



**CONNOR, CLARK & LUNN CONSERVATIVE INCOME FUND II
AND
CONNOR, CLARK & LUNN PRINTS TRUST**

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

**Meetings to be held at 8:30 a.m.
May 27, 2010**

**1 First Canadian Place
Suite 6300
100 King Street West
Toronto, Ontario**



181 University Avenue
Suite 300
Toronto, Ontario M5H 3M7

**CONNOR, CLARK & LUNN CONSERVATIVE INCOME FUND II
AND
CONNOR, CLARK & LUNN PRINTS TRUST**

April 20, 2010

Dear Unitholders:

You are invited to special meetings (collectively, the “Meetings” or, individually, a “Meeting”) of holders of units of Connor, Clark & Lunn Conservative Income Fund II (“CCK”) and Connor, Clark & Lunn PRINTS Trust (“Prints”) (collectively, the “Funds”) to be held at 8:30 a.m. (Toronto time) on May 27, 2010 at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, Ontario. The purpose of the CCK Meeting is to consider and vote upon an extraordinary resolution relating to the proposed merger of the Funds (the “Merger Proposal”). Prints will be the continuing fund and, as a result, unitholders of CCK would become unitholders of Prints which will be renamed Connor, Clark & Lunn Conservative Income & Growth Fund (“Income & Growth Fund”). The purpose of the Prints Meeting is to consider and vote upon an extraordinary resolution to reposition Prints (the “Prints Proposal”) to amend the investment objectives, investment strategy and investment restrictions of Prints in order to provide an attractive yield through an actively managed portfolio of high income investments across a broad range of income-oriented securities. The Merger Proposal is conditional on approval by Prints’ unitholders of the Prints Proposal.

The objectives of the Merger Proposal are to: (i) lower the administrative costs and increase trading liquidity by establishing a larger fund; (ii) expand the investment mandate of CCK to include a broader range of high yielding securities as required due to the pending change in taxation of income trusts; and (iii) change the investment mandate of Prints which should allow it to resume distributions, provide greater potential for capital growth and utilize its accumulated tax losses.

The Prints Proposal also seeks to amend certain redemption rights including providing for the automatic conversion of the Fund to an open-ended mutual fund on May 31, 2012. As a result, from and after May 31, 2012, the units of the Income & Growth Fund will be redeemable daily at net asset value and the annual redemption right in December 2010 and 2011 will be eliminated. The Prints Proposal also includes a change to the monthly redemption price so that it is based on market price and not net asset value and a change to the termination provisions so that Prints will have no fixed termination date.

Currently, Prints is not expected to pay distributions and does not have an expectation for significant capital growth. In addition, Prints has accumulated significant net capital losses and non-capital losses, which it would be better able to utilize if it were to reposition itself. With the appropriate changes to Prints, Prints could increase its net asset value and better utilize these losses. If the Prints Proposal is approved, Prints will resume distributions with an initial targeted rate of 6.0% per annum. If the Prints Proposal is not approved and redemptions continue at a high rate there is a risk that there will be insufficient cash holdings left after redemptions to cover the fixed costs of Prints and unitholders may therefore receive less than \$25.00 per unit on termination.

Following implementation of the extraordinary resolution, Prints intends to offer additional units of the merged fund to the public by prospectus in order to increase its asset base going forward. There is no assurance that any such offering, if made, will be successful or completed.

The proposals are more fully described in the accompanying joint management information circular (the “Circular”).

If the proposals are approved and implemented, unitholders of each Fund will have the opportunity to redeem their units for a redemption price equal to net asset value per unit if they choose not to participate going forward. In order for the proposals to become effective, they must be approved by a two-thirds majority of the

unitholders of each of the Funds present in person or represented by proxy at each of the Meetings. Both of the proposals are 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 May 31, 2010.

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

In addition, the Funds’ advisory board and independent review committee have reviewed the Merger Proposal and the Prints Proposal, respectively, and recommended that the Merger Proposal be put to CCK unitholders for their consideration and the Prints Proposal be put to Prints unitholders for their consideration.

Attached is a Notice of Special Meetings 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 proposals, you should submit the enclosed voting instruction form voting on the extraordinary resolutions as soon as possible, and in any event no later than 5:00 p.m. (Toronto time) on May 25, 2010.

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, written in a professional style.

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

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**CONNOR, CLARK & LUNN CONSERVATIVE INCOME FUND II
AND
CONNOR, CLARK & LUNN PRINTS TRUST
NOTICE OF SPECIAL MEETINGS OF UNITHOLDERS**

TAKE NOTICE that special meetings (the “Meetings” or, individually, a “Meeting”) of holders of units of Connor, Clark & Lunn Conservative Income Fund II (“CCK”) and Connor, Clark & Lunn PRINTS Trust (“Prints”) (collectively, the “Funds”) will be held on May 27, 2010 at 8:30 a.m. (Toronto time) at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, Ontario for the following purposes:

- (A) in respect of CCK, to consider and, if thought appropriate approve, with or without variation, an extraordinary resolution providing for the merger of the Funds, including the transfer by CCK to Prints of substantially all of the net assets of CCK in consideration for units of Prints and the automatic redemption by CCK of the units of CCK. Prints will be the continuing fund; and
- (B) in respect of Prints, to consider and, if thought appropriate approve, with or without variation, an extraordinary resolution:
 - (i) amending the investment objectives, investment strategy and investment restrictions in order to provide an attractive yield through an actively managed portfolio of high income investments across a broad range of income-oriented securities;
 - (ii) amending the redemption rights of the units to automatically convert to an open-ended mutual fund on May 31, 2012, eliminate the annual redemption right at net asset value in December 2010 and 2011 and change the monthly redemption price so that it is based on market price and not net asset value. As a result, from and after May 30, 2012, the units will be redeemable daily at net asset value; and
 - (iii) changing the termination provisions so that Prints will have no fixed termination date.

These proposals are more fully described in the accompanying joint management information circular (the “Circular”). A copy of the CCK extraordinary resolution is attached as Appendix I to the Circular and a copy of the Prints extraordinary resolution is attached as Appendix II to the Circular.

DATED at Toronto, Ontario as of the 20th day of April, 2010.

**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 Meeting, 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 CONSERVATIVE INCOME FUND II

Connor, Clark & Lunn Conservative Income Fund II (“CCK”) is an investment trust established under the laws of the Province of Ontario pursuant to an amended and restated trust agreement dated October 17, 2005 between the Connor, Clark & Lunn Capital Markets Inc. (the “Manager” or “CC&L Capital Markets”) and RBC Dexia Investor Services Trust (formerly, The Royal Trust Company) (the “Trustee” or “RBC Dexia”).

On October 18, 2005, CCK completed its initial public offering raising \$64 million and the units began trading on the Toronto Stock Exchange (the “TSX”).

Investment Objectives

CCK’s investment objectives are to:

- (i) provide holders of units with a stable stream of tax-efficient monthly cash distributions targeted to be \$0.0542 per unit (representing a yield of approximately 6.5% per annum on the issue price of \$10.00 per unit); and
- (ii) preserve the net asset value per unit in order to return at least the original issue price of units (\$10.00 per unit) to unitholders on or about October 19, 2015 (the “CCK Termination Date”) and to provide unitholders an opportunity for capital appreciation above the original issue price.

Portfolio and Investment Process

In order to achieve CCK’s investment objectives, CCK has obtained exposure to the performance of a portfolio (the “CIF II Portfolio”) held by Conservative Income Fund II (“CIF II”) by virtue of a forward purchase and sale agreement (the “CCK Forward Agreement”) with Bank of Montreal (“BMO”) dated October 18, 2005. CCK does not invest directly in CIF II. CCK invested the net proceeds of its initial public offering in a portfolio of common shares of Canadian public companies (the “Common Share Portfolio”). Under the CCK Forward Agreement, CCK is entitled to sell securities in the Common Share Portfolio to BMO from time to time to fund monthly distributions, redemptions and repurchases of units and its operating expenses. As a result, unitholders’ returns correlate with the net returns realized by CIF II on its investment in the CIF II Portfolio. The CIF II Portfolio consists of income producing securities including Canadian business income trusts, real estate investment trusts, utility income trusts, corporate bonds and convertible bonds. In addition, from time to time, the CIF II Portfolio may include significant cash and short term investments.

