

Connor, Clark & Lunn

CAPITAL MARKETS INC.

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Connor, Clark & Lunn PRINTS Trust

Semi-Annual Report

Connor, Clark & Lunn PRINTS Trust Message to Shareholders

August 16th, 2004

Dear Investor,

Given the execution of the forward sale agreement in 2003, the Connor, Clark & Lunn PRINTS Trust (“the Trust”) should now be evaluated as a tax-efficient zero-coupon bond maturing in December 2013. To a unit holder at today’s prices the Trust offers a tax advantaged yield of 4.9%, or a pre-tax interest equivalent yield of 7.0%.

On June 4th 2003, the Trust executed the forward sale of equities, by acquiring a portfolio of Canadian equity securities and agreed to sell these to TD Global Finance (“TDGF”), a guaranteed subsidiary of the TD bank, in December 2013 for the equivalent of \$25 per unit. The assets of the Trust not invested in equities subject to the forward sale agreement are sufficient to pay foreseeable ongoing expenses but not to fund regular distributions to unit holders. The Trust does not, therefore, expect to pay distributions going forward.

In order to provide unit holders with further assurance of recovery of the original subscription amount of \$25.00 on the termination date the Manager of the Trust has elected to defer payment of all management fees. The Manager will accrue the management fee daily at the minimum rate set out in the prospectus (0.50%). The management fee will be payable only after, and to the extent that, the Trust has redeemed all its remaining units at \$25.00 per unit on the termination date, or on units that have been retracted.

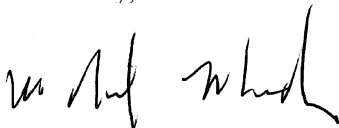
As a result of ongoing discussions that were initiated by the Manager before the execution of the forward sale and prepayment of the forward fee, TDGF reimbursed a portion of the forward fee equating to approximately 7 cents per unit based on the number of units outstanding on June 4th, 2003. As of April 2004, approximately \$135,000 was added to the net asset value (“NAV”) of the Trust for the benefit of those who continue to hold units. The balance of that rebate was paid out to anyone who retracted units between June 4th, 2003 and March 31st, 2004. Unit holders who retracted during that period should contact their investment advisors for amounts owing to them from the Trust, if they have not already been received.

The following yield formula can be used to estimate the expected annual rate of return to termination on a unit, where 16.07 is today’s closing price and 9.29 is the years to maturity.

$$[(16.07 \div 25) - (1 \div 9.29)] - 1 = 4.9\%$$

We would like to thank investors for their continued support.

Yours truly,



Neil Murdoch
Chief Executive Officer
Connor, Clark & Lunn PRINTS Trust

Connor, Clark & Lunn PRINTS Trust

Financial Statements
(Unaudited)
June 30, 2004

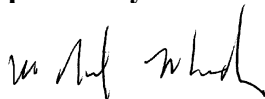
Connor, Clark & Lunn PRINTS Trust

Statement of Net Assets

(Unaudited)

	June 30, 2004	December 31, 2003 (Audited)
Assets		
Cash	\$ 18,588	\$ 30,550
Short-term investments	1,896,894	1,795,174
Investments at market value (average cost - \$30,166,214; 2003 - \$30,716,441)	28,728,886	33,969,575
Interest receivable	1,289	4,176
Prepaid forward agreement fees (note 6)	3,276,240	3,740,359
Prepaid service fees (note 8)	66,681	57,857
	<hr/> 33,988,578	<hr/> 39,597,691
Liabilities		
Accounts payable and accrued liabilities	132,134	73,149
Unrealized loss on forward agreement (note 6)	182,424	3,668,337
	<hr/> 314,558	<hr/> 3,741,486
Net Assets and Unitholders' Equity	<hr/> \$ 33,674,020	<hr/> \$ 35,856,205
Units outstanding (note 4)	<hr/> 1,876,907	<hr/> 2,001,207
Net asset value per unit	<hr/> \$ 17.94	<hr/> \$ 17.92

Approved by the Manager





(See accompanying notes to the financial statements.)

