on June 6, 2011, a registered retirement savings plan or registered retirement income fund), a holder of FTF units will be subject to a penalty tax as set out in the Tax Act. A “prohibited investment” includes a unit of a trust, or a right to acquire a unit of a trust, which does not deal at arm’s length with the holder or with a person or partnership in which the holder has a significant interest, or in which the holder has a significant interest, which in general terms means the ownership of 10% or more of the value of the trust’s outstanding units by the holder, either alone or together with persons and partnerships with which the holder does not deal at arm’s length. Holders of TFSAs and annuitants of registered retirement savings plans and registered retirement income funds are advised to consult their own tax advisors in this regard.

UNITS AND PRINCIPAL UNITHOLDERS

As at August 19, 2011, there are 5,200,048 Common Units of GFT issued and outstanding and 37,500 Class F Units of GFT issued and outstanding. As at August 19, 2011, there are 1,487,233 Class A Units of FTF issued and outstanding and 31,900 Class F Units of FTF issued and outstanding.

As at August 19, 2011, to the knowledge of the Manager, no person owns of record more than 10% of the outstanding units of a class of GFT or FTF other than CDS & Co., the nominee of CDS, which holds all of the GFT Units and FTF Units as registered owner for various brokers and other persons on behalf of their clients and others and the names of the beneficial owners of such units are not known to FTF or GFT.

THE TRUSTEE

The Trustee of the Funds is RBC Dexia Investor Services Trust. The Trustee’s principal office is located at 155 Wellington Street West, 7th Floor, Toronto, Ontario M5V 3L3.

AUDITORS, CUSTODIAN AND TRANSFER AGENT

The auditor of the Funds is PricewaterhouseCoopers LLP, Chartered Accountants, 77 King Street West, Royal Trust Tower, Suite 3000, P.O. Box 82, Toronto Dominion Centre, Toronto, Ontario M5K 1G8.

Computershare Investor Services Inc. (“Computershare”) is the registrar and transfer agent for the Funds at its principal office in Toronto, Ontario. The principal office of the registrar and the place where the securities register for the GFT Units and FTF Units is kept is located at 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1.

RBC Dexia serves as custodian of each of the Funds.

GENERAL PROXY INFORMATION

Circular

This Circular is furnished in connection with the solicitation of proxies by management of the Funds to be used at the Meetings or at any adjournment thereof. The Meetings will be held on September 20, 2011 at 8:30 a.m. (Toronto time) at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, for the purposes set forth in the Notice of Special Meeting of Unitholders accompanying this Circular (the "Notice"). Solicitation of proxies will be by mail, and may be supplemented by telephone or other personal contact by representatives or agents of the Funds.

Voting Rights, Record Date, Quorum and Proxy Information

To be used at the Meetings, a proxy must be deposited with Computershare by delivery to its principal offices in Toronto at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department at any time up to 5:00 p.m. (Toronto time) on September 16, 2011.

Only holders of record of whole units of GFT at the close of business on August 17, 2011 will be entitled to receive notice of the GFT Meeting and to vote in respect of the matters to be voted at the GFT Meeting or any adjournment thereof. Only holders of record of whole units of FTF at the close of business on August 17, 2011 will be entitled to receive notice of the FTF Meeting and to vote in respect of the matters to be voted at the FTF Meeting or any adjournment thereof.

With respect to each matter properly before the Meetings, a unitholder shall be entitled to one vote for each unit registered in the name of such unitholder. In order to become effective, the GFT extraordinary resolution must be approved by 66 $\frac{2}{3}$ % of holders of units of GFT voting on such resolution and the FTF extraordinary resolution must be approved by 66 $\frac{2}{3}$ % of holders of FTF voting on such resolution.

Pursuant to GFT's trust agreement, a quorum at the Meeting will consist of one GFT Unitholder present in person or by proxy and representing not less than 10% of the outstanding GFT Units. Pursuant to FTF's trust agreement, a quorum at the Meeting will consist of two or more FTF unitholders present in person or by proxy. If a quorum of each of unitholders of GFT or FTF is not constituted within 30 minutes from the time fixed for holding the Meeting, the GFT Meeting or the FTF Meeting, as the case may be, will be adjourned to 8:30 a.m. (Toronto time) on September 30, 2011 and the unitholders present at any such adjourned meetings will constitute a quorum.

Appointment of Proxy Unitholders

Unitholders who are unable to be present at a Meeting may still vote through the use of proxies. If you are a unitholder, you should complete, execute and return the enclosed applicable proxy form. By completing and returning the enclosed applicable proxy form, you can participate in the Meeting through the person or persons named on the form. Please indicate the way you wish to vote and your vote will be cast accordingly. **If you do not indicate a preference, the units represented by the enclosed proxy form, if the same is executed in favour of the management appointees named in the proxy form and deposited as provided in the Notice, will be voted in favour of all matters identified in such Notice.**

Discretionary Authority of Proxies

The proxy forms confer discretionary authority upon the management appointees named therein with respect to such matters, including without limitation, amendment or variation to the extraordinary resolutions, as, though not specifically set forth in the Notice, may properly come before the Meeting. Management does not know of any such matter which may be presented for consideration at the Meeting. However, if such a matter is presented, the proxy will be voted on the matter in accordance with the best judgment of the management appointees named in the proxy form.