Under the terms of the CCK Forward Agreement, CCK and BMO have agreed that their settlement obligations under the CCK Forward Agreement with respect to the Common Share Portfolio securities will be discharged by physical delivery of the Common Share Portfolio securities by CCK to BMO against cash payment or, at the election of CCK, by the making of cash payments between the parties. The amount payable by BMO for physical delivery of the Common Share Portfolio may be more or less than the original aggregate subscription price of the units. Unless CCK elects cash settlement of the CCK Forward Agreement, BMO will pay to CCK on or about the CCK Termination Date, as the purchase price for the Common Share Portfolio, an amount equal to the Canadian dollar equivalent of the redemption proceeds of a corresponding number of units of CIF II. Prior to the CCK Termination Date, Common Share Portfolio securities or other acceptable securities are pledged to, and may be held by, BMO as security for the obligations of CCK under the CCK Forward Agreement.

As of April 19, 2010, 2,007,642 units of CCK were outstanding.

CONNOR, CLARK & LUNN PRINTS TRUST

Connor, Clark & Lunn PRINTS Trust (“Prints”) is an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement dated November 29, 2001 between the Manager and RBC Dexia.

On December 12, 2001, Prints completed its initial public offering raising in excess of \$100 million and the units of Prints began trading on the TSX.

Investment Objectives

At the time of the initial public offering, Prints' investment objectives were:

- (i) Distributions: to provide unitholders with a stable stream of quarterly distributions targeted to be \$0.50 per unit (\$2.00 per annum to yield 8.0% on the subscription price);
- (ii) Capital Repayment: to pay to unitholders on or about December 2, 2013 (the "Prints Termination Date") an amount per unit equal to the original subscription price (the "Original Investment Amount"); and
- (iii) Capital Appreciation: to pay to unitholders, on the Prints Termination Date, in addition to the Original Investment Amount, the value per unit, if any, in excess of the Original Investment Amount.

Portfolio and Investment Process

In order to achieve Prints' distribution and capital appreciation objectives, Prints initially invested 100% of the net proceeds of its initial public offering in a broadly diversified portfolio (the "Managed Portfolio") consisting principally of equity securities of companies which were selected from the S&P 500 Index (the "Managed Portfolio Universe"). To generate additional returns above the dividend income received by Prints, Prints, from time to time and subject to certain restrictions described below, wrote covered call options in respect of all or part of the equity securities in the Managed Portfolio. In addition, Prints, from time to time, wrote cash covered put options in respect of securities in which Prints is permitted to invest selected from the Managed Portfolio Universe.

To achieve the capital repayment objective, Prints entered into an agreement (the "Prints Forward Agreement") dated December 13, 2001 with TD Global Finance ("TDGF"), a member of the TD Bank Financial Group and an affiliate of TD Securities Inc. On June 4, 2003, Prints liquidated all of its other assets and purchased a portfolio of equity securities (the "Capital Portfolio") in accordance with the Prints Forward Agreement. The execution of the forward sale, which came about as the result of prolonged deterioration in the US equity market and falling bond yields, was in support of the capital repayment objective of Prints.

Under the Prints Forward Agreement, on the Prints Termination Date, TDGF will pay the Original Investment Amount to Prints in exchange for the equity securities comprising the Capital Portfolio. As a result, on or about the Prints Termination Date, Prints is expected to receive an amount per unit equal to the Original Investment Amount.

Pursuant to the Prints Forward Agreement, Capital Portfolio securities or other acceptable collateral are pledged as security for the obligations of Prints under the Prints Forward Agreement, and the Capital Portfolio is not actively managed by Prints. On the Prints Termination Date, the settlement obligations under the Prints Forward Agreement with respect to Capital Portfolio securities will be discharged by the making of a net cash payment to the appropriate party unless either Prints or TDGF requests settlement of the Prints Forward Agreement in any such instance by physical delivery of Capital Portfolio securities to TDGF in exchange for a cash payment in Canadian dollars equal to 100% of the aggregate Original Investment Amount per unit outstanding on the Prints Termination Date.

The assets of Prints that are not invested in equities subject to the Prints Forward Agreement are not sufficient to fund regular distributions to unitholders. Prints does not currently expect to pay distributions or to realize significant capital appreciation in excess of the Original Investment Amount. However, by virtue of the Prints Forward Agreement, the Manager currently expects to be able to pay \$25.00 per unit to unitholders on or about December 2, 2013, assuming no material amount of redemptions occur prior to that time.

As of April 19, 2010, 335,843 units of Prints were outstanding.

BACKGROUND TO THE PROPOSALS

Since the execution of the forward sale in June 2003, as an investment, units of Prints have effectively been like a zero coupon bond. There have been significant redemptions of units over the course of time and, as of April 19, 2010, 3,795,757, or 91.9%, of the 4,131,600 units of Prints originally issued have been redeemed. As units of Prints are redeemed, the fixed components of Prints' operating expenses must be borne by a smaller pool of investments and Prints' management expense ratio will rise as total assets shrink. Unless Prints is able to raise new capital, the Manager will undertake to wind up Prints if redemptions reduce total net assets such that high fixed costs of operating per unit make the return of \$25.00 per unit at maturity unlikely. The Manager believes that the Proposals (as defined below) provide a reasonable alternative to a possible wind-up of Prints. Prints has also accumulated significant net capital losses and non-capital losses which are available to be applied against future gains and income.

Since its launch in 2005, given the turmoil in the markets and the government changes in income trust taxation, CCK has also had a significant portion of its units redeemed. This is a situation that many closed-end funds with similar income trust portfolio investment exposure have experienced. As a result, its assets are lower and the management expense ratio of CCK is increasing.

In 2006, the Federal government introduced tax rules (the "SIFT Rules") that have the effect of taxing income earned and distributed by certain income trusts at rates comparable to those applicable to income earned and distributed by a taxable Canadian corporation. The effect of the SIFT Rules is generally to reduce the after-tax return of investments in such income trusts, making them less attractive to certain investors, including those who obtain exposure to them indirectly through a vehicle such as the Funds. The deferral of the application of the SIFT Rules for taxation years of qualifying trusts ending prior to 2011 will shortly expire. As a result of the SIFT Rules and the upcoming expiry of the deferral period, funds focused on this sector are having difficulty finding suitable investments as an increasing number of income trusts are being converted to corporations.

The Manager believes that the proposed merger of CCK with Prints and the concurrent change to Prints' investment mandate will allow for investment in a broader set of high yielding equity securities and will offset the reduction in the number of income trust investments that are available. As a result, the Manager believes the merger of the Funds will provide benefits for unitholders of both Funds because Prints, as the continuing fund, 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 or elimination of certain operating costs and expenses of the Funds including relating to the settlement prior to the merger of the Funds' forward agreements and an enhanced ability to utilize the tax losses.

The Manager believes that Prints' 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 CRA could not successfully challenge the ability of Prints 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.

The following chart sets out the number of units outstanding, closing trading price and net asset value per unit for Prints and CCK as at April 16, 2010:

Name of Fund	Number of Units Outstanding	Closing Unit Price (\$)	Net Asset Value per Unit (\$)
Connor, Clark & Lunn Conservative Income Fund II	2,007,642	8.58	9.14
Connor, Clark & Lunn PRINTS Trust	335,843	22.30	22.94

The following chart sets out the performance of Prints and CCK on a net asset value basis for the following periods ended March 31, 2010:

Name of Fund	NAV Performance ⁽¹⁾					
	1 Month	3 Month	6 Month	1 Year	3 Year ⁽²⁾	Since Inception ⁽²⁾⁽³⁾
Connor, Clark & Lunn Conservative Income Fund II	2.23%	6.19%	16.00%	50.72%	3.83%	6.55%
Connor, Clark & Lunn PRINTS Trust	-5.80%	-0.10%	-0.66%	-4.47%	6.46%	0.65%

Notes:

- (1) Performance numbers include reinvestment of distributions and are net of fees.
- (2) Performance numbers are annualized.
- (3) Prints' date of inception was December 12, 2001 and CCK's date of inception was October 18, 2005.

DETAILS OF THE PROPOSALS

The purpose of the special meetings (collectively, the "Meetings" or, individually, a "Meeting") is for holders of units of CCK to consider and vote upon an extraordinary resolution relating to the proposed merger of CCK and Prints (the "Merger Proposal") and for holders of units of Prints to consider and vote upon an extraordinary resolution repositioning Prints to enable it to continue on a sustainable basis with a new investment portfolio going forward (the "Prints Proposal", collectively with the Merger Proposal, the "Proposals").