Connor, Clark & Lunn PRINTS Trust

Statement of Operations

(Unaudited)

For the six-month period ended June 30, 2004

	2004	2003
	\$	\$
Income		
Dividends, net of withholding taxes	-	190,967
Interest	20,725	181,179
	<u>20,725</u>	<u>372,146</u>
Expenses (note 8)		
Management fees	84,132	146,375
Custodial and other unitholder fees	39,833	57,166
Forward agreement fees (recovery)	(164,845)	176,572
Interest	-	364
Professional fees	38,323	32,573
Service fees	4,419	91,096
Amortization of prepaid forward agreement fees	464,119	-
	<u>465,981</u>	<u>504,146</u>
Investment loss for the period	<u>(445,256)</u>	<u>(132,000)</u>
Realized and unrealized gain (loss) on investments		
Change in unrealized appreciation (depreciation) of investments	(4,690,462)	2,218,661
Change in unrealized appreciation on foreign exchange contracts	-	717,786
Change in unrealized depreciation on foreign exchange	-	(170,494)
Change in unrealized appreciation on forward agreement	3,485,913	-
Net realized gain (loss) on investments	1,438,378	(5,687,073)
Net realized gain on foreign exchange contracts	-	7,549,737
Net realized loss on foreign exchange	-	(3,429,925)
Net realized loss on future contract	-	(1,179,628)
	<u>233,829</u>	<u>19,064</u>
Net gain on investments	<u>233,829</u>	<u>19,064</u>
Decrease in net assets from operations	<u>(211,427)</u>	<u>(112,936)</u>
Investment loss per unit*	<u>(0.23)</u>	<u>(0.03)</u>
Net gain on investments per unit*	<u>0.12</u>	<u>0.01</u>

* (based on average number of units outstanding during the period)

(See accompanying notes to the financial statements.)

Connor, Clark & Lunn PRINTS Trust

Statement of Changes in Net Assets

(Unaudited)

For the six-month period ended June 30, 2004

	2004	2003
	\$	\$
Decrease in net assets from operations	<u>(211,427)</u>	<u>(112,936)</u>
Payments on redemption of units (note 4)	<u>(1,970,758)</u>	<u>(8,349,473)</u>
Change in net assets during the period	(2,182,185)	(8,462,409)
Net assets - Beginning of period	<u>35,856,205</u>	<u>64,181,657</u>
Net assets - End of period	<u>33,674,020</u>	<u>55,719,248</u>

(See accompanying notes to the financial statements.)

Connor, Clark & Lunn PRINTS Trust

Statement of Changes in Investments

(Unaudited)

For the six-month period ended June 30, 2004

	2004	2003
	\$	\$
Investments at average cost - Beginning of period	30,716,441	47,632,228
Cost of investments purchased	16,718,354	79,450,839
Cost of investments sold	(17,268,581)	(77,444,982)
Investments at average cost - End of period	30,166,214	49,638,085
Unrealized appreciation (depreciation) of investments	(1,437,328)	298,511
Market value of investments	28,728,886	49,936,596
Proceeds from investments sold	18,706,959	71,757,909
Cost of investments sold	(17,268,581)	(77,444,982)
Net realized gain (loss) on investments	1,438,378	(5,687,073)

(See accompanying notes to the financial statements.)

Connor, Clark & Lunn PRINTS Trust

Statement of Investment Portfolio

(Unaudited)