On any ballot that may be called for at a Meeting, all units in respect of which the management appointees named in the accompanying proxy form have been appointed to act will be voted in accordance with the

specification of the unitholder signing the proxy form. If no specification is made, the units will be voted in favour of all matters identified in the Notice.

Alternate Proxy

A unitholder has the right to appoint a person or company to represent them at the Meeting other than the management appointees designated on the accompanying proxy form by crossing out the printed names and inserting the name of the person he or she wishes to act as proxy in the blank space provided, or by completing another proxy form. Proxy forms which appoint persons other than the management appointees whose names are printed on the form should be submitted to the Fund and the person so appointed should be notified. A person acting as proxy need not be a unitholder.

The securities represented by the proxy will be voted or withheld from voting in accordance with the instructions of the unitholder on any ballot that may be called for. If the unitholder specifies a choice with respect to any matter to be acted upon, the units will be voted accordingly. If no specification is made, the units may be voted in accordance with the best judgment of the person named in the proxy form. Furthermore, the person named in the proxy form will have discretionary authority with respect to any amendments to the matters set forth in the Notice and with respect to any other matters that may properly come before a Meeting, and units will be voted on such amendments and other matters in accordance with the best judgment of the person named in the proxy form.

Revocation of Proxies

If the accompanying form of proxy is executed and returned, the proxy may nevertheless be revoked by an instrument in writing executed by the unitholder or his or her attorney authorized in writing, as well as in any other manner permitted by law. Any instrument revoking a proxy must either be deposited (i) at the registered office of Computershare no later than 5:00 p.m. (Toronto time) on the day before the day of the Meeting or (ii) with the Chairman of the Meeting on the day of such Meeting or any adjournment thereof. If the instrument of revocation is deposited with the Chairman on the day of the Meeting or any adjournment thereof, the instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to that proxy.

Solicitation of Proxies

The Manager will reimburse brokers, custodians, nominees and fiduciaries for the proper charges and expenses incurred in forwarding this Circular and related materials to beneficial owners of units. In addition to solicitation by mail, officers and directors of CC&L Capital Markets may, without additional compensation, solicit proxies personally or by telephone.

Advice to Beneficial Unitholders

The information set forth in this section is of significant importance to beneficial unitholders (the "Beneficial Unitholders"). The units of each of the Funds are held in book-entry form in the name of CDS & Co., the nominee of CDS, and not in the name of Beneficial Unitholders. CDS is a limited purpose corporation organized as a "clearing corporation" under the applicable provincial securities regulatory authorities. CDS is owned or controlled by participants in CDS ("CDS Participants") and was created to hold securities for CDS Participants and to facilitate the clearance and settlement of securities transactions between CDS Participants through electronic book entries, thereby eliminating the need for physical movement of certificates. CDS Participants include securities brokers and dealers, banks, trust companies, and clearing corporations. Indirect access to the CDS system is also available to others such as bankers, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a CDS Participant, either directly or indirectly.

As a result of GFT and FTF issuing their units in book-entry form only, CDS is the sole registered unitholder of each of the Funds. Only registered unitholders or the persons they appoint as proxies are permitted to vote at the Meetings. All of the Beneficial Unitholders of each of the Funds hold their units through either CDS Participants or intermediaries. Units held by brokers, dealers or their nominees through

CDS & Co. can only be voted upon the instructions of the Beneficial Unitholder. Without specific instructions, CDS & Co. and brokers, dealers and their nominees are prohibited from voting units for their clients. The Funds do not know for whose benefit the units registered in the names of CDS & Co. are held. Therefore, Beneficial Unitholders cannot be recognized at the Meeting for purposes of voting their units in person or proxy unless they comply with the procedures described in the Circular.

Applicable regulatory policy requires brokers, dealers and other intermediaries to seek voting instructions from Beneficial Unitholders in advance of unitholder meetings. Every intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their units are voted at their Meeting. Often, the form of proxy supplied to a Beneficial Unitholder by its intermediary is identical to that provided to registered unitholders. However, its purpose is limited to instructing the registered unitholders how to vote on behalf of the Beneficial Unitholders. The majority of intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions (“Broadridge”). Broadridge typically prepares a voting instruction form which it mails to the Beneficial Unitholders and asks Beneficial Unitholders to complete and return directly to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of units to be represented at their Meeting. **A Beneficial Unitholder receiving a voting instruction form cannot use that form to vote units directly at their Meeting. Rather, the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the units voted.**

If you are a Beneficial Unitholder and wish to vote in person at a Meeting, please contact your broker, dealer or other intermediary well in advance of such Meeting to determine how you can do so.