Merger Proposal

CCK unitholders will be asked to consider and vote upon the Merger Proposal. If the Merger Proposal is implemented, holders of units of Prints will continue as, and unitholders of CCK participating in the merger will become, holders of units of Prints. If approved by CCK unitholders, it is expected that the merger will become effective on or about May 31, 2010 (the "Effective Date").

The objectives of the Merger Proposal are to: (i) lower the administrative costs and increase trading liquidity by establishing a larger fund; (ii) expand the investment mandate of CCK to include a broader range of high yielding securities as required due to the pending change in taxation of income trusts; and (iii) change the investment mandate of Prints which should allow it to resume distributions, provide greater potential for capital growth and utilize its accumulated tax losses.

Currently, units of CCK may be surrendered at any time for redemption but are only redeemed on the last business day of each month at market price. Unitholders whose units are redeemed on the November redemption date each year are entitled to receive a redemption price per unit equal to the net asset value per unit determined as at such redemption date. If the Proposals are approved, unitholders of CCK participating in the merger will benefit from the automatic conversion of Prints to an open-ended mutual fund which will be able to distribute and redeem its units on a continuous basis commencing on May 31, 2012. As a result of the conversion and daily redemption rights that a unitholder will have, the units of Prints will be delisted from the TSX after the date of the conversion.

If the Proposals are approved, CCK will, prior to the Effective Date, pre-settle the CCK Forward Agreement in full. The following steps will then take place to implement the Merger Proposal:

CCK will transfer all or substantially all of its net assets to Prints in consideration for the issuance by Prints to CCK of a number of units of Prints determined based on an exchange ratio established as of the close of trading on the business day immediately preceding the Effective Date.

The Exchange Ratio (as defined below) will be calculated based on the relative net asset value of the units of CCK and the units of Prints.

Immediately following the transfer of the assets of CCK to Prints and the issuance of units of Prints to CCK, all CCK units will be automatically redeemed and each CCK unitholder participating in the merger will receive such number of units of Prints as is equal to the number of CCK units held multiplied by the Exchange Ratio.

CCK units will be redeemed by CCK in exchange for units of Prints at an exchange ratio (the “Exchange Ratio”) calculated based on the relative net asset value of the units of CCK and the units of Prints as at the close of trading on the TSX on the business day prior to the Effective Date. The net asset value of the units of CCK and the units of Prints will be calculated in accordance with the provisions of the trust agreements of CCK and Prints, respectively. Prints unitholders will continue to hold the same number of units as they held prior to the merger and, because units of Prints will be issued to CCK at the Exchange Ratio, the issuance will not be dilutive to Prints unitholders. By way of an example, if, on the day prior to the Effective Date, the net asset value per unit of Prints was \$18.00 per unit and the net asset value per unit of CCK was \$9.00 per unit, then on the merger, each CCK unit would entitle the holder thereof to and the holder would receive 0.5 of a unit of Prints. No fractional units of Prints or cash in lieu thereof will be issued or paid under the merger.

If the Merger Proposal is approved, unitholders of CCK will not be required to take any action in order to be recognized as unitholders of Prints and to trade their units. CCK units held by CCK unitholders will automatically be exchanged for units of Prints calculated by reference to the Exchange Ratio. Registration of beneficial interests in Prints 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 units of Prints will not have the right to receive physical certificates evidencing their ownership. Following the Effective Date, CCK units will be delisted from the TSX. After the merger, CCK will be wound up as soon as possible.

The Merger Proposal is subject to CCK unitholder, TSX and any other required approvals. The Merger Proposal is also conditional on approval by Prints unitholders of the Prints Proposal. There is no assurance that the conditions to the implementation of the merger will be satisfied on a timely basis, if at all. In such event, CCK and Prints will not merge but will continue as separate funds.

If the Merger Proposal is approved and implemented, unitholders of CCK participating in the merger will become holders of units of Prints. Additional information relating to Prints, including a description of the attributes of Prints units is available in the Prints AIF (as defined below) which is incorporated by reference into this Circular.

If the Merger Proposal is approved and implemented, CCK unitholders who do not wish to participate in the merger may surrender their units for redemption no later than 5:00 p.m. (Toronto time) on May 26, 2010. Units so surrendered will be redeemed on May 28, 2010 for a redemption price per unit equal to the net asset value per unit as of such date and payment of the redemption price will be made on or before the Effective Date. Unitholders who wish to redeem their units should still vote in favour of the Merger Proposal and simply redeem their units.

Prints Proposal

Unitholders of Prints will be asked to consider and vote upon the Prints Proposal.

Under Prints Forward Agreement, Prints anticipates that it will be able to return the original subscription price of the units to remaining unitholders on its December 2, 2013 termination date, assuming no material amount of redemptions occur prior to that time. However, currently Prints is not expected to pay distributions and does not have an expectation for significant capital growth. If the Prints Proposal is approved, Prints will resume monthly distributions with an initial targeted rate of 6.0% per annum. If the Prints Proposal is not approved and redemptions continue at a high rate there is a risk that there will be insufficient cash holdings left after redemptions to cover the fixed costs of Prints and unitholders may receive less than \$25.00 per unit. Prints has also accumulated significant net capital losses and non-capital losses, which it would be better able to utilize if it repositioned itself. With the appropriate changes to Prints, management believes Prints could increase its net asset value and better utilize these losses.

In addition to the amendment of the investment mandate of Prints as discussed above, the Prints Proposal seeks to amend certain redemption rights including providing for the automatic conversion of the Fund to an open-ended mutual fund on May 31, 2012. As a result, from and after May 31, 2012, the units will be redeemable daily at net asset value and the annual redemption right in December 2010 and 2011 will be eliminated. The Prints Proposal also includes a change to the monthly redemption price so that it is based on market price and not net asset value and a change to the termination provisions so that Prints will have no fixed termination date.

Further details relating to the proposed amendments are discussed below.

Name Change

On or about the Effective Date, the name of Prints is expected to change to Connor, Clark & Lunn Conservative Income and Growth Fund. The Prints trust agreement will be amended to reflect such name change.

Proposed Investment Objectives, Strategy and Restrictions

Unitholders are being asked to permit Prints to amend its investment objectives, investment strategy and investment restrictions as follows:

The proposed investment objectives of Prints will be to provide unitholders with:

- An attractive yield through receipt of monthly distributions initially targeted to yield approximately 6.0% per annum based on the net asset value of the Prints units;
- Downside protection through diversification across multiple asset classes and a conservative approach to security selection; and
- Growth that outpaces inflation by investing in securities that provide both a high yield and capital appreciation potential.

Prints will seek to achieve its investment objectives by diligently selecting and actively managing a diversified portfolio of high income investments across a broad range of income-oriented securities. These may include equities, income trusts, limited partnerships, real estate investment trusts (“REITS”), corporate bonds, convertible bonds, preferred shares, other income funds and other investments, in accordance with the investment objectives and investment strategy.

The proposed diversification guidelines are as follows:

	Minimum	Maximum
Equities & Income Trusts	10%	80%
REITS & Real Estate	10%	50%
Bonds, Preferred Shares & Cash	10%	60%

The Investment Manager will employ leverage in the portfolio to enhance returns when it considers market conditions appropriate. The Investment Manager intends to reduce or eliminate leverage and may increase the allocation to cash when the Investment Manager believes the outlook for market performance is unfavourable. The aggregate amount of borrowings and other leverage may not exceed 15% of the assets of Prints. Such leverage may be used to purchase additional securities for the portfolio. If leverage of 15% of the total assets is employed, the portfolio will have a debt-to-equity ratio of 0.176:1 representing a total asset-to-equity ratio of 1.176:1.

In the event that the total amount borrowed or otherwise subject to leverage by Prints exceeds the 15% limit, indebtedness will be reduced on a commercially reasonable basis as soon as practicable so that the amount borrowed or otherwise subject to leverage does not continue to exceed such limit. If the total amount borrowed or otherwise subject to leverage by Prints exceeds 20% of the total assets of Prints, indebtedness will be reduced immediately such that the amount borrowed or otherwise subject to leverage does not constitute more than 15% of the total assets of Prints. For further information, including the risks relating to the use of leverage see the CCK AIF (as defined below) and CCK’s long form prospectus dated September 29, 2005.