As at June 30, 2004

	Maturity date	Number of shares or par value	Average cost \$	Market value \$
Short-term investments				
Bankers' acceptance				
Bank of Nova Scotia	07/16/04	700,000	698,838	698,838
Bank of Nova Scotia	07/26/04	350,000	349,325	349,325
Bank of Nova Scotia	08/03/04	300,000	299,424	299,424
Royal Bank of Canada	07/08/04	550,000	549,307	549,307
Total short-term investments			<u>1,896,894</u>	<u>1,896,894</u>
Canadian common stocks				
Materials				
Inco Ltd.		43,201	1,973,854	1,987,678
Kinross Gold Corp.		309,899	2,829,378	2,299,451
Precision Drilling Corp.		49,160	3,165,412	3,132,967
Royal Group Technologies Ltd.		101,522	1,386,791	1,218,264
			<u>9,355,435</u>	<u>8,638,360</u>
Consumer products				
Cott Corp.		72,665	2,892,067	3,146,395
Biotechnology/pharmaceuticals				
Biovail Corp.		48,104	3,215,752	1,215,107
QLT Phototherapeutics Inc.		52,704	1,721,313	1,401,926
			<u>4,937,065</u>	<u>2,617,033</u>
Industrials				
Nortel Networks Corporation		354,902	3,318,334	2,374,294
Technology – hardware				
ATI Technologies Inc.		62,729	1,246,425	1,578,262
Celestica Inc.		150,266	3,129,202	3,994,185
			<u>4,375,627</u>	<u>5,572,447</u>

(See accompanying notes to the financial statements.)

Connor, Clark & Lunn PRINTS Trust

Statement of Investment Portfolio ...continued

(Unaudited)

As at June 30, 2004

	Number of shares or par value	Average cost \$	Market value \$
Technology – software			
CGI Group Inc.	307,660	2,452,050	2,784,323
Celestica Inc.	74,622	2,835,636	3,596,034
		<u>5,287,686</u>	<u>6,380,357</u>
Total Canadian common stocks		<u>30,166,214</u>	<u>28,728,886</u>
Total investments		<u>32,063,108</u>	30,625,780
Other assets, net of liabilities			<u>3,048,240</u>
Net assets			<u>33,674,020</u>

(See accompanying notes to the financial statements.)

Connor, Clark & Lunn PRINTS Trust

Notes to Financial Statements

(Unaudited)

June 30, 2004

1 Establishment of Trust

The Connor, Clark & Lunn PRINTS Trust (the Trust) is an investment trust established under the laws of the Province of Ontario by a trust agreement dated November 29, 2001. The Manager of the Trust is Connor, Clark & Lunn Capital Markets Inc. The Royal Trust Company is the Trustee and acts as custodian of the Trust. The Trust commenced operations on December 12, 2001 and will terminate on or about December 2, 2013 (the termination date) when the net assets will be distributed to the unitholders unless the unitholders determine to continue the Trust by majority vote at a meeting called for such purpose.

2 Investment objectives

The Trust's investment objectives as set out in the Prospectus dated November 28, 2001 are (i) to provide unitholders with a stable stream of quarterly distributions; (ii) to return at least the original subscription price paid for units to holders upon termination of the Trust; and (iii) to return to unitholders any value in excess of the original subscription price.

The assets of the Trust were initially invested primarily in a diversified portfolio of the equity securities of companies selected from the S&P 500 Index (the managed portfolio). In order to generate income in excess of the dividend income earned on this portfolio, covered call options were written with respect to a portion of the securities in the portfolio (or, in the case of cash covered put options, securities eligible to be included in the portfolio). During 2002 and 2003, as equity markets declined and bond prices increased in support of the Trust's objective to return the original subscription price to unitholders, the Trust ceased writing options and gradually liquidated its U.S. equity portfolio. There are no options outstanding and no U.S. equities held as at June 30, 2004.

To assist in the objective of returning at least the original subscription price to unitholders, the Trust has entered into a forward purchase and sale agreement with TD Global Finance, a member of the TD Bank Financial Group. The Trust purchased a portfolio of equity securities (the Capital Portfolio) for sale to TD Global Finance (the counterparty) at the termination of the Trust. Under the forward agreement, on the termination date the counterparty has agreed to pay the gross aggregate subscription price of all the units then outstanding (the original investment amount) to the Trust in exchange for the Capital Portfolio securities owned by the Trust (note 6).

3 Summary of significant accounting policies

These financial statements, prepared in accordance with Canadian generally accepted accounting principles, include estimates and assumptions by management that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could differ from these estimates. The following is a summary of the significant accounting policies of the Trust.

Valuation of investments

Common shares or other securities are valued at the last board lot sale price on the principal stock exchange on which they are traded or, if no sale price is available, at the average of the bid and the ask price.

