

Announcement from ROC Pref II Corp., ROC Pref III Corp., and Connor, Clark & Lunn ROC Pref Corp.

Toronto, September 9, 2008 (RPA.PR.A, RPB.PR.A, RPQ.PR.A)

On Sunday the US federal government announced its intention to place government sponsored entities (“GSEs”) Fannie Mae and Freddie Mac (both rated AAA by Standard & Poor’s) under conservatorship. The government’s actions, taken through the Federal Housing Finance Agency, the US Department of the Treasury and the Federal Reserve, are intended to reduce risk in the mortgage financing market.

The use of a conservatorship as the vehicle by which to carry out the changes, however, has potential consequences for ROC Pref II Corp. (“ROC II”), ROC Pref III Corp. (“ROC III”), and Connor, Clark & Lunn ROC Pref Corp. (“ROC IV” and collectively “the ROCs”) which have exposure to both Fannie Mae and Freddie Mac in their respective Reference Portfolios. As discussed in greater detail below, based on current information, we believe the impact on ROC II and ROC IV will be minimal. The impact on ROC III, however, could be more significant.

In the credit default swap (“CDS”) market, contracts are written using standardized language as set out by the International Swaps and Derivatives Association (ISDA). The ROCs apply this standard set of terms. Under ISDA terms, conservatorship is included as part of the definition of a credit event and therefore the government’s actions could be construed as a credit event that would impact the ROCs. Most large investment banks who are ISDA members have disclosed to ISDA that they interpret the conservatorship to be a credit event under the ISDA definitions. ISDA has announced that, after consultation with industry participants, it will launch a protocol to facilitate settlement of credit derivative trades involving Fannie Mae and Freddie Mac. ISDA will publish further details in due course.

The net economic impact of the government’s actions was to decrease the risk of default on the senior debt of the GSEs and there are some differences between this circumstance and the actions of a typical conservatorship, therefore we believe that there will be substantial on-going discussions regarding the impact of these actions on the CDS market in general and the fixed recovery rate swaps in particular. As of the time of this release the ROCs have not received a credit event notice.

If the dealers who issued the credit linked notes pertaining to the ROCs interpret this event as a credit event, ROC II and ROC IV would likely experience minimal impact given the recovery rate is expected to be in the 95% to 100% range. ROC III however, has a fixed recovery rate feature which, in the case of a typical credit event, would limit the recovery rate to the fixed level of 40%. Fixed recovery rates were a feature that was commonly used in the CDS marketplace at the time that ROC III shares were issued. The rating agencies preferred the additional level of certainty that fixed recovery rate swaps provided investors by taking away the risk of very low recovery levels.

The senior bonds of the GSEs and their credit default swaps have always been assumed to have the implicit backing of the US Treasury and now that backing has been made explicit. In recent months the CDS have been trading in a range of 37 to 75 basis points. Today they are trading at 35 basis points. As a point of comparison, another AAA-rated company, Berkshire Hathaway is trading at 100 basis points.

Reference Portfolio Exposure	Fannie Mae	Freddie Mac
ROC Pref II Corp.	Yes	No
ROC Pref III Corp.	Yes	Yes
Connor, Clark & Lunn ROC Pref Corp.	Yes	Yes

We will keep you informed as we learn more information.

ROC Pref II Corp.'s Preferred Shares pay a fixed quarterly coupon of 4.65% on their \$25.00 principal value and will mature on December 31, 2009. ROC II has the ability to sustain approximately 7.5 defaults, assuming an estimated recovery rate of 40%. The Preferred Shares are rated P-1 (low) by Standard & Poor's ("S&P") and are listed for trading on the Toronto Stock Exchange under the symbol RPA.PR.A.

ROC Pref III Corp.'s Preferred Shares pay a fixed quarterly coupon of 4.40% on their \$25.00 principal value and will mature on March 22, 2012. ROC III has the ability to sustain approximately 7.3 defaults, assuming a fixed recovery rate of 40%. The Preferred Shares are rated P-2 (low) by S&P and are listed for trading on the Toronto Stock Exchange under the symbol RPB.PR.A.

Connor, Clark & Lunn ROC Pref Corp.'s Preferred Shares pay a fixed quarterly coupon of 4.70% on their \$25.00 principal value and will mature on June 30, 2011. ROC IV has the ability to sustain approximately 5.9 defaults, assuming an estimated recovery rate of 40%. The Preferred Shares are rated P-2 (high) by S&P and are listed for trading on the Toronto Stock Exchange under the symbol RPB.PR.A.

For more information, please visit www.cclcapitalmarkets.com or contact:

Neil Murdoch
 President & CEO
 Connor, Clark & Lunn Capital Markets Inc.
 416-364-2839
nmurdoch@cclgroup.com

Darren Cabral
 Vice-President
 Connor, Clark & Lunn Capital Markets Inc.
 416 214-6182 or 1-888-276-2258
dcabral@cclgroup.com