Derivative instruments will only be used for purposes of hedging or to add leverage to the portfolio. Counterparty risk arising from derivative transactions will be limited to credits rated “A” or better, as defined by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (or an equivalent rating from another recognized rating agency). Instruments used may include but are not limited to forward contracts, futures contracts, options, swaps and structured notes.

Proposed Investment Approach

The demand for income is a secular trend driven by persistently low government bond yields, an aging population and a scarcity of high income alternatives. While the income trust market is winding down over the next several months, the following new opportunities are emerging that the merged fund aims to capture:

- There is a deep pool of ultra high dividend paying equities emerging. Corporations recognize that investors demand a higher dividend payout and are raising payouts accordingly. In addition, most former income trusts are retaining a high payout and attractive yields.
- Qualifying REITS are exempt from the SIFT Rules. In addition, there is broadening and deepening of the REIT and real estate market in Canada occurring. Existing REITS have begun to make significant acquisitions funded in part by equity, greatly increasing the market capitalization of the REIT sector. In addition, a pipeline of REIT initial public offerings is beginning to develop which should offer investors further investment opportunities.
- The high yield market in Canada is finally beginning to emerge. Demand for high yield bonds from Canadian investors is substantial and high yield issuance is expected to increase to meet this demand.

This strategy seeks to capitalize on the strengths of the Investment Manager's Canadian Equity and Fixed Income teams. The Canadian Equity team has deep history in income-oriented investments and a strong track record of security selection, particularly in less efficient, small and mid-cap securities while the Fixed Income team's demonstrated strength is credit research.

The Canadian Equity team follows a rigorous bottom-up approach to security selection for equities, income trusts and REITS. The cornerstone of the process is management interviews, during which analysts seek to identify milestones for value creation. The Canadian Equity team has further discussions with customers, competitors and sell-side analysts and develops forecasts for each company based on the outlook. From there, targets prices are set for each security based on the valuation methodology appropriate for the sector. While the Canadian Equity team seeks to invest in the securities with the highest total returns, they are constrained by the foremost objective of delivering a high and sustainable yield. At the low end of the yield spectrum (approximately 2 - 4%), they want to see a track record of dividend growth, as well as prospects for further dividend growth. At the high end of the yield spectrum (approximately 5 - 12%), the Canadian Equity team is much more focussed on sustainability, including a careful analysis of payout ratios. Over time, they expect to have a fairly equal split in the equity portion of the portfolio between lower yields with growth potential and high sustainable yields. In this manner, the Canadian Equity team hopes to capture both high income and growth in income.

The Fixed Income team will have the ability to invest across the fixed income spectrum but, similar to CCK, their current emphasis will be in corporate bonds including high yield debt. The Fixed Income team's process is a bottom-up process. During the research process, the Fixed Income team focuses on liquidity and cash flow, analyzes covenants in the debt documents and looks at management performance as well as asset value and quality. While some capital appreciation is expected, the focus is on finding companies where the yield on the investment is expected to be realized.

The change in the investment mandate will make it similar to an existing mandate of the Investment Manager, the Connor, Clark & Lunn High Income Composite, which consists of a single fund, the Connor, Clark & Lunn High Income Fund. The performance of this mandate is outlined below:

	NAV Performance						
	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	Since Inception
Connor, Clark & Lunn High Income Composite	4.68%	6.81%	13.91%	46.14%	4.85%	7.07%	13.40%

Notes:

- (1) Returns presented are net of trading and administration costs but are gross of management expenses.
- (2) While the merged fund will be managed on substantially the same basis as the Connor, Clark & Lunn High Income Composite, there are differences in the investment objectives and strategy, including the use of leverage, that will result in different performance.

- (3) The performance data quoted above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted.
- (4) The Federal Government's October 31, 2006 Tax Fairness Plan signalled the winding down of the income trust market by January 1, 2011. The Investment Manager determined that income trusts would convert to equities over that period and would be valued in similar fashion to equities. Therefore, to account for the income trust conversions and open a broader set of investment opportunities, the Investment Manager began to include equities in Connor, Clark & Lunn High Income Fund as of December 31, 2006.

Conversion to Open-Ended Mutual Fund and Change in Redemption Rights

Unitholders are being asked to amend the Prints Trust Agreement to change the redemption rights attaching to the units to automatically convert to an open-ended mutual fund which will be able to distribute and redeem its units on a continuous basis on May 31, 2012.

Redemption of Units

Currently, units of Prints may be surrendered at any time for redemption to Computershare Investor Services Inc., the registrar and transfer agent of the Fund, but are redeemed only on a monthly Valuation Date (as defined below). Units surrendered for redemption by a unitholder at least five business days prior to the third Friday of a month (a "Valuation Date") are redeemed as at such Valuation Date and the unitholder will receive payment on or before the tenth business day following such Valuation Date (the "Redemption Payment Date"). If a unitholder makes such surrender after 5:00 p.m. (Toronto time) on the fifth business day immediately preceding a Valuation Date, the units will be redeemed as at the Valuation Date in the following month and the unitholder will receive payment for the units on the Redemption Payment Date in respect of such Valuation Date.

Unitholders whose units are redeemed on the December Valuation Date in each year will be entitled to receive a redemption price per unit (the "Unit Redemption Price") equal to the net asset value per unit determined as at such Valuation Date. Unitholders whose units are redeemed on any other Valuation Date will be entitled to receive a redemption price per unit equal to the net asset value per unit determined as at such other Valuation Date, less the lesser of (i) 4% of such net asset value and (ii) \$1.00.

If the Prints Proposal is approved and implemented, until May 31, 2012 units may no longer be redeemed on the December Valuation Date for net asset value per unit and instead units will be redeemable only on a monthly Valuation Date for a redemption price per unit equal to the lesser of (a) 95% of the Market Price, and (b) 100% of the Closing Market Price of the units on the applicable Valuation Date. For such purposes, the "Market Price" is the weighted average trading price of the units on the principal stock exchange on which the units are listed (or, if the units are not listed on any stock exchange, on the principal market on which the units are quoted for trading) for the 10 trading days immediately preceding the applicable Valuation Date. For such purposes, the "Closing Market Price" means the closing price of the units on the principal stock exchange on which the units are listed (or, if the units are not listed on any stock exchange, on the principal market on which the units are quoted for trading) or, if there was no trade on the relevant date, the average of the last bid and the last asking prices of the units on the principal stock exchange on which the units are listed (or, if the units are not listed on any stock exchange, on the principal market on which the units are quoted for trading).

After May 31, 2012, units may be surrendered for redemption on any business day (the "Redemption Date"), subject to Prints' right to suspend redemptions, for a redemption price per unit (the "Redemption Amount") equal to the net asset value per unit and the unitholder will receive payment on or before the 3rd business day following the Redemption Date. Any unpaid distribution payable on or before the Redemption Date in respect of units tendered for redemption on such Redemption Date will also be paid on the same day as the redemption proceeds are paid. The net asset value per unit will vary depending on a number of market factors, including interest rates and volatility in the equity markets.

As a result of the conversion and daily redemption rights that a unitholder will have, the units of Prints will be delisted from the TSX after the date of the conversion.

Exercise of Redemption Right after May 31, 2012

An owner of units of Prints who desires to exercise redemption privileges after May 31, 2012 must do so by causing a participant of CDS (a “CDS Participant”) to deliver on behalf of the owner a written notice (the “Redemption Notice”) of the owner’s intention to redeem units on the relevant notice date. Redemption of units may only be effected through FundSERV by the book-entry only system administered by International Financial Data Services (Canada) Limited (“IFDS”). Notice of redemption must be provided no later than 4:00 p.m. (Toronto time) on a Redemption Date. Generally, to be effective on a business day, a redemption request will need to be initiated by 2:00 p.m. (Toronto time) on that business day (or such other time as may be established by FundSERV). Any request received after such time will be deemed to be a request sent and received on the next following business day. An owner who desires to redeem units should ensure that the CDS Participant is provided with notice of his or her intention to exercise his or her redemption privilege sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver notice to IFDS by the required time. The form of Redemption Notice will be available from a CDS Participant or IFDS. Any expense associated with the preparation and delivery of Redemption Notices will be for the account of the owner exercising the redemption privilege.

