

FOR IMMEDIATE RELEASE

December 15, 2004

CONNOR, CLARK & LUNN CAPITAL MARKETS INC. ANNOUNCES SUCCESSFUL CLOSING OF \$140 MILLION INITIAL PUBLIC OFFERING OF Connor, Clark & Lunn Conservative Income Fund.

TORONTO – December 15, 2004 (TSX:CCQ.UN)- Connor, Clark & Lunn Capital Markets Inc. is pleased to announce that Connor, Clark & Lunn Conservative Income Fund (the “Company”) has successfully completed its initial public offering of 12.5 million units at a price of \$10.00 per Unit. An additional 1.5 million units were issued concurrently pursuant to the exercise of the overallotment option granted to the agents in connection with the offering, for aggregate gross proceeds of \$140 million.

The shares commenced trading today on the Toronto Stock Exchange under the symbol “CCQ.UN”.

The Trust’s investment objectives are to: (i) provide Unitholders with a stable stream of monthly cash distributions targeted to be \$0.0583 per Unit (representing approximately a 7.0% per annum yield 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 December 15, 2014 and provide to Unitholders an opportunity for capital appreciation above the original issue price.

In order to achieve the Trust’s investment objectives, Connor, Clark & Lunn Investment Management Ltd., (the “Investment Manager”) the Trust’s Investment Manager, will invest the net proceeds of the Offering, together with any borrowings under the Trust’s loan facility or other leverage transaction, in a portfolio consisting of income producing securities including Canadian business income trusts, real estate investment trusts, utility income trusts, corporate bonds and convertible bonds. The portfolio will be managed to substantially replicate the CC&L Income Fund Composite, a strategy managed by the Investment Manager, which has similar investment objectives to those of the portfolio.

The Offering was co-led by Scotia Capital Inc., CIBC World Markets Inc. and RBC Capital Markets, and includes BMO Nesbitt Burns Inc., National Bank Financial Inc., TD Securities Inc., Desjardins Securities Inc., HSBC Securities (Canada) Inc., Canaccord Capital Corporation, First Associates Investments Inc., Raymond James Ltd., Richardson Partners Financial Limited, and Wellington West Capital Inc.

Connor, Clark & Lunn Capital Markets Inc. (“CC&LCM”) will act as manager of the Trust and is responsible for providing or arranging for the provision of administrative management services required by the Trust. “We are very pleased to continue our track record of launching another high quality IPO in the Canadian retail marketplace, with the CC&L Conservative Income Fund.” said Neil Murdoch, CEO of CC&LCM. CC&LCM is a developer and manager of structured investments for the Canadian retail market, with greater than \$900 million in assets under management and is part of the Connor, Clark & Lunn Financial Group of companies, which manage in excess of \$23 billion in financial assets.

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