Short-term investments are valued at cost, which together with accrued interest approximates market value.

Listed options are valued at market values reported on recognized exchanges. Over-the-counter options are valued using an appropriate valuation model.

Investment transactions, income and expenses

Investment transactions are accounted for on the trade date. Realized and unrealized gains and losses on investments are determined using the average cost basis.

Interest income and expenses are recognized on an accrual basis. Dividend income is recorded on the ex-dividend date.

Deferred gains and losses on options are recognized in investments and as a component of net unrealized appreciation (depreciation) in the value of investments in unitholders' equity.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the end of the period.

Purchases and sales of investments and income and expenses are translated into Canadian dollars at the exchange rate prevailing on the transaction dates.

Foreign currency forward contracts

The Trust may enter into foreign currency forward contracts to hedge against exposure to foreign currency fluctuations. The carrying value of these contracts is the gain or loss that would be realized if the position were closed out on the valuation date, and is recorded as an unrealized gain or loss. Upon closing of a contract, the gain or loss is recorded as a net realized gain or loss on foreign currency forward contracts.

Forward contracts

Forward contracts entered into by the Trust are valued at an amount that is equal to the gain or loss that would be realized if the position were to be closed out, and is equivalent to the present value of the notional amount based on the rate to maturity applicable to that forward contract, less the market value of any assets deliverable under the contract. Any difference resulting from revaluation of a forward contract or the assets deliverable under such a contract is included as unrealized gain or loss on investments.

Connor, Clark & Lunn PRINTS Trust

Notes to Financial Statements

(Unaudited)

June 30, 2004

Options

Option premiums paid or received by the Trust, as long as the options are outstanding, reflect an asset or liability, respectively, in the statement of investment portfolio and are valued at an amount equal to the current market value of an option that would have the effect of closing the position. Any difference resulting from revaluation is treated as an unrealized gain or loss on investments. Gains or losses realized upon exercise or expiration of options are included in net realized gain or loss on investments.

Prepaid forward agreement fees

Forward agreement fees prepaid by the Trust are deferred and amortized over the life of the forward agreement.

4 Unitholders' equity

The Trust is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Trust.

Units may be surrendered at any time for redemption but will be redeemed only on a monthly basis on the third Friday of a month (the valuation date). Units redeemed on the December valuation date will be redeemed at a price per unit equal to the net asset value on that date. On any other monthly valuation date, units will be redeemed at a redemption price per unit equal to the net asset value less the lesser of: (i) 4% of such net asset value per unit; and (ii) \$1.00.

Changes in outstanding units are summarized as follows:

	<u>Number of units</u>	
	<u>June 30, 2004</u>	<u>December 31, 2003</u>
Balance - Beginning of period	2,001,207	3,754,291
Units redeemed	(124,300)	(1,753,084)
Balance - End of period	<u>1,876,907</u>	<u>2,001,207</u>

5 Foreign currency forward contracts

The Trust may enter into foreign currency forward contracts as a hedge against fluctuations in foreign exchange rates. These contracts are limited to the market value of foreign securities owned by the Trust and quoted in that currency. Contracts do not exceed one year in duration.

There are no open foreign currency forward contracts as at June 30, 2004.

6 Forward contracts and Capital Portfolio

To provide the Trust with the means to meet its objective to return the original issue price, the Trust has entered into a forward agreement with the counterparty, a member of the TD Bank Financial Group.

Under the forward agreement, the counterparty will be required to pay the original investment amount to the Trust on the termination date in exchange for the Capital Portfolio securities even if, on the determination date, the net asset value of the Trust is insufficient to enable the Trust to acquire Capital Portfolio securities with a value at least equal to the forward value. The obligations of the counterparty pursuant to the forward agreement are guaranteed by The Toronto-Dominion Bank, whose credit rating is A+ as at June 30, 2004.

On June 4, 2003, the Trust purchased and then sold forward a portfolio of Canadian equity securities in accordance with the forward sale agreement with TD Global Finance (TDGF). The execution of the forward sale supports the commitment of the Trust to return to unitholders their original subscription price of \$25.00 on the termination date. On the termination date, unitholders are also entitled to any residual value of the Trust.