By causing a CDS Participant to deliver a Redemption Notice to IFDS, an owner shall be deemed to have irrevocably surrendered such units for redemption and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise of the redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any Redemption Notice delivered by a CDS Participant regarding an owner’s intent to redeem which IFDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the redemption privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with the owner’s instructions will not give rise to any obligations or liability on the part of Prints to the CDS Participant or to the owner.

If the Prints Proposal is approved and implemented, Prints will calculate the value of Prints’ assets as set forth below on each business day (a “NAV Valuation Date”). Prints’ total assets (the “Total Assets”) consist of the aggregate value of the Prints’ assets. The Manager will review on a daily basis and, if satisfactory, approve the valuation and will, from time to time, consider the appropriateness of the valuation policies adopted by Prints, as such policies are modified from time to time in the discretion of the Manager, acting reasonably, and in the best interests of unitholders.

The net asset value of Prints (the “Net Asset Value” or “NAV”) will be calculated by the Trustee daily by subtracting the aggregate amount of Prints’ liabilities from the Total Assets. The Total Assets are valued as follows:

- (a) the value of any security which is listed or traded upon a stock exchange or quoted on a quotation and trade reporting system shall be determined by taking the latest available sale price of recent date, or lacking any recent sales or any record thereof, the simple average of the latest available offer price and the latest available bid price (unless, in the opinion of the Investment Manager, such value does not reflect the value thereof and in which case the latest offer price or bid price should be used), as at the date of valuation on which the Net Asset Value is being determined, all as reported by any means in common use;
- (b) where a clearing corporation option or over-the-counter option is written by Prints, the option premium received by Prints is reflected as a deferred credit which will be valued at an amount equal to the current market value of the clearing corporation option or over — the-counter option which would have the effect of closing the position; any difference resulting from revaluation is treated as an unrealized gain or loss on investment; the deferred credit is deducted in arriving at the Net Asset Value;
- (c) the value of any cash on hand or on deposit, prepaid expenses, cash dividends received (or declared to holders of record on a date before the NAV Valuation Date as of which the Net Asset Value is being determined and to be received) and interest accrued and not yet received, is deemed to be the face

amount thereof unless the Trustee has determined that any such asset is not otherwise worth the face amount thereof, in which case the value thereof is deemed to be such value as the Trustee determines to be the fair value thereof;

- (d) the value of a forward contract is the gain or loss with respect thereto that would be realized if, on the NAV Valuation Date, the position in the forward contract were to be closed out unless “daily limits” are in effect, in which case fair value is based on the current market value of the underlying interest;
- (e) notes, money market instruments and other debt securities are valued by taking the bid price at the calculation time;
- (f) if a NAV Valuation Date is not a business day, then the Capital Portfolio and other trust property is valued as if such NAV Valuation Date was the preceding business day;
- (g) if an investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Trustee to be inappropriate under the circumstances, then notwithstanding the foregoing rules, the Trustee makes such valuation as it considers fair and reasonable; and
- (h) the value of all assets of Prints quoted or valued in terms of foreign currency, the value of all funds on deposit and contractual obligations payable to Prints in foreign currency and the value of all liabilities and contractual obligations payable by Prints in foreign currency is determined using the applicable rate of exchange current at, or as nearly as practicable to, the date of which the Net Asset Value is computed.

The Net Asset Value per unit is the amount obtained by dividing the Net Asset Value as of a particular date by the total number of units outstanding on that date. Prints will make available to the financial press for publication the Net Asset Value per unit promptly after it is determined.

Termination of Prints

Currently, Prints will terminate on or about the Prints Termination Date unless terminated earlier in accordance with the terms of the Prints Trust Agreement or unless unitholders determine to continue Prints by an extraordinary resolution at a meeting called for such purpose.

Unitholders are being asked to approve a change to the termination provisions so that Prints will have no fixed termination date. This will provide unitholders with the on-going opportunity to participate in the performance of the portfolio and to attempt to fully utilize Prints’ accumulated capital losses.

If the Prints Proposal is approved and implemented, Prints will not have a fixed termination date but the Manager may, in its discretion, terminate Prints (the “Proposed Termination Date”) without the approval of unitholders if, in the opinion of the Manager, the Net Asset Value of Prints is reduced as a result of redemptions or otherwise so that it is no longer economically feasible to continue Prints and it would be in the best interest of the unitholders to terminate Prints. Prints will provide unitholders with notice in writing through CDS no less than 30 days and no more than 60 days prior to such Proposed Termination Date and will issue a press release in respect thereof at least 10 business days in advance of such Proposed Termination Date. Prints will include a description of the entitlement of the unitholders in such notice and press release.

Prints may be terminated upon not less than 90 days written notice to the Manager from the Trustee with the approval of the unitholders by a two-thirds majority vote passed at a duly convened meeting of unitholders called for the purpose of considering such termination, provided that unitholders holding at least 10% of the units outstanding on the record date of the meeting vote in favour of such termination.

Immediately prior to the Proposed Termination Date, the Manager will, to the extent possible, convert the assets of Prints to cash and the Trustee, after paying or making adequate provision for all of Prints’ liabilities, shall distribute the net assets of Prints allocable to each class of units pro rata to unitholders as soon as practicable after the Proposed Termination Date.

If the Prints Proposal is approved and implemented, Prints unitholders who do not wish to participate may surrender their units for redemption no later than 5:00 p.m. (Toronto time) on May 26, 2010. Units so surrendered will be redeemed on May 28, 2010 for a redemption price per unit equal to the net asset value per unit as of such date and payment of the redemption price will be made on or before the Effective Date. Unitholders who wish to redeem their units should still vote in favour of the Prints Proposal and simply redeem their units.

Proposed Offering

Following the approval and implementation of the extraordinary resolutions, Prints intends to offer additional units to the public by prospectus in order to increase its asset base going forward. There is no assurance that any such offering, if made, will be successful or completed.

Further Information

For further information about CCK, see CCK's annual information form for the year ended March 31, 2009 (the "CCK AIF") or the CC&L Capital Markets website at www.cclcapitalmarkets.com.

For further information about Prints, see Prints' annual information form for the year ended December 31, 2009 (the "Prints AIF") or the CC&L Capital Markets website at www.cclcapitalmarkets.com.

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

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

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

- If the Proposals are approved and CCK is merged into Prints, Prints, 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 units 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, Prints, as the continuing fund, is expected to have reduced costs on a per unit basis when compared to the current costs on a per unit basis of either Prints or CCK.
- The SIFT Rules introduced by the Federal government relating to the taxation of income trust investments have considerably narrowed the universe of available investments for CCK.
- The change to the investment objectives and strategies of Prints should enable the Fund to offer holders of both CCK and Prints units a high yielding investment and better prospects for capital appreciation.
- If the Prints Proposal is approved, Prints will resume monthly distributions with an initial target of 6.0% per annum based on the net asset value of the Prints units.
- Restructuring of Prints will permit Prints to be in a better position to grow in size, increase its NAV and utilize all of its existing tax losses on a going forward basis. If Prints is left in its current form, the return to unitholders is not expected to exceed the accretion of the NAV from the current level of \$22.94 on April 16, 2010 to \$25.00 on December 2, 2013, representing an annual return of 2.4% and it is less likely that the tax losses will be utilised.
- The conversion of Prints to an open-ended mutual fund will provide daily liquidity at NAV after two years and is expected to provide a lower discount to NAV in the interim. Currently, units of Prints are

redeemable on a monthly basis. Unitholders wishing to dispose of their units at other times must sell through a broker or dealer through the TSX. Generally, units have traded at a discount to their net asset value and unitholders also incur commission costs. Due to limited trading volume, unitholders may be unable to dispose of large blocks of units without affecting price. The conversion is intended to provide enhanced liquidity as unitholders will be able to redeem their units on a daily basis and to receive net asset value of the redeemed units within three business days.

- The conversion of Prints to an open-ended mutual fund will allow the Manager to raise additional funds without diluting existing unitholders. If Prints is successful in selling additional units, all unitholders will benefit from economies of scale of a larger fund that has the potential to decrease the management expense ratio.
- If the Prints Proposal is not approved and redemptions continue at a high rate there is a risk that there will be insufficient cash holdings left after redemptions cover the fixed costs of Prints and unitholders may receive less than \$25.00 per unit on termination.
- If the extraordinary resolutions are approved and implemented, unitholders of each of the Funds will have an opportunity to redeem their units at 100% of NAV should they choose not to participate by continuing to hold 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 resolutions to the independent review committees of the Funds for a recommendation as required by NI 81-107.