If you are a GFT Unitholder or FTF Unitholder and wish to vote in favour of an extraordinary resolution, you should submit a voting instruction form voting in favour of the extraordinary resolution well in advance of the 5:00 p.m. (Toronto time) deadline on September 16, 2011 for the deposit of proxies.

Voting instruction forms sent by Broadridge may be completed by telephone or through the internet at www.proxyvote.com.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference into the Circular from documents filed with securities commissions or similar authorities in Canada. The AIFs are specifically incorporated by reference into, and form an integral part of, this Circular.

The documents incorporated by reference are available on SEDAR at www.sedar.com. Upon request, CC&L Capital Markets will promptly provide a copy of any such document free of charge to unitholders of GFT or FTF. See “Additional Information”.

ADDITIONAL INFORMATION

Additional information on each of FTF and GFT is provided in the financial statements and management reports of fund performance for each of the Funds. Copies of all of these documents may be obtained from CC&L Capital Markets upon sending a request stating the Fund for which information is being requested to 181 University Avenue, Suite 300, Toronto, Ontario M5H 3M7.

Copies of these documents and other information about each of the Funds are also available on CC&L Capital Market’s website at www.cclcapitalmarkets.com or on SEDAR at www.sedar.com.

APPROVAL OF THE MANAGER

The Board of Directors of CC&L Capital Markets as manager of the Funds has approved the contents and the sending of this Circular to GFT unitholders and FTF unitholders.

DATED at Toronto, Ontario this 24th day of August, 2011.

Connor, Clark & Lunn Capital Markets Inc., as manager of
Connor, Clark & Lunn Global Financials Fund II and
Focused Global Trends Fund

By: 

W. Neil Murdoch
Chief Executive Officer and President

APPENDIX I
CONNOR, CLARK & LUNN GLOBAL FINANCIALS FUND II
EXTRAORDINARY RESOLUTION

BE IT RESOLVED THAT:

1. The merger (the “Merger”) of Focused Global Trends Fund (“FTF”) with Connor, Clark & Lunn Global Financials Fund II (“GFT”), with FTF as the continuing fund, substantially as described in the joint management information circular of GFT and FTF dated August 24, 2011 (the “Circular”) including, without limitation, the transfer by GFT to FTF of substantially all of the assets of GFT, and the automatic redemption by GFT of all of the units of GFT, in exchange for units of FTF, such that unitholders of GFT will become holders of units of FTF, is authorized and approved.
2. The entering into of an agreement amending the terms of GFT’s trust agreement between Connor, Clark & Lunn Capital Markets Inc. (“CC&L Capital Markets”) as manager of GFT and RBC Dexia Investor Services Trust (the “Trustee”) as trustee of GFT in order to implement the Merger, including without limitation, to permit the transfer by GFT to FTF of substantially all of the assets of GFT and the automatic redemption by GFT of all units of GFT, as more particularly described in the Circular, is authorized and approved.
3. CC&L Capital Markets is hereby authorized and directed, as manager of GFT, to take such action and negotiate, approve, execute and deliver all such certificates, documents, authorizations, agreements and instruments or other documentation and to take any and all such further action as may be necessary or desirable in connection with or to implement the matters contemplated in this extraordinary resolution.
4. Notwithstanding the provisions hereof, the Board of Directors of CC&L Capital Markets, as manager of GFT, may revoke this extraordinary resolution at any time prior to its implementation without further approval of unitholders of GFT.

APPENDIX II
FOCUSED GLOBAL TRENDS FUND
EXTRAORDINARY RESOLUTION

BE IT RESOLVED THAT:

1. The merger (the “Merger”) of Focused Global Trends Fund (“FTF”) with Connor, Clark & Lunn Global Financials Fund II (“GFT”), with FTF as the continuing fund, including changes to the investment objectives, investment strategy and investment restrictions of FTF, substantially as described in the joint management information circular of GFT and FTF dated August 24, 2011 (the “Circular”), is authorized and approved.
2. Connor, Clark & Lunn Capital Markets Inc. (“CC&L Capital Markets”) is hereby authorized and directed, as manager of FTF, to take such action and negotiate, approve, execute and deliver all such certificates, documents, authorizations, agreements and instruments or other documentation and to take any and all such further action as may be necessary or desirable in connection with or to implement the matters contemplated in this extraordinary resolution.
3. Notwithstanding the provisions hereof, the Board of Directors of CC&L Capital Markets, as manager of FTF, may revoke this extraordinary resolution at any time prior to its implementation without further approval of unitholders of FTF.

