



*For Immediate Release*

## **Canadian Banc Capital Securities Trust Files Final Prospectus**

**TORONTO – May 28, 2009**

Connor, Clark & Lunn Capital Markets Inc. (the “Manager”) is pleased to announce that the final prospectus for Canadian Banc Capital Securities Trust (“Canadian Banc” or the “Fund”) has been received by the securities regulatory authorities of all the Canadian provinces and territories for an initial public offering of Class A Units and Class F Units (the “Units”) of the Fund. The maximum amount of the offerings is \$100 million. The offerings are expected to close on or about June 9, 2009. The Toronto Stock Exchange (“TSX”) has conditionally approved the listing of the Class A Units under the symbol of CSB.UN, subject to the fulfillment of TSX requirements. Class F Units will not be listed on a stock exchange but may be converted into Class A Units on a weekly basis.

Canadian Banc’s investment objectives are to (i) provide Unitholders with attractive tax-advantaged quarterly cash distributions, and (ii) return to Unitholders the original issue price of the Units upon termination of the Fund on June 30, 2014. Distributions are initially targeted to be \$1.50 per annum per Unit consisting primarily of returns of capital, representing a yield on the Unit issue price of 6.0% per annum.

The Fund will seek to achieve its investment objectives through exposure to an actively managed portfolio consisting primarily of Innovative Tier 1 Capital Securities of the six largest Canadian banks, including such issues as TD Capital Trust IV Notes (TD CaTS IV), Scotiabank Capital Trust Securities (Scotia BaTS II) and BMO Capital Trust II Notes (BoATS VI). The Portfolio Manager believes that an attractive opportunity currently exists to invest in Innovative Tier 1 Capital Securities for the following reasons:

- Canadian banks have been recognized as well capitalized and conservatively run financial institutions, and were recently ranked #1 globally in the “Soundness of Banks” category by the World Economic Forum in its *Global Competitiveness Report 2008-2009*. The soundness of Canadian banks relative to their international counterparts has been particularly highlighted during the recent financial crisis, during which Canadian banks have maintained Investment Grade credit ratings while many US and European banks have been forced into restructuring, bankruptcy or partial or full government nationalization.
- The recent volume of issuance by Canadian banks of preferred shares and common shares to strengthen their balance sheets has increased their regulatory capital levels to levels approaching historical highs, and has further enhanced the downside protection of Innovative Tier 1 Capital Securities.
- Innovative Tier 1 Capital Securities currently provide high yields on an absolute basis and relative to Government Bonds and to equities.
- Current spreads of Innovative Tier 1 Capital Securities over Government Bonds provide the opportunity for capital gains if spreads return to their long-term averages.

- Innovative Tier 1 Capital Securities represent a class of securities generally otherwise available only to institutional investors on issuance.

Securities in the Indicative Portfolio have a weighted average Investment Grade credit rating of A, a weighted average yield to the first date upon which the securities may be called at par of 6.74%, a current yield of 7.32% and an average term to call (to the first date upon which the securities may be called at par) of approximately 9.38 years.

Connor, Clark & Lunn Investment Management Ltd. will act as Portfolio Manager to the Fund. The Portfolio Manager, part of the Connor, Clark & Lunn Financial Group, was established in March 1982 and has offices in Vancouver and Toronto. The Portfolio Manager managed assets worth approximately \$16.7 billion as at December 31, 2008, approximately \$6.9 billion of which is in fixed income securities.

The Units are being offered for sale by a syndicate of agents led by BMO Nesbitt Burns Inc., CIBC World Markets Inc. and RBC Dominion Securities Inc. and includes Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., HSBC Securities (Canada) Inc., Richardson Partners Financial Limited, Dundee Securities Corporation, Wellington West Capital Markets Inc., Blackmont Capital Inc., Canaccord Capital Corporation, Desjardins Securities Inc., GMP Securities L.P., Manulife Securities Incorporated, Raymond James Ltd., and Research Capital Corporation.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy. A copy of the final prospectus may be obtained from any of the agents forming part of the syndicate.

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For more information, please visit [www.cclcapitalmarkets.com](http://www.cclcapitalmarkets.com) or contact:

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