The Funds’ advisory board and independent review committee have reviewed the Merger Proposal and the Prints Proposal, respectively, and recommended that the Merger Proposal be put to CCK unitholders for their consideration and that the Prints Proposal be put to Prints unitholders for their consideration.

CONDITIONS TO IMPLEMENTING THE EXTRAORDINARY RESOLUTIONS

The Merger Proposal is subject to CCK unitholder, TSX and any other required approvals. The Merger Proposal is also conditional on approval by Prints’ unitholders of the Prints Proposal. The Prints Proposal is subject to Prints’ unitholder, TSX and any other required approvals.

In order to become effective, the CCK extraordinary resolution must be approved by 66 $\frac{2}{3}$ % of unitholders of CCK voting on such resolution and the Prints extraordinary resolution must be approved by 66 $\frac{2}{3}$ % of unitholders of Prints voting on such resolution.

There can be no assurance that the conditions precedent to implementing the Proposals will be satisfied on a timely basis, if at all. If the requisite unitholder approval for the Proposals is not obtained or if any other required approval is not obtained, the Proposals 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 CCK Meeting will be borne by CCK and all costs and expenses incurred in connection with the calling and holding of the Prints Meeting will be borne by Prints. Such costs and expenses are estimated to be approximately \$60,000 for CCK and \$40,000 for Prints.

TERMINATION OF THE EXTRAORDINARY RESOLUTIONS

The extraordinary resolutions may, at any time before or after the holding of the Meetings (but prior to the entering into of any amendment to the Funds’ trust agreements giving effect to the extraordinary resolutions) 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 PRINTS AS THE CONTINUING FUND

The Manager

CC&L Capital Markets, a registered portfolio manager, is the manager of the Funds and is responsible for their 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 \$1.7 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., Banyan Capital Partners Management Partnership and Global Alpha Capital Management Ltd. and Gyrus Investment Management Inc. The Connor, Clark & Lunn Financial Group, with over \$35.5 billion in assets under management as at March 31, 2010, 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 Fund, Connor, Connor, Clark & Lunn Global Financials Fund II, CANADIAN Financials & Utilities Split Corp., Focused Global Trends Fund, Canadian Banc Capital Securities Trust, CC&L Natural Resources Fund, Build America Investment Grade Bond Fund and North American Financials Capital Securities Trust.

Duties and Services Provided by the Manager

Pursuant to Prints' trust agreement, the Manager has exclusive authority to manage the operations and affairs of Prints, to make all decisions regarding the business of Prints and to bind Prints. 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 Prints to do so. Among other restrictions imposed on the Manager, it may not dissolve Prints or wind up Prints' affairs except in accordance with the provisions of Prints' trust agreement.

The Manager's duties include: maintaining accounting records for Prints; authorizing the payment of operating expenses incurred on behalf of Prints; calculating the amount and determining the frequency of distributions by Prints; preparing financial statements, income tax returns and financial and accounting information as required by Prints; ensuring that unitholders of Prints are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that Prints complies with regulatory requirements; preparing the reports to Prints' 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; arranging for the payment of the Original Investment Amount on or about the Prints Termination Date as provided under the Prints Forward Agreement; 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 Prints.

Under Prints' trust agreement, the Manager has full responsibility for investment advisory and portfolio management services to Prints in accordance with the investment guidelines, including the investment objectives.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Prints and to exercise the care, diligence and skill of a prudent and qualified person in similar circumstances. Prints' 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 investment portfolio of Prints if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Manager will incur liability, however, in cases of willful 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 Prints' trust agreement.

Unless the Manager resigns or is removed as described below, the Manager will continue as manager until the termination of Prints. The Manager may resign if Prints is in breach or default of the provisions of Prints'

trust agreement and, if capable of being cured, any such breach or default has not been cured within twenty business days' notice of such breach or default to Prints and the Manager is deemed to have resigned if the Manager becomes bankrupt or insolvent or in the event the Manager ceases to be resident in Canada for the purposes of the Income Tax Act (Canada)(the "Tax Act"). The Manager may not be removed by the Trustee other than by an extraordinary resolution of the unitholders in the event that the Manager is in material breach or default (defaults under Prints' trust agreement include, among other things, cases of willful misconduct, bad faith, disregard of the Manager's standard of care or negligence) of the provisions of Prints' trust agreement and, if capable of being cured, any such breach or default has not been cured within twenty business days' notice of such breach or default to the Manager, or if the Manager becomes bankrupt or insolvent.

Management Fees

The Manager is entitled to fees for its services under Prints' trust agreement as described under "Fees and Expenses Payable by the Trust" of the Prints AIF and is reimbursed for all reasonable costs and expenses incurred by the Manager on behalf of Prints. In addition, the Manager and each of its directors, officers, employees and agents is indemnified by Prints 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.

Effective January 1, 2004, the Manager elected that all future management fees payable to it in respect of Prints be deferred and accrue daily at the minimum level set out in Prints' long form prospectus dated November 29, 2001 (a rate of 0.50% per annum of the net asset value of Prints), a reduction from the initial rate of 1.10% per annum of the net asset value to reflect the on-going passive nature of the product. The management fee for CCK is 1.10% per annum of the net asset value of CCK.

As at April 19, 2010, accrued and unpaid management fees amounted to approximately \$221,422. If the Prints Proposal is approved, the Manager's fee will be 1.10% per annum of the net asset value of the merged fund returning to the initial rate for Prints (to reflect the active management of the new mandate) and at the same level as CCK. If the Prints Proposal is approved, the accrued and unpaid management fees will also be paid out on the Effective Date rather than at the maturity of Prints. The Manager will pay the Investment Manager's fee out of its own fees.

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 out 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, Chairman and Chief Financial Officer	Managing Partner, Connor, Clark & Lunn Financial Group
DARREN N. CABRAL Toronto, Ontario	Director and Vice-President	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

Prints established an advisory board (the "Advisory Board") consisting of two members appointed by the Manager and 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 Prints' trust agreement, including with respect to conflicts of interest or potential conflicts of interest 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 Prints and their 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 Prints 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 Prints are paid by Prints. The Advisory Board has the authority to retain, at the expense of Prints, 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 December 31, 2009 were \$21,000.

The members of the Advisory Board are indemnified by Prints 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 Prints or for the performance of Prints. 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:

Eric Schwitzer is Vice-Chairman of Lincoln Peck Financial, a financial advisory firm. Prior thereto, he was Managing Partner of Enterprise Capital Management Inc., a fund manager. He has served on a number of public and private boards and is presently on the boards of Northwest Upgrading Inc., Pitchstone Exploration Inc. and SNP Split Corp.

Joseph Wright currently serves on the board of directors of several public companies and private organizations including IESI-BFC Ltd. 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 Prints, 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 Prints and to unitholders in respect of its functions. Prints 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 such individuals are set out below.

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.

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.

Joseph Wright's biography is set forth above.

The Trustee

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

The Trustee or any successor trustee may resign upon 60 days' written notice to unitholders and the Manager or may be removed 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, its successor must be approved by unitholders. If, after the resignation or removal of the Trustee, no successor has been appointed within 60 days, the Trustee, the Manager or any unitholder may apply to a court of competent jurisdiction for the appointment of a successor trustee.

Prints' trust agreement provides that the Trustee not to be liable in carrying out its duties under Prints' trust agreement except in cases of willful misconduct, bad faith, negligence or disregard of its obligations and duties or in cases where the Trustee fails to act honestly and in good faith with a view to the best interests of the unitholders or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, Prints' 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 Prints and to be reimbursed for all expenses and liabilities which are properly incurred by the Trustee in connection with the activities of the Funds.

The Investment Manager

Connor, Clark & Lunn Investment Management Ltd. (the "Investment Manager" or "CC&L Investment Management") provides investment advisory and portfolio management advice to Prints pursuant to the investment management agreement.

CC&L Investment Management is responsible for execution of the investment strategy of Prints. CC&L Investment Management was established in March 1982, has offices in Vancouver and Toronto, Canada, and had approximately \$19.7 billion directly under its management as at December 31, 2009. CC&L Investment Management is a private company wholly-owned, indirectly, by its professionals. The principal office of the Investment Advisor is located at 2200 – 1111 West Georgia Street, Vancouver, British Columbia V6E 4M3.

The name, municipality of residence, position with the Investment Manager and principal occupation of the relevant directors and officers of the Investment Manager are set out below:

<u>Name and Municipality</u>	<u>Position with the Investment Manager</u>	<u>Principal Occupation</u>
LARRY R. LUNN Vancouver, British Columbia	Director, Chairman and President	Director, Chairman and President of CC&L Investment Management
MICHAEL W. FREUND Toronto, Ontario	Director	Managing Partner, Connor, Clark & Lunn Financial Group
MARTIN L. GERBER West Vancouver, British Columbia	Director and Commodity Advising Officer	Director and Commodity Advising Officer of CC&L Investment Management
BRIAN EBY West Vancouver, British Columbia	Director and Vice-President	Director and Vice-President of CC&L Investment Management
GORDON H. MACDOUGALL West Vancouver, British Columbia	Director and Vice-President	Director and Vice-President of CC&L Investment Management
J. WARREN STODDART Toronto, Ontario	Director and Vice-President	Managing Partner, Connor, Clark & Lunn Financial Group
GARY BAKER West Vancouver, British Columbia	Director	Director of CC&L Investment Management
PHILLIP J. COTTERILL West Vancouver, British Columbia	Director	Director of CC&L Investment Management
KATHLEEN A. LEAVENS Vancouver, British Columbia	Compliance Officer	Compliance Officer, CC&L Investment Management

Each of the foregoing has held his or her current office or has held a similar office with the Investment Manager during the five years preceding the date hereof, except Mr. Baker, who was appointed to the board of the Investment Manager in 2006.

Investment Team

The team of investment professionals responsible for investment management at the Investment Manager all have significant experience in managing investment portfolios.

Brian Eby: *CFA; MBA (1987), BComm (1985), McMaster University.* Mr. Eby is co-leader of the Fixed Income team, responsible for strategy and research. Mr. Eby is a director of Connor, Clark & Lunn Investment Management and a partner in Connor, Clark & Lunn Investment Management Partnership.

Gary Baker: *CFA; MBA, University of Toronto (1985); BEng, McMaster University (1984).* Mr. Baker is the leader of the fundamental Canadian Equity team, responsible for fundamental research and analysis and overall portfolio strategy. Mr. Baker is a director of Connor, Clark & Lunn Investment Management and a partner in Connor, Clark & Lunn Investment Management Partnership.

Steven Vertes: *CFA; BA, University of Western Ontario (1998).* Mr. Vertes is a member of the equity team, responsible for fundamental research and analysis. Mr. Vertes is a partner in Connor, Clark & Lunn Investment Management Partnership.

Mark Bridges: *CFA; Bachelor of Commerce, University of Calgary.* Mr. Bridges is a member of the Canadian Equity team, responsible for fundamental research and analysis in the energy sector. Mark joined Connor, Clark & Lunn in 2009 after working as a securities analyst for over eight years at CIBC World Markets Inc. Prior to joining CIBC World Markets, Mark spent the previous two years as an energy analyst at Peters & Co.

John P. Novak: *CFA; MSc, London School of Economics; MBA, University of Toronto; BA, Brock University.* Mr. Novak is the portfolio manager responsible for fundamental Canadian equity research in the precious metals, forest products, and industrial products sectors. He is a Vice-President of Connor, Clark & Lunn Investment Management. Mr. Novak joined the Investment Manager in 2006, after having spent the previous 13 years as an equity analyst on the sell side at CIBC World Markets Inc., Westwind Partners Inc., TD Securities Inc. and Loewen Ondaatje McCutcheon Ltd. In September 2009, John Novak was recognized as a TopGun Portfolio Manager by worldwide intelligence-based advisory firm Brendan Wood International. The prestigious award reflects those with the best grasp of the industries in which they invest and those with the most influence in the Canadian market.

Samba Chunduri: *MBA, University of Western Ontario; Btech, JN Technical University, India.* Mr. Chunduri is an analyst for the fundamental Canadian Equity team, responsible for research in the chemicals, metals, mining and healthcare sectors. Mr. Chunduri is a Vice-President of Connor, Clark & Lunn Investment Management. He joined the Investment Manager in 2005, after having spent the previous four years as an equity analyst in the investment industry at Orion Securities and Raymond James.

Investment Management Agreements

An investment management agreement (the “Investment Management Agreement”) was entered into between the Manager on behalf of Prints and CC&L Investment Management on November 29, 2001, pursuant to which CC&L Investment Management makes all investment decisions in respect of Prints in accordance with the investment guidelines. Decisions as to the purchase and sale of securities and as to the execution of all portfolio and other transactions in connection with the Capital Portfolio are made by CC&L Investment Management. In the purchase and sale of securities for Prints, CC&L Investment Management seeks to obtain overall services and prompt execution of orders on favourable terms.

Under the Investment Management Agreement, CC&L Investment Management is required to act at all times on a basis which is fair and reasonable to Prints, to act honestly and in good faith with a view to the best interests of the unitholders and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in comparable circumstances. The Investment Management Agreement provides that CC&L Investment Management shall not be liable in any way for any default, failure or defect in any of the securities of Prints, nor shall it be liable if it has satisfied the duties and standard of care, diligence and skill set forth above. CC&L Investment Management will, however, incur liability in cases of wilful misconduct, bad faith, negligence or breach of its obligations under the Investment Management Agreement.

The Investment Management Agreement, unless terminated as described below will continue in effect until the termination of the Manager. The Manager may terminate the Investment Management Agreement if CC&L Investment Management has committed certain events of bankruptcy or insolvency or is in material breach or default of the provisions thereof and such material breach or default has not been cured within twenty business days after notice thereof has been given to CC&L Investment Management and the Trustee by the Manager. Except as described above, CC&L Investment Management cannot be terminated as investment manager of Prints.

CC&L Investment Management may terminate the Investment Management Agreement upon twenty business days’ notice in the event that the Manager is in material breach or default of the provisions thereof and such material breach or default has not been cured within twenty business days’ notice of same to the Manager and to the Trustee, or in the event that there is a material change in the investment guidelines.

If the Investment Management Agreement is terminated, the Manager will promptly appoint a successor investment manager to carry out the activities of the Investment Manager until a meeting of the unitholders is held to confirm such appointment.

CC&L Investment Management is entitled to fees for its services under the Investment Management Agreement and will be reimbursed for all reasonable costs and expenses incurred by CC&L Investment Management on behalf of Prints. The Investment Manager’s fee will be paid by the Manager out of its own fees. In addition, CC&L Investment Management and each of its directors, officers, employees and agents will be

indemnified by Prints 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 CC&L Investment Management or any of its officers, directors, employees or agents in the exercise of its duties as investment manager, except those resulting from CC&L Investment Management's wilful misconduct, bad faith, negligence or breach of its obligations under the Investment Management Agreement.

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 and the Prints Proposal that are generally applicable to unitholders of CCK or Prints, as the case may be, who are individuals (other than trusts) and who, at all relevant times for purposes of the Tax Act hold units of the Funds as capital property and deal at arm's length with and are not affiliated with the Funds. Certain unitholders whose units 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 units (and all other Canadian securities owned by the holder) to be capital property. Units held by certain "financial institutions" (as defined in the Tax Act) will generally not be capital property to such unitholders and will be subject to special rules in the Tax Act applicable to securities held by financial institutions. These rules are not discussed in this summary and unitholders to whom these rules may be relevant should consult their own tax advisors.

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 practices of the Canada Revenue Agency. 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 unitholder, and no representations with respect to the income tax consequences to any particular unitholder are made. Accordingly, unitholders should consult their own tax advisors for advice with respect to the tax consequences to them of the extraordinary resolutions, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.

Merger Proposal

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

Tax Consequences to Prints and CCK

On the disposition by CCK of substantially all of its net assets to Prints, CCK 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 CCK of such assets and any reasonable costs of disposition. The proceeds of disposition of such assets to CCK will equal the then fair market value of the units of Prints received as consideration therefor.

Prints will acquire the assets of CCK at a cost equal to the then NAV of the units issued to CCK as consideration therefor (which the Manager expects to be representative of the fair market value of such units at the time of issuance). On the disposition by Prints of its assets, including assets acquired from CCK, Prints 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 Prints of such assets and any reasonable costs of disposition.

Tax Consequences to Unitholders

A holder of CCK units will be considered to dispose of such units upon the automatic redemption of such units for proceeds consisting of Prints 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 Prints units received by such holder, less any amount of income or capital gains of CCK 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 CCK 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 unitholder receiving Prints units as proceeds on the automatic redemption of CCK units will be the fair market value of such Prints units at that time. For the purpose of determining the adjusted cost base to a unitholder of CCK units at the time of redemption, the cost of each CCK unit owned by the unitholder must be averaged with the adjusted cost base of all CCK units owned by the unitholder as capital property.

Where a holder of CCK units has received a return of capital distribution from CCK in respect of a CCK 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 CCK units will be included in the unitholder's income and one-half of any capital loss (an "allowable capital loss") realized will 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.

Prints Proposal

Prints will designate to the extent permitted by the Tax Act the portion of the net income distributed to unitholders as may reasonably be considered to consist of net realized taxable capital gains of Prints net of realized capital losses and net capital loss carry-forwards, and the taxable dividends received, or deemed to be received, by Prints on shares of taxable Canadian corporations. Any such designated amount will be deemed for purposes of the Tax Act to be received or realized by unitholders in the year as a taxable capital gain or taxable dividend from a taxable Canadian corporation, as the case may be. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply. Any loss of Prints for purposes of the Tax Act cannot be allocated to, and cannot be treated as the loss of, a unitholder.

Under the Tax Act, a trust is permitted to deduct in computing its income an amount which is less than the amount of its distributions. This will enable Prints to utilize, in a particular year, losses from prior years without affecting the ability of Prints to distribute its income annually. The amount distributed to a unitholder but not deducted by Prints will not be required to be included in the income of the unitholder. However, unless such amount relates to the non-taxable portion of capital gains, the taxable portion of which has been allocated to the unitholder, the adjusted cost base of the unitholder's units would be reduced by such amount. To the extent that a unitholder's adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the unitholder and the unitholder's adjusted cost base will be nil immediately thereafter.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, provided that Prints qualifies as a “mutual fund trust” for the purposes of the Tax Act and the Regulations, or units of Prints are listed on a prescribed stock exchange, units of Prints 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 Prints, does not have a “significant interest” (within the meaning of the Tax Act) in Prints, 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 Prints, units of Prints will not be a prohibited investment under the Tax Act for such TFSA.

UNITS AND PRINCIPAL UNITHOLDERS

As at April 19, 2010, there are 2,007,642 units of CCK issued and outstanding. As at April 19, 2010, there are 335,843 units of Prints issued and outstanding.

As at April 19, 2010, to the knowledge of the Manager, no person owns of record more than 10% of the outstanding units of Prints or CCK other than CDS & Co., the nominee of CDS, which holds all of the units of each of Prints and CCK 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 Prints or CCK.

THE TRUSTEE

The Trustee of the Funds is RBC Dexia Investor Services Trust. The Trustee’s principal office is located at 77 King Street West, Royal Trust Tower, 12th Floor, P.O. Box 7500, Station “A”, Toronto Dominion Centre, Toronto, Ontario M5W 1P9.

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 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 concurrently with separate votes for each Fund on May 27, 2010 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 Meetings 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 Meeting, 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 May 25, 2010.

Only holders of record of whole units of the Funds at the close of business on April 26, 2010 will be entitled to receive notice of the Meeting and to vote in respect of the matters to be voted at the Meeting, or any adjournment thereof.

With respect to each matter properly before the Meeting, a unitholder shall be entitled to one vote for each unit registered in the name of such unitholder. In order to become effective, the CCK extraordinary resolution must be approved by 66⅔% of unitholders of CCK voting on such resolution and the Prints extraordinary resolution must be approved by 66⅔% of unitholders of Prints voting on such resolution.

Pursuant to the trust agreements, a quorum at the Meeting will consist of two or more unitholders present in person or by proxy representing not less than 25% of the outstanding units in the case of Prints and 10% of the outstanding units in the case of CCK. If a quorum of unitholders is not constituted within 30 minutes from the time fixed for holding the Meeting, the Meeting will be adjourned to 8:30 a.m. (Toronto time) on June 7, 2010. The unitholders present at any such adjourned meeting will constitute a quorum.

Appointment of Proxy Unitholders

Unitholders who are unable to be present at the Meeting may still vote through the use of proxies. If you are a unitholder, you should complete, execute and return the enclosed proxy form. By completing and returning the enclosed 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 form confers 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 the 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 Funds 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 the 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 the 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 (“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 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 Prints and CCK 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 respective 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 the 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 the Meeting. **A Beneficial Unitholder receiving a voting instruction form cannot use that form to vote units directly at the 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 the Meeting, please contact your broker, dealer or other intermediary well in advance of the Meeting to determine how you can do so.

If you are a 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 May 25, 2010 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 Prints or CCK. See "Additional Information".

ADDITIONAL INFORMATION

Additional information on each of Prints and CCK 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 unitholders of the Funds.

DATED at Toronto, Ontario this 20th day of April, 2010.

Connor, Clark & Lunn Capital Markets Inc., as manager of
Connor, Clark & Lunn Conservative Income Fund II
Connor, Clark & Lunn PRINTS Trust

By: 

W. Neil Murdoch
Chief Executive Officer and President

APPENDIX I
CONNOR, CLARK & LUNN CONSERVATIVE INCOME FUND II
EXTRAORDINARY RESOLUTION

BE IT RESOLVED THAT:

1. The merger (the “Merger”) of Connor, Clark & Lunn PRINTS Trust (“Prints”) with Connor, Clark & Lunn Conservative Income Fund II (“CCK”) (collectively, the “Funds”), with Prints as the continuing fund, substantially as described in the joint management information circular of the Funds dated April 20, 2010 (the “Circular”) including, without limitation, the transfer by CCK to Prints of substantially all of the assets of CCK, and the automatic redemption by CCK of all of the units of CCK, in exchange for units of Prints, such that unitholders of CCK will become holders of units of Prints, is authorized and approved.
2. The entering into of an agreement amending the terms of CCK’s trust agreement between Connor, Clark & Lunn Capital Markets Inc. (“CC&L Capital Markets”) as manager of CCK and RBC Dexia Investor Services Trust (the “Trustee”) as trustee of CCK in order to implement the Merger, including without limitation, to permit the transfer by CCK to Prints of substantially all of the assets of CCK and the automatic redemption by CCK of all units of CCK, as more particularly described in the Circular, is authorized and approved.
3. CC&L Capital Markets and the Trustee are hereby authorized and directed to make such additional amendments to CCK’s trust agreement as CC&L Capital Markets considers necessary or desirable in connection with or to implement the matters contemplated in this extraordinary resolution.
4. CC&L Capital Markets is hereby authorized and directed, as manager of CCK, 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.
5. Notwithstanding the provisions hereof, the Board of Directors of CC&L Capital Markets, as manager of CCK, may revoke this extraordinary resolution at any time prior to its implementation without further approval of unitholders of CCK.

APPENDIX II
CONNOR, CLARK & LUNN PRINTS TRUST
EXTRAORDINARY RESOLUTION

BE IT RESOLVED THAT:

1. The entering into of an amended trust agreement, amending the terms of Connor, Clark & Lunn PRINTS Trust (“Prints”) trust agreement between Connor, Clark & Lunn Capital Markets Inc. (“CC&L Capital Markets”) as manager of Prints and RBC Dexia Investor Services Trust (the “Trustee”) as trustee of Prints in order to:
 - (i) amend the investment objectives, investment strategy and investment restrictions of Prints in order to provide an attractive yield through an actively managed portfolio of high income investments across a broad range of income-oriented securities;
 - (ii) amend the redemption rights of the units to automatically convert to an open-ended mutual fund on May 31, 2012, eliminate the annual redemption right at net asset value in December 2010 and 2011 and change the monthly redemption price so that it is based on market price and not net asset value; and
 - (iii) change Prints’ termination provisions so that Prints will have no fixed termination date,is authorized and approved.
2. CC&L Capital Markets and the Trustee are hereby authorized and directed to make such additional amendments to Prints’ trust agreement as CC&L Capital Markets considers necessary or desirable in connection with or to implement the matters contemplated in this extraordinary resolution.
3. CC&L Capital Markets is hereby authorized and directed, as manager of Prints, 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 Prints, may revoke this extraordinary resolution at any time prior to its implementation without further approval of unitholders of Prints.