In connection with the execution of the forward sale agreement, the Trust has delivered the present value of the fixed price forward fee that is payable to TDGF over the term of the agreement. The full amount of the present value of the prepaid forward agreement fee was \$4,119,089, or 6.9% of the Trust's net assets at the time of purchase.

As a result of discussions with TDGF initiated by the Manager, TDGF has agreed to reimburse a portion of the forward fee equating approximately \$0.07 per unit based on the number of units outstanding on June 4, 2003. During April 2004, approximately \$135,000 was added to the net asset value of the Trust for the benefit of those who continue to hold units.

For the purposes of establishing the financial reporting net asset value of the Trust, this amount has been deferred and will be amortized over the life of the contract. For the purposes of establishing the trading net asset value of the Trust, this amount has been expensed in the current period. As at June 30, 2004, the trading net asset value of the Trust is \$30,397,779 and the trading net asset value per unit is \$16.20.

Connor, Clark & Lunn PRINTS Trust

Notes to Financial Statements

(Unaudited)

June 30, 2004

7 Distributions

Targeted monthly distributions are \$0.50 per unit. In 2003, the Manager announced a reduction in the distribution rate to \$nil. There were no distributions in 2003 or in the period ended June 30, 2004.

Distributions in 2002 were as follows:

	\$
First quarter	0.50 per unit
Second quarter	0.50 per unit
Third quarter	0.25 per unit
Fourth quarter	0.10 per unit

8 Management fees and other expenses

The Manager is entitled to a fee payable from the Trust at an annual rate equal to 1.10% of the net asset value of the Trust and calculated and payable monthly, plus applicable taxes. In the event the Trust does not distribute at least \$0.50 per unit in respect of any quarter, the fee payable to the Manager in respect of each month in the subsequent quarter is reduced pro rata based on the amount by which the distribution in respect of the previous quarter is less than \$0.50 per unit, subject to a minimum fee of 0.50% of the net asset value of the Trust, calculated and payable monthly, plus applicable taxes. Effective January 1, 2003, the Manager reduced its fee payable to an annual rate of 0.62% of net assets calculated and payable monthly, plus applicable taxes, followed by a reduction to 0.50% in April 2003 and 0.20% in June 2003. The Manager has voluntarily waived the difference between the fees it is entitled to and the fees charged to the Trust for the period ended December 31, 2003.

Effective January 1, 2004 the Manager has elected that all future management fees payable to it will be deferred and will accrue at the daily at the minimum level set out in the prospectus (a rate of 0.50% of the net asset value of the Trust). Such fees will be payable only after and to the extent that the Trust has redeemed all remaining units at \$25 per unit on the termination date, or on units that have been retracted, prior to the termination date.

The Manager pays and recovers from the Trust a service fee to dealers equal to 0.40% of the net asset value, calculated and paid at the end of each calendar quarter. In the event that the Trust does not distribute at least \$0.50 per unit in respect of any quarter, the service fee payable for that calendar quarter shall be reduced pro rata based on the amount by which the distribution in respect of such quarter is less than \$0.50 per unit. Service fees were reduced on a pro rata basis in 2003.

Since no distributions were paid in 2003 and in the period ended June 30, 2004, the amount paid to dealers has been recorded as prepaid service fees. The prepaid service fees will be recovered out of fees that become payable to the Manager upon the redemption of units.

9 Income taxes

The Trust is a mutual fund trust as defined by the Income Tax Act (Canada). No provisions for income taxes are made in the financial statements as all investment income and net realized capital gains for income tax purposes are distributed to unitholders.

As at December 31, 2003, the Trust had net capital losses of \$18,939,735, which may be carried forward indefinitely to reduce future realized capital gains and non-capital losses of \$12,121,350, which expire within the next seven years.

10 Broker commission charges

There were \$nil broker commissions paid during the first six months of 2004 in connection with portfolio transactions (2003 - \$